SHRIRAM PISTONS & RINGS LTD.

REGD. / H.O. : 3rd FLOOR, HIMALAYA HOUSE, 23, KASTURBA GANDHI MARG, NEW DELHI - 110 001

SHRIRAM

June 12, 2019

Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza,
Bandra Kurla Complex, Bandra (East)
Mumbai – 400051

ISIN No. INE526E01018

Company Symbol: SHRIPISTON

Sub: Annual Report 2018-19 and Intimation of Record Date

Sir,

The 55th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, 9th July, 2019 at 4:30 P.M. at PHD Chamber of Commerce and Industry, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016.

Pursuant to Regulation 34(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), we are enclosing Copy of Annual Report of F.Y. 2018-19 and Notice of AGM. The said Annual Report and AGM Notice is being dispatched to Members of the Company by permitted modes.

The Annual Report and AGM Notice are available on Company's website under the following links:-

Annual Report 2018-19	http://shrirampistons.com/investors-guide.html#parentVerticalTab2
AGM Notice	http://shrirampistons.com/investors-guide.html#parentVerticalTab30

Pursuant to Regulation 42 of Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from 03.07.2019 to 09.07.2019 (both days inclusive) for the purpose of determining entitlement of dividend, if any, declared by the Company to those members whose name stand on the Register of Members as on 09.07.2019. The dividend in respect of shares held in electronic form will be payable to the beneficial owners as at the end of business hours on 02.07.2019, as per the details furnished by the Registrar and Transfer Agent of the Company.

Thanking you,

Yours faithfully,

(R. Srinivasan)
Company Secretary

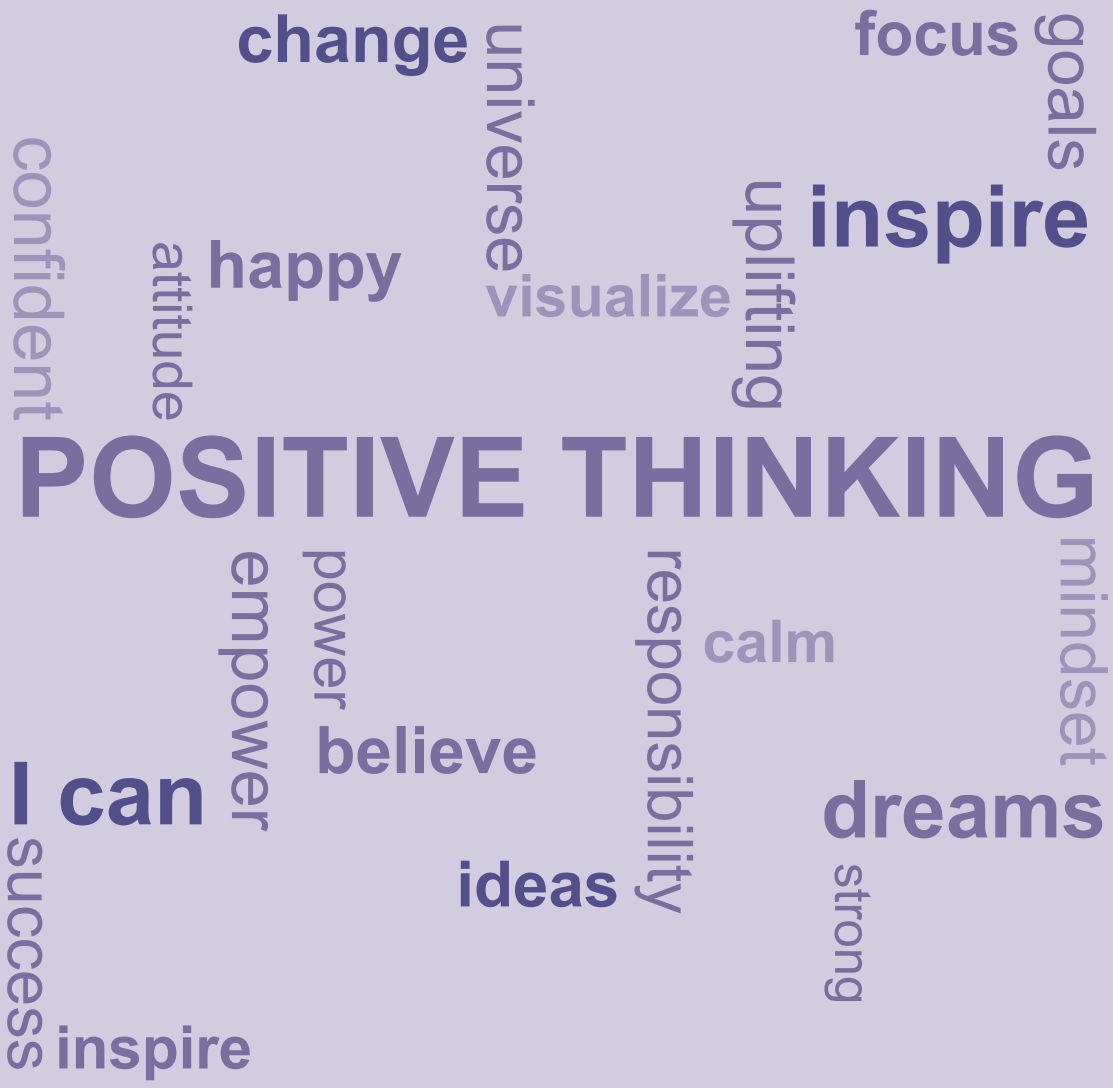
Encl: as above

PHONE : +91 11 2331 5941 Fax : +91 11 2331 1203 E-mail : spr.exports@shrirampistons.com Website : www.shrirampistons.com
PAN : AAACS0229G • CIN : L29112DL1963PLC004084

55th ANNUAL REPORT
2018-19

LEADERSHIP *through* PARTNERSHIP

SHRIRAM PISTONS & RINGS LTD.


change
universe
focus
goals
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uplifting
inspire
POSITIVE THINKING
power
empower
responsibility
calm
mindset
believe
I can
dreams
ideas
success
strong
inspire

Board of Directors

Shri Pradeep Dinodia	-	Chairman
Shri Hari S. Bhartia		
Smt. Ferida Chopra		
Smt. Meenakshi Dass		
Shri Ravinder Narain		
Dr. Peter Neu		
Shri C.Y. Pal		
Shri Alok Ranjan		
Shri M. Sekimoto		
Shri Inderdeep Singh		
Shri Kiyoto Tone		
Shri A.K. Taneja	-	Managing Director & CEO
Shri R. Srinivasan	-	Joint Managing Director
Shri Luv D. Shriram	-	Wholetime Director
Shri Ralf Buschbeck	-	Alternate Director to Dr. Peter Neu
Shri N. Okano	-	Alternate Director to Shri M. Sekimoto

Principal Executives

Shri A.K. Taneja	-	Managing Director & CEO
Shri R. Srinivasan	-	Joint Managing Director & Company Secretary
Shri Luv D. Shriram	-	Whole Time Director
Shri V.K. Jayaswal	-	Executive Director
Shri Devendra Mishra	-	Executive Director
Shri Jenender Anand	-	Executive Director
Shri Naveen Agarwal	-	Executive Director & Alternate Company Secretary
Shri Arun Kumar Shukla	-	Dy. Executive Director
Shri Vinod Raheja	-	Dy. Executive Director & CFO
Shri Rajan Nanda	-	Dy. Executive Director
Shri Sandeep Kalia	-	Dy. Executive Director
Ms. Poonam Bharti	-	Dy. Executive Director & Chief HR Officer
Shri Atul K. Khanapurkar	-	Dy. Executive Director

Advisors

Shri Anil Gadi
Shri Rakesh Anand
Shri P.S. Ladiwala

Technical Collaborators

KS Kolbenschmidt GmbH, Germany
Riken Corporation, Japan
Honda Foundry Co. Ltd., Japan
Fuji Oozx Inc., Japan

Statutory Auditors

M/s Deloitte Haskins & Sells, Gurgaon, Haryana

Registered Office

3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110 001

Bankers

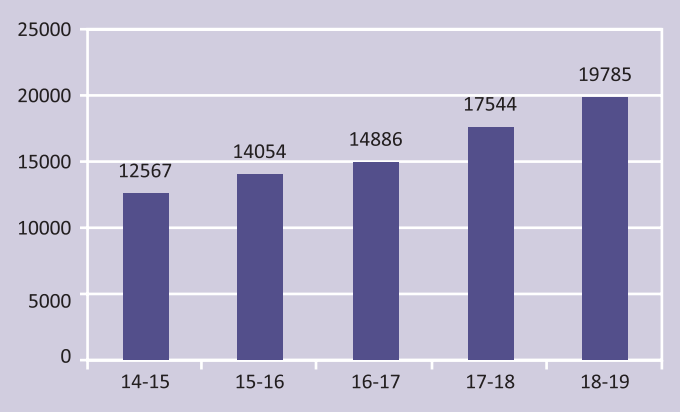
UCO Bank
State Bank of India
Corporation Bank
Axis Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited
Syndicate Bank

Works

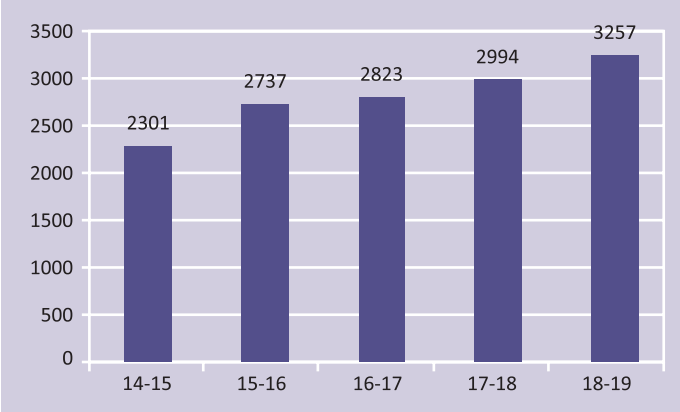
Industrial Area, Meerut Road, Ghaziabad (U.P.)
Industrial Area, Pathredi, District Alwar (Rajasthan)

WORKING RESULTS AT A GLANCE

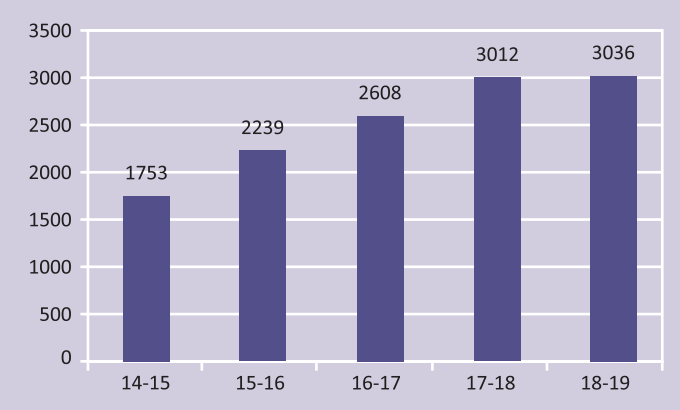
TOTAL INCOME (Mn/Rs.)



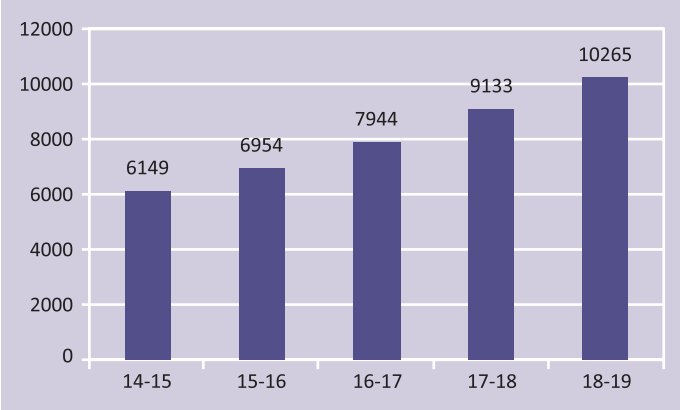
EXPORTS (Mn/Rs.)



GROSS PROFIT (Mn/Rs.)



NET WORTH (Mn/Rs.)



WORKING RESULTS AT A GLANCE

PARTICULARS		UNIT	YEAR ENDING MARCH									
			2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Paid-up Equity Share Capital		Mn/Rs.	**224**	224	224	224	224	224	224	224	224	224
Reserves & Surplus		Mn/Rs.	**10041**	8909	7720	6730	5925	5376	4780	4404	3677	2964
Net Worth		Mn/Rs.	**10265**	9133	7944	6954	6149	5600	5004	4628	3901	3188
Gross Fixed Assets		Mn/Rs.	**16907**	15355	14803	14159	13699	13312	12770	10745	8720	7466
Total Income - Value	- Total	Mn/Rs.	**19785**	17544	14886	14054	12567	11735	10615	10009	8400	7349
	- Export	Mn/Rs.	**3257**	2994	2823	2737	2301	2257	1818	1846	1492	1373
Profit before depreciation and taxes (PBDT) before OCI		Mn/Rs.	**3036**	3012	2608	2239	1753	2012	1578	1859	1758	1571
Profit before taxes (PBT) before OCI		Mn/Rs.	**2092**	2108	1709	1311	793	1006	699	1151	1171	1030
Profit after tax (PAT) before OCI		Mn/Rs.	**1384**	1389	1181	916	573	697	489	839	827	689
Equity Dividend	- Amount	Mn/Rs.	**270**	270	189	108	94	92	92	91	91	78
	- Rate	%	**100.0**	100.0	70.0	40.0	35.0	35.0	35.0	35.0	35.0	30.0

Notes:

1. Reserves & Surplus includes Revaluation Reserve of Rs. 97.68 Million as on 31.3.2019.
2. Gross Fixed Assets are stated at historical cost and include prepayment land leases.
3. Total Income is net of excise duty / goods and service tax.
4. Equity dividend (including dividend distribution tax) represents dividend declared / proposed for the respective financial year.
5. During the year, Shriram Automotive Products Ltd. amalgamated with the Company (appointed date 01.04.2018) and therefore the results of current year are not comparable with last year.

DIRECTORS' REPORT

The Directors have pleasure in presenting the 55th Annual Report, along with the audited accounts of the Company, for the year ended 31st March, 2019.

Financial & Operational Performance

Company's revenues from operations (without excise duty/ taxes) increased during the year from Rs. 17,294 Million to Rs. 19,549 Million. Gross Profit [before Other Comprehensive Income (OCI)] for the year, after all interest charges but before depreciation and taxes, were Rs. 3,036 Million compared to Rs. 3,012 Million of last year. Company's Gross Profit increased marginally from last year, despite increase in cost of commodities, severe liquidity crisis, huge pressure from OEMs to reduce prices and very difficult and volatile business conditions, especially in the second half of the year.

The summarized standalone and consolidated results of the Company are as under:

(Rs./ Million)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
Revenue from Operations – with Excise duty	19,549	17,743	19,549	17,743
– without Excise duty	19,549	17,294	19,549	17,294
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	3,175	3,176	3,175	3,176
Gross Profit (before OCI)	3,036	3,012	3,036	3,012
Depreciation	943	903	943	903
Profit Before Tax (before OCI)	2,092	2,108	2,092	2,108
Income Tax (including for earlier years)	708	720	708	720
Net Profit After Tax (before OCI)	1,384	1,389	1,384	1,389
Dividend including Dividend Distribution Tax	270	215	270	215
Amount transferred to General Reserve	613	750	613	750

During the year, Shriram Automotive Products Ltd. amalgamated with the Company with appointed date for amalgamation as 01.04.2018 (as detailed below) and therefore the results of current year are not comparable with last year.

Company's exports increased from Rs. 2,994 Million to Rs. 3,257 Million despite economic instability and sanctions in some important markets. Exports remain an important cornerstone in Company's strategy for sustainable growth and to pro-actively acquire deeper understanding of the technology, quality and service expectations of global OEMs operating in advanced automobile markets. We expect further growth in exports during the year 2019-20.

During the year, the Company has implemented low cost automation, interlinking of machines, and installation of robots in Foundry operations. These initiatives are expected to improve Operating Profit margins in future. In addition, to remain cost competitive, Company took various measures for cost reduction on a sustainable basis.

With a well-equipped Tech Centre and strong support from our Technology Partners, the Company has acquired key business for BS-6 models, which is expected to result in improvement in long term market share with OEMs in India. The Company is rapidly gearing up for the smooth ramp-up and commercial production of latest technology Pistons, Pins, Rings and Engine Valves for BS-6 engines.

Amalgamation of Shriram Automotive Products Ltd. with the Company

The Hon'ble National Company Law Tribunal, vide its order dated 05.03.2019, approved the Scheme of Amalgamation ("Scheme") of Shriram Automotive Products Ltd. ("SAPL") with the Company, with appointed date for amalgamation as 01.04.2018. The amalgamation was effectuated on 29.03.2019.

Accordingly, Financial Results of the Company as given above include the operational results of SAPL for F.Y. 2018-19 also.

Pursuant to the approval of the Scheme, the authorized share capital of SAPL stands transferred to and added with the authorized share capital of the Company and stands enhanced to Rs. 825 Million. Further, as part consideration, the Company has issued

28,85,760 Nos. 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each redeemable at par to the equity shareholders of SAPL.

Dividend

The Directors, in their meeting of May 10, 2019, have recommended that:

- Preference Shareholders be paid dividend at the stipulated rate of 4.2% per share on the 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each, on a pro-rata basis, from the date of allotment of shares i.e. 30.03.2019. The aggregate amount of dividend works out to Rs. 0.0230137 per share for the year.
- Equity shareholders be paid dividend of Rs. 10.00 per share for the year, inclusive of Rs. 4.00 per share already paid.

New projects and Capacity Expansion

The Board of Directors of the Company have approved purchase of land for setting up 3rd Plant considering long term sustainable growth plans.

The Company also decided to set up a Centre of Excellence for Surface Treatment, with significant improvements in operations in line with our Collaborators' practice.

Amalgamation of Shriram Automotive Products Limited with the Company will strengthen the product portfolio and will lead to increase in sales by leveraging marketing/distribution strength in Domestic & Exports After Market.

Company is identifying various projects for diversification of its product portfolio, for continuous growth in sales and to minimize the impact of electric mobility in some segments.

Change in nature of business

During F.Y. 2018-19, there was no change in nature of Company's business.

Material changes and commitment

No material change and/ or commitment affecting the financial position of the Company has occurred between between April 1, 2019 and the date of signing of this Report.

Subsidiary Company and its Annual Accounts

There was no operation in the Subsidiary Company, M/s SPR International Auto Exports Limited, during the year. Annual accounts of the Subsidiary Company are available on Company's website and shall also be kept for inspection by any member in the Head Office and Registered Office. Hard copy of Annual Accounts of Subsidiary Company would also be made available to members seeking such information.

In accordance with the Indian Accounting Standard (Ind AS-110) on consolidated financial statements, the consolidated financial statements are attached, which form part of the Annual Report.

During the year, no company has become or ceased to be Company's Subsidiary, Joint Venture or Associate Company.

Board Meetings

During the year, 7 meetings of Board of Directors were held, details of which have been provided in the Report on Corporate Governance, Annexure-I to this Report.

Audit Committee

As on 31.03.2019, members of the Audit Committee of the Company are Shri Inderdeep Singh (Chairman), Shri Ravinder Narain, Shri C.Y. Pal and Shri Pradeep Dinodia.

During the year, the Board has accepted all recommendations made by the Audit Committee.

Whistle Blower Policy

The Company has a Whistle Blower Policy for Directors, Employees and Stakeholders to report any kind of misuse of Company's properties, mismanagement or wrongful conduct prevailing/executed in the Company. As per the policy, all Whistle Blowers are granted access to Chairman of the Audit Committee in appropriate cases.

Nomination and Remuneration Policy

The Nomination and Remuneration Committee (NRC) of Board has formulated a Nomination and Remuneration Policy for remuneration of Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company.

The Nomination and Remuneration Policy covers the criteria for appointment of Directors (including Independent Directors), KMPs and SMPs. The Policy also covers the criteria for remuneration.

The level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate Directors, KMPs, SMPs and employees at all levels. It shall be determined taking into account the factors such as Company's performance and the remuneration structure as generally applicable in the industry.

The Directors affirm that remuneration paid to all Directors, KMPs, SMPs and all other employees is as per the remuneration policy of the Company.

In accordance with the amendments in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board, in its meeting held on 02.02.2019, revised the Nomination & Remuneration Policy, effective from 01.04.2019, by amending the definition of SMP and inclusion of recommendation of remuneration payable to KMP and SMP by NRC to the Board.

Nomination and Remuneration Policy of the Company is available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide".

As on 31.03.2019, numbers of permanent employees on rolls of the Company are 4,398.

Related Party Transactions

The Company's contract/arrangements with the related parties are in the ordinary course of business and on arm's length basis. Thus, provisions of Section 188(1) of the Companies Act, 2013 are not applicable. During the year, the Company has not entered into any contract/ arrangement/ transaction with related parties which could be construed to be "material" in accordance with the "Policy for determining material Related Party Transactions" approved by the Board. Details of all transactions with related parties are given in Note No. 33 of Notes forming part of Financial Statements.

The Company has complied with the Accounting Standards on Related Party Transactions.

Internal Financial controls and their adequacy

The Company has appointed M/s Ernst & Young and M/s KPMG as its Internal Auditors, in addition to in-house team. The Internal Control System is commensurate with the size, scale and complexity of Company's operations. The Internal Auditors report to the Chairman of the Audit Committee.

The Internal Audit teams monitor and evaluate the efficacy and adequacy of internal control systems in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company. Based on their reports, the corrective actions in respective areas are taken to strengthen the controls and significant audit observations and corrective actions thereon are presented to the Audit Committee.

Annexures to Directors' Report

Following reports which form an integral part of Directors' report are enclosed: -

1. Report on "CORPORATE GOVERNANCE" - as per Annexure – I
2. Report on "MANAGEMENT DISCUSSION AND ANALYSIS" - as per Annexure – II
3. Report on "CONSERVATION OF ENERGY", "TECHNOLOGY ABSORPTION" and "FOREIGN EXCHANGE EARNING & OUTGO" – as per Annexure - III
4. Data of "EMPLOYEES" – as per Annexure – IV
5. "DETAILS AND ANNUAL REPORT ON CSR" – as per Annexure – V
6. "SECRETARIAL AUDIT REPORT" – as per Annexure – VI
7. "SALIENT FEATURES OF SUBSIDIARY COMPANY" – as per Annexure-VII

Disclosures on Company's website

Company is committed to good corporate governance practice and corporate social responsibility. In line with the Company's principles/ commitment, the following policies/ programmes are in place and are available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide":

1. Corporate Social Responsibility (CSR) Policy,
2. Vigil Mechanism/ Whistle Blower Policy,
3. Company's policy on dealing with Related party transactions,
4. Nomination and Remuneration Policy,
5. Familiarization programmes for Independent Directors,
6. Policy for distribution of Dividend, and
7. Extract of Annual Return of the Company

Directors' Responsibility Statement:

The Directors confirm that: -

1. in the preparation of the annual accounts, the applicable Accounting Standards issued by the Institute of Chartered Accountants of India and requirements of Companies Act have been followed and there are no material departures from the same.
2. appropriate accounting policies have been selected and applied consistently, and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2019 and of the profit of the Company for the same year.
3. 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.
4. the annual accounts have been prepared on a going concern basis.
5. internal financial controls are followed by the Company and are adequate and operating effectively.
6. proper and adequate systems have been devised to ensure compliance with provisions of all applicable laws and such systems are adequate and operating effectively.

Other Disclosures:

1. During the year, no fraud has been reported by the Statutory Auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013.
2. No orders were passed by the Regulators or Courts or Tribunals which could impact going concern status and Company's operations in future.
3. There are no disqualifications, reservations or adverse remarks or disclaimers in the Statutory Auditors' and Secretarial Auditors' Report.
4. No Director of the Company is receiving commission from the Company and also from its Subsidiary Company.
5. Company has not given any loans, guarantees or made investments under section 186 of the Companies Act, 2013.
6. The Company has complied with applicable Secretarial Standards on Board Meetings and General Meetings.
7. The Company has not issued any of the following:
   i) Equity Shares with differential rights,
   ii) Sweat Equity Shares
   iii) Shares issued pursuant to Employee Stock Option Scheme or Employee Stock Purchase Scheme
8. During the year, the Company has not bought back any Shares.

Fixed Deposits

Fixed deposits amounting to Rs. 287 Million were accepted during the year and deposits amounting to Rs. 13 Million pertaining to 48 depositors remained unclaimed/ unpaid at the close of the year. During the year, there was no default in repayment of deposits and interest thereon. Deposits accepted by the Company are in compliance with requirements of Chapter V of the Companies Act, 2013.

Investor Education and Protection Fund

The amount lying in unpaid dividend accounts of last seven years is Rs. 0.53 Million which is due to be transferred to the Investor Education and Protection Fund on 19.07.2019. Amount transferred to the Investor Education and Protection Fund during the year is Rs. 0.10 Million.

Disclosures w.r.t. shares lying in IEPF Account:

S. No.	Particulars	No. of Shareholders	No. of Shares
1	Aggregate number of Shareholders and the outstanding shares in the IEPF Authority account lying at the beginning of the year	10	14,752
2	Number of Shareholders who approached the Company for transfer of shares from IEPF Authority account during the year	NIL	NIL
3	Number of Shareholders to whom shares were transferred from IEPF Authority account during the year	NIL	NIL
4	Aggregate number of Shareholders and the outstanding shares in the IEPF Authority account lying at the end of the year	11	14,800

Notes:

1. During the year, 48 Nos. Shares pertaining to one shareholder were transferred to IEPF Authority Account.
2. The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

Maintenance of Cost Records and Cost Audit

As specified by the Central Government, the Company is required to maintain Cost Records and get these records audited by a Cost Accountant.

The Company is maintaining Cost Records. Cost Audit Report of the Company for the year ended 31st March, 2018, duly audited by M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi, was submitted to the Ministry of Corporate Affairs, Government of India on 10th August, 2018 before the due date of 3rd September, 2018.

Details of CSR Activities undertaken by the Company

During the year, Company has spent Rs. 48.10 Million on various CSR activities against the requirement of Rs. 36.24 Million, as per the provisions of the Companies Act, 2013. Details of initiatives taken by the Company during the year in CSR activities and composition of CSR Committee are provided in Report on CSR Activities undertaken by the Company in 2018-19, Annexure-V to this Report.

Risk Management Framework

The Company has developed and implemented Risk Management Policy including identification of elements of risk, if any, which in the opinion of the Board may threaten the existence of the Company. The Company has also constituted a “Risk Management Committee”. As on 31.03.2019, Members of the Committee are Shri Pradeep Dinodia (Chairman), Shri C.Y. Pal, Shri Inderdeep Singh, Shri A. K. Taneja, Shri R. Srinivasan, Shri Luv D. Shriram and Smt. Meenakshi Dass.

Disclosure under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

The Company has complied with provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company has in place a Policy on prevention of sexual harassment at workplace. The Company has also constituted Internal Complaints Committees under the Act. No complaint was received/ pending under the above Act during the year.

Changes in Directors/ KMPs during the year and Appointment/ Re-appointment of Directors in the ensuing AGM

Dr. Alexander Sagel and Shri Toru Suzuki, Directors of the Company, resigned from the Board due to personal reasons with effect from 30th April, 2018 and 7th May, 2018 respectively. The Board appreciated their significant contribution to the Company & in Board deliberations and the services rendered.

The Board, in its meeting of May 22, 2018, appointed Dr. Peter Neu as Non-Executive Director in the casual vacancy caused due to resignation of Dr. Alexander Sagel & Shri Ralf Buschbeck as Alternate Director to Dr. Peter Neu and Shri Kiyoto Tone as Independent Director in the casual vacancy caused due to resignation of Shri Toru Suzuki. Re-appointment of Dr. Peter Neu and Shri Kiyoto Tone was approved by Shareholders in the Annual General Meeting (AGM) held on 10.07.2018.

The Board, in its meeting held on 30.03.2019, appointed Shri Alok Ranjan and Smt. Ferida Chopra as Additional (Non- Executive Independent) Directors of the Company, whose appointment shall be subject to Shareholders' approval in the forthcoming AGM.

The Shareholders have also given their consent through special resolution for continuation of Directorship of Shri C.Y. Pal and Shri Ravinder Narain as Non-Executive Independent Director of the Company, up to the expiry of their present term of office i.e. upto 28th July, 2019 (as approved by Members in the AGM held on 29th July, 2014) or upto the conclusion of the 55th AGM to be held in the year 2019, whichever is earlier.

Shri C.Y. Pal and Shri Ravinder Narain have expressed their desire not to seek re-election, therefore, they will retire at the end of their current term. The Board appreciated their long association, significant contribution to the Company & in the Board deliberations and the services rendered by Shri Ravinder Narain and Shri C.Y. Pal as Directors of the Company.

Shri Inderdeep Singh and Shri Kiyoto Tone were appointed by the Shareholders in the AGM held on 29.07.2014 and 10.07.2018 respectively and their current term is valid till 28.07.2019. The Board, in its meeting held on 10.05.2019, has decided to re-appoint Shri Inderdeep Singh and Shri Kiyoto Tone for a further period of five years, subject to approval of Shareholders in the ensuing AGM.

Shri A.K. Taneja, Managing Director & CEO, was appointed by the Shareholders in their meeting held on 29.07.2014 and his term was valid till 31.03.2019. Shri Luv D. Shriram, Whole time Director, was appointed by the Shareholders in their meeting held on 29.07.2014 and his term is valid till 04.05.2019.

The Board, in its meeting held on 30.03.2019, has decided to re-appoint Shri A. K. Taneja as Managing Director & CEO w.e.f. 01.04.2019 till 31.03.2022 and Shri Luv D. Shriram as Whole time Director w.e.f. 05.05.2019 till 04.05.2024, subject to approval of Shareholders.

Smt. Meenakshi Dass and Shri Pradeep Dinodia, Directors, retire by rotation and being eligible, offer themselves for re-appointment.

Brief resume and other details of all Directors seeking appointment/re-appointment are given in the 'Notice of the Annual General Meeting'.

Declarations from Independent Directors

Shri C.Y. Pal, Shri Ravinder Narain, Shri Inderdeep Singh, Shri Kiyoto Tone, Shri Alok Ranjan and Smt. Ferida Chopra are Independent Directors of the Company and have given the declarations to the Board that they meet the criteria of independence, as provided under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Performance evaluation of Board, its Committees and Individual Directors

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out an annual performance evaluation of its own performance, evaluation of the working of its Committees and the Directors individually. The manner in which the evaluation has been carried out has been explained in Report on Corporate Governance, Annexure-I to this Report.

Appreciation

The Directors place on record their appreciation of the support extended to the Company by the Collaborators, the Bankers, its business associates and their appreciation of the work of all ranks of Company's personnel during the year.

On behalf of the Board

New Delhi
May 10, 2019

(PRADEEP DINODIA)
CHAIRMAN
DIN: 00027995

ANNEXURE - I TO DIRECTORS' REPORT

REPORT ON CORPORATE GOVERNANCE

1.0) The Company has been following Good Corporate Governance practices. The corporate goals of the Company are to optimize Shareholders' value while ensuring operational accountability and total transparency in all its operations.

2.0) As on 31.03.2019, the Company had 3 Executive and 11 Non-Executive Directors. Out of 11 Non-Executive Directors, 6 Directors are Independent.

2.1) Data of Directors' attendance, Directorship in other Companies and membership in Board Committees is as under:-

Directors	See Note	Category of Directors	Attendance at		Directorship in other Indian Public Ltd. Cos. as on 31.3.2019 (Ref. Note No. 3)	Board Committee Membership in other Indian Public Ltd. Cos. as on 31.3.2019 as (Refer Note No. 4)	
			Board Meetings during Y.E. March 2019	Last AGM		Member	Chairman
Non-Executive Directors:							
Shri Pradeep Dinodia			7	Yes	5	2	5
Shri Hari S. Bhartia			1	No	2	-	-
Smt. Ferida Chopra	1	Independent	1	N.A.	-	-	-
Smt. Meenakshi Dass	2	Promoter	7	Yes	2	-	-
Shri Ravinder Narain		Independent	6	Yes	1	1	-
Dr. Peter Neu			2	No	-	-	-
Shri Ralf Buschbeck (Alternate to Dr. Peter Neu)			1	No	-	-	-
Shri C.Y. Pal		Independent	6	Yes	1	-	1
Shri Alok Ranjan	1	Independent	1	N.A.	2	-	-
Shri M. Sekimoto			4	Yes	-	-	-
Shri Noritada Okano (Alternate to Shri M. Sekimoto)			-	No	-	-	-
Shri Inderdeep Singh		Independent	6	Yes	1	-	1
Shri Kiyoto Tone		Independent	4	No	-	-	-
Executive Directors:							
Shri A.K. Taneja (Managing Director)			7	Yes	1	-	-
Shri R. Srinivasan (Jt. Managing Director)			7	Yes	-	-	-
Shri Luv D. Shriram (Wholetime Director)	2	Promoter	7	Yes	1	-	-

Notes:

1. Appointed as Additional (Non-Executive Independent) Director by the Board in its meeting held on 30th March, 2019 subject to the approval of Shareholders in the ensuing Annual General Meeting.
2. Shri Luv D. Shriram and Smt. Meenakshi Dass are related to each other.
3. Directorships in other Companies of Directors exclude Companies formed under Section 8 of the Companies Act, 2013.
4. For calculating Board Committee membership/chairmanship, only Audit Committee and the Stakeholders' Relationship Committee membership/chairmanship of Indian Public Limited Companies has been considered.
5. As on 31.03.2019, there is no Nominee Director on the Board of the Company.
6. Dr. Alexandar Sagel (Non-Executive Director) and Shri Toru Suzuki (Independent Director) have resigned from the Board of Directors on 30.04.2018 and 07.05.2018 respectively.

2.2) List of listed companies where Directors are also Directors and category of directorship.

Name of Director	Name of Listed Company	Category of Directorship
Shri Pradeep Dinodia	DFM Foods Limited	Independent Director
	DCM Shriram Limited	Independent Director
	Hero Motocorp Limited	Independent Director
	JK Lakshmi Cement Ltd.	Independent Director
Shri Hari S. Bhartia	Jubilant Life Sciences Ltd.	Executive Director
	Jubilant Food Works Limited	Non-Executive Director
Shri Ravinder Narain	DCM Shriram Industries Ltd.	Independent Director
Shri C.Y. Pal	United Breweries Limited	Independent Director
Shri Inderdeep Singh	Deltron Limited	Non-Executive Director

2.3) During the year, 7 Meetings of Board of Directors' were held as under:-

- 22nd May, 2018
- 10th July, 2018
- 04th August, 2018
- 03rd November, 2018
- 02nd February, 2019
- 16th March, 2019
- 30th March, 2019

A separate meeting of Independent Directors was held on 30th March, 2019 which was attended by all the Independent Directors.

2.4) Shri Luv D. Shriram and Smt. Meenakshi Dass are related to each other and are Promoters of the Company.

2.5) Shareholding of Non-Executive Director

Smt. Meenakshi Dass
-33,35,668 Equity shares held jointly as 1st holder
-33,35,668 Equity shares held jointly as 2nd holder
} (In capacity of Trustee – Shares belong to Deepak Shriram Family Benefit Trust)

-11,46,100 Equity shares
- 24 Preference Shares

2.6) Details related to Familiarization Programmes imparted to Independent Directors are disclosed under the Company's website viz. www.shrirampistons.com under "Investor's Guide".

2.7) List of Core skills/ expertise/ competence in the context of Company's business and sectors for it to function effectively:

The Company operates in Automotive Components' segment. List of Core skills/ expertise/ competence required by the Directors in order to discharge their duties effectively are:

- Technical knowledge of the Industry in which the Company operates
- Knowledge of finance, law, management, sales, marketing, administration, research and corporate governance.

The Board of Directors of Company is diversified and possesses all the above skills.

2.8) Board is of the opinion that, the Independent Directors fulfills the conditions specified under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the Management.

2.9) Shri Toru Suzuki, Independent Director of the Company, resigned from the Board of Directors w.e.f. 07.05.2018 citing personal reasons.

3.0) The Company has an Audit Committee in line with provisions of Regulation 18 of SEBI (LODR) Regulations, 2015 and Section 177 of the Companies Act, 2013

3.1) The Audit Committee has the following terms of reference, interalia:

- Oversight of financial reporting process
- Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company
- Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors
- Reviewing, with the Management, the annual Financial Statements and Auditor's Report
- Review and monitor the Auditor's independence & performance and effectiveness of audit process
- Review the functioning of the Whistle Blower mechanism

3.2) As on 31.03.2019, the Audit Committee comprises of four Directors – Shri Inderdeep Singh (Chairman), Shri C.Y. Pal and Shri Ravinder Narain, all of whom are Independent Directors and Shri Pradeep Dinodia, who is a Non-Executive Director. Shri R. Srinivasan, Company Secretary is also the Secretary to the Audit Committee.

3.3) During the year, 4 Meetings of the Audit Committee were held as under :-

- 22nd May, 2018
- 4th August, 2018
- 3rd November, 2018
- 2nd February, 2019

3.4) Attendance at Audit Committee Meetings was as under:-

Directors	Attendance
Shri Inderdeep Singh (Chairman)	4
Shri C.Y. Pal	3
Shri Ravinder Narain	3
Shri Pradeep Dinodia	4
Note: Shri Pradeep Dinodia is a practicing Chartered Accountant and all other members of the Audit Committee also have good exposure to financial matters.	

3.5) The last Annual General Meeting of the Company was held on 10th July, 2018 and was attended by Shri Inderdeep Singh, the Chairman of the Audit Committee.

4.0) The Company has a Nomination and Remuneration Committee and has the following terms of reference interalia:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of 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;
- Identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- Re-appointment of the Independent Directors, on the basis of performance evaluation report.
- Recommendation to the Board, all remuneration, in whatever form payable, to the Senior Management.
- Recommend for Board's consideration, the appointment of Directors, KMPs and Senior Management Personnel and their remuneration.

4.1) It comprises of 4 Directors – Shri Ravinder Narain (Chairman), Shri Inderdeep Singh and Shri C.Y. Pal, all of whom are Independent Directors and Shri Pradeep Dinodia, who is a Non-Executive Director.

4.2) During the year, meeting of Nomination & Remuneration Committee was held on 16.03.2019, which was attended by all members of the Committee, except Shri Inderdeep Singh.

4.3) Nomination and Remuneration Committee has devised a performance evaluation criteria for Independent Directors and the Director being assessed on the following basis:

- Ethical standards of integrity and probity
- Implementation of best corporate governance practices in the Company
- Attendance and participation in the meetings
- Raising of concerns to the Board
- Safeguarding of confidential information
- Rendering independent, unbiased opinion and resolution of issues
- Initiative in terms of new ideas and planning for the Company
- Safeguarding interest of whistle-blowers under vigil mechanism
- Timely inputs on the minutes of the meetings of the Board and Committees, if any

5.0) Remuneration of Non-Executive Directors is approved by the Board of Directors.

Non-Executive Directors were paid Sitting fees of Rs. 50,000 for every meeting of the Board or any Committee of the Board attended till 04.08.2018.

Board, in its meeting held on 03.11.2018, had revised the Sitting fees to Rs. 1,00,000 for every meeting of the Board and Audit Committee w.e.f. 03.11.2018. Fees for other Committees remained unchanged.

5.1) Commission of up to 1% of the Net Profits of the Company is paid to Non-Executive Directors as determined by the Board. This is as approved by the shareholders in Annual General Meeting of 26th June, 2015. The fees and commission paid/ provided to Non-Executive Directors for the year ended 31st March, 2019 is as under:-

(Rs./ Million)

Directors	Sitting Fees for Board and Committee meetings paid during the year	Commission
Shri Pradeep Dinodia (Chairman)	0.95	13.37
Shri Hari S. Bhartia	0.10	0.2
Smt. Ferida Chopra	0.10	0.2
Smt. Meenakshi Dass	0.60	1.18
Shri Ravinder Narain	0.75	1.18
Shri C.Y. Pal	0.80	1.18
Dr. Peter Neu	0.15	1.18
Shri Ralf Buschbeck (Alternate to Dr. Peter Neu)	0.10	-
Shri Alok Ranjan	0.10	0.2
Shri M. Sekimoto	0.30	1.18
Shri Noritada Okano (Alternate to Shri M. Sekimoto)	-	-
Shri Inderdeep Singh	0.80	1.18
Shri Kiyoto Tone	0.35	1.18

5.2) Remuneration paid / provided to Managing Director and Whole-time Directors for the year ended 31st March, 2019 is as under: -

(Rs./ Million)

Directors	Salary	Commission	Company's Contribution to funds*	Perquisites and allowances	Total	Contract Period
Shri A.K. Taneja# (Managing Director)	6.00	30.62	1.91	4.95	43.48	1st April, 2014 to 31st March, 2019
Shri R. Srinivasan (Jt. Managing Director)	4.80	22.96	1.53	3.58	32.87	1st February, 2016 to 31st January, 2021
Shri Luv D. Shriram# (Whole Time Director)	5.95	26.02	0.002	3.38	35.35	5th May, 2014 to 4th May, 2019

Notes:

1. The notice period is six months, on either side.
2. In the event of termination of appointment, compensation will be paid in accordance with the provisions of the Companies Act, 2013.
3. Performance criteria for determining commission is Gross profit (Profit before depreciation and tax).
4. The Company does not have a scheme of stock options.

*5. Aggregate of the Company's contribution to Provident Fund, Superannuation Fund & Gratuity Fund.

#6. In addition to the above, Shri A.K. Taneja and Shri Luv D. Shriram had received sitting fees of Rs. 0.08 Million and Rs. 0.06 Million respectively for attending Board/Committee Meetings of Shriram Automotive Products Ltd. which has amalgamated with the Company with appointed date of 01.04.2018.

6.0) The Company has a "Stakeholders' Relationship Committee". As on 31.03.2019, this Committee comprises of Shri Inderdeep Singh (Chairman), who is an Independent Director and Shri Pradeep Dinodia, who is a Non-Executive Director. Shri R. Srinivasan, Joint Managing Director and Company Secretary, is also the Compliance Officer.

6.1) No stakeholder's complaint was received during the year 2018-19. No stakeholder's complaint was pending at the beginning/ closing of the financial year 2018-19.

7.0) Date, Venue and Time for the last three Annual General Meetings (AGM) is as under: -

FINANCIAL YEAR	VENUE	DATE	TIME	SPECIAL RESOLUTION PASSED
2015-16	Shangri-La's-Eros Hotel, New Delhi	25.06.2016	4:30 p.m.	No Special Resolution was passed during the year
2016-17	Hotel The Lalit, New Delhi	07.07.2017	4:30 p.m.	No Special Resolution was passed during the year
2017-18	PHD Chamber of Commerce and Industry, New Delhi	10.07.2018	4:30 p.m.	No Special Resolution was passed during the year

7.1) Special Resolutions passed during the financial year 2018-19 through postal ballot and e-voting are as under:

7.1.1) Pursuant to the Order dated 03.10.2018 passed by Hon'ble National Company Law Tribunal Principal Bench, Delhi ("NCLT"), a meeting of Equity Shareholders was held on 21.11.2018 at 11:00 AM at PHD Chamber of Commerce and Industry, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi -110016 for the approval of Scheme of Amalgamation of Shriram Automotive Products Limited with Shriram Pistons & Rings Limited (''Scheme'').

Procedure for Postal Ballot:

i) Notice of Meeting along with Postal Ballot Form was sent to the Members holding shares as on 03.08.2018, being the cut-off date, to their registered e-mail addresses with the Company and with their Depository Participants and physical copies of the Postal Ballot Notice along with Postal Ballot Form and a self-addressed postage pre-paid envelope was sent to their registered address whose e-mail addresses are not registered with the Company on 17.10.2018.

ii) Shri Rakesh Khanna, Advocate, Ms. Prachi Johri, Advocate and Shri Tejinder Parkash, Practicing Chartered Accountant (Membership No. 089388), were appointed as Chairperson, Alternate Chairperson and Scrutinizer respectively by the NCLT vide order dated 03.10.2018 for conducting Postal Ballot and e-Voting at the meeting.

iii) Voting through the Postal Ballot commenced at 9.00 a.m. on 19.10.2018 and closed at 5.00 p.m. on 18.11.2018.

iv) A Member desiring to exercise his/ her vote by Postal Ballot is required to complete the Postal Ballot Form & sign and send in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer, Shri Tejinder Parkash, basis which, the Scrutinizer has given his report to the Chairman of meeting, Shri Rakesh Khanna.

v) Basis the report given by the Scrutinizer, the resolution was passed with requisite majority.

vi) Voting Result (announced on 27.11.2018 by the Chairman) is as under:

Resolution No.	Total No. of Votes cast through	Total No. of Valid Votes	No. of Invalid Votes	Votes cast in Favour of Resolution		Votes cast against the Resolution		Voting Result
				No. of Votes	% of Votes	No. of Votes	% of Votes	
1	Postal Ballot	46,92,058	-	46,92,058	100.00	-	-	Passed
	E-Voting	1,60,16,394	-	1,60,16,394	100.00	-	-	
	Poll	6,384	12	6,261	98.07	123	1.93	
	Total	**2,07,14,836**	**12**	**2,07,14,713**	**99.999**	**123**	**0.001**	

7.1.2) Members' consent was sought through Postal Ballot for following purposes:

Resolution No. 1:

Continuation of Directorship of Shri C.Y. Pal (DIN: 00106536), aged about 82 Years, as a Non-Executive Independent Director of the Company, up to the expiry of his present term of office i.e. upto 28th July, 2019 (as approved by Members in the Annual General Meeting held on 29th July, 2014) or upto the conclusion of the 55th AGM to be held in the Year 2019, whichever is earlier.

Resolution No. 2:

Continuation of Directorship of Shri Ravinder Narain (DIN: 00059197), aged about 82 Years, as a Non-Executive Independent Director of the Company, up to the expiry of his present term of office i.e. upto 28th July, 2019 (as approved by Members in the Annual General Meeting held on 29th July, 2014) or upto the conclusion of the 55th AGM to be held in the Year 2019, whichever is earlier.

Procedure for Postal Ballot:

i) The Postal Ballot notice along with Postal Ballot Form was sent to the Members holding shares as on 26.02.2019, being the cut-off date in electronic form who have registered their e-mail addresses with the Company and with their Depository Participants and physical copies of the Postal Ballot Notice along with Postal Ballot Form and a self-addressed postage pre-paid envelope whose e-mail addresses are not registered with the Company on 27.02.2019.

ii) A Member desiring to exercise his/ her vote by Postal Ballot is required to complete the Postal Ballot Form & sign and send in the enclosed self-addressed postage pre-paid envelope to the Scrutinizer, Shri Deepak Juneja, basis which, the Scrutinizer has given his report to the Chairman.

iii) Shri Deepak Juneja, Practicing Company Secretary (CP No. 4371) was appointed as the Scrutinizer for the Postal Ballot and e-Voting. All the resolutions were passed with requisite majority.

iv) Voting Results (announced on 02.04.2019 by the Chairman) are as under:

Resolution No.	Total No. of Votes cast through	Total No. of Valid Votes	No. of Invalid Votes	Votes cast in Favour of Resolution		Votes cast against the Resolution		Voting Result
				No. of Votes	% of Votes	No. of Votes	% of Votes	
1	Postal Ballot	44,78,851	-	44,78,851	100.00	-	-	Passed
	E-Voting	1,52,86,645	-	1,52,86,631	99.99	14	0.01	
	Total	**1,97,65,496**	**-**	**1,97,65,482**	**99.99**	**14**	**0.01**	
2	Postal Ballot	44,78,851	-	44,78,851	100.00	-	-	Passed
	E-Voting	1,52,86,645	-	1,52,86,631	99.99	14	0.01	
	Total	**1,97,65,496**	**-**	**1,97,65,482**	**99.99**	**14**	**0.01**	

7.2) No Special Resolution is proposed to be conducted through postal ballot.

7.3) As required, Shareholders, in the Annual General Meeting held on 10.07.2018, had voted through remote e-voting and voting at AGM venue on resolutions given in the notice. Shri Deepak Juneja, Practicing Company Secretary, was appointed as the Scrutinizer for the poll. All the resolutions were passed with requisite majority.

8.0) Quarterly results are published in "Financial Express" and "Jansatta". The Quarterly results and official news are also displayed on Company's website viz. www.shrirampistons.com under "Investor's Guide". No presentations were made to institutional investors or to the analysts.

9.0) General Information for Shareholders:-

(i) **55th Annual General Meeting**

The 55th Annual General Meeting of the Company will be held on Tuesday, 9th July, 2019 at 4:30 PM. at PHD Chamber of Commerce and Industry, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi – 110016.

(ii) **Financial Year of the Company**

Financial Year of the Company commences on 01st April and ends on 31st March. The four Quarters of the Company ends on 30th June, 30th September, 31st December and 31st March respectively.

(iii) **Date of book closure**

The Register of Members and the Share Transfer Books of the Company will remain closed from 3rd July, 2019 to 9th July, 2019 (both days inclusive).

(iv) **Date of Dividend Payment**

Dividend will be paid on or after 9th July, 2019 (Date of AGM).

(v) **Listing of Shares on Stock Exchange**

The Equity shares of Company are listed on 'National Stock Exchange of India Limited'(NSE), having its office at Exchange Plaza, C-1, Block-G, Bandra-Kurla Complex, Bandra (E) Mumbai.

(vi) **Annual Listing Fees**

Annual Listing fees for the FY 2019-20 has been paid to NSE.

(vii) **Stock Code**

The Stock Code of the Company is **SHRIPISTON** and ISIN No. is INE526E01018.

(viii) **Market Price Data and performance in comparison to NSE Nifty 50 Index**

Share price data for 2018-19 (in Rs.)

(Equity Shares of Rs. 10 each Paid Up Value)

Month	Total Volume (No. of shares)	Company's share price		NSE Nifty 50 index	
		High	Low	High	Low
April, 2018	13,095	1,698	1,490	10,759	10,111
May, 2018	6,798	1,732	1,493	10,929	10,418
June, 2018	4,850	1,560	1,372	10,893	10,551
July, 2018	9,002	1,593	1,316	11,366	10,605
August, 2018	8,564	1,582	1,375	11,760	11,235
September, 2018	60,138	1,504	1,243	11,752	10,850
October, 2018	15,484	1,340	1,104	11,036	10,005
November, 2018	2,909	1,277	1,108	10,922	10,342
December, 2018	4,789	1,200	1,120	10,985	10,334
January, 2019	6,824	1,184	955	10,987	10,584
February, 2019	3,477	1,058	910	11,118	10,586
March, 2019	65,983	1,134	960	11,630	10,817

(ix) The Securities of the Company has not been suspended from trading.

(x) **Registrar and Transfer Agents**

M/s Alankit Assignments Ltd., having Corporate office at Alankit House, 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi – 110 055, Telephone number – 42541234 and Fax number - 42541201 are Registrar & Share Transfer Agents (RTA) of the Company who handle share transfer work in Physical and Electronic mode.

(xi) **Share Transfer System**

Securities lodged at the Registrar's address are normally processed within 15 days from the date of lodgment, if documents are complete in all respects. All requests for dematerialization are processed and the confirmation is given to the Depositories within 15 days.

(xii) **Distribution of Shareholding as on 31.03.2019**

Class of Shares	Shares Held	Upto 500	501-1000	1001-2000	2001-3000	3001-4000	4001-5000	5001-10000	10001 and above	Total
Equity	Shareholders-Nos.	2,149	20	23	6	2	-	5	16	2,221
	Shareholding-%	0.34	0.06	0.14	0.06	0.03	-	0.18	99.19	100
Preference	Shareholders-Nos.	5	-	-	-	-	-	-	3	8
	Shareholding-%	0.004	-	-	-	-	-	-	99.996	100

(xiii) **Category-wise Distribution of Shareholding as on 31.03.2019**

S. No.	Category of Shareholder	Equity Shares		Preference Shares	
		Nos.	% age of Shares held	Nos.	% age of Shares held
1	Indian Promoters	1,05,94,237	47.3	23,08,608	80.0
2	Financial Institution/ Banks/ NBFCs	-	-	-	
3	Insurance Companies	23,18,758	10.4		
4	Individuals	2,32,467	1.0	5,77,152	20.0
5	Bodies Corporate:				
a.	Foreign	91,67,031	41.0	-	
b.	Indian	47,619	0.2	-	
6	IEPF Account	14,800	0.1	-	
	Total	**2,23,74,912**	**100**	**28,85,760**	**100**

(xiv) **Dematerialization of shares and liquidity**

Electronic Holding by members comprises 59.0% (previous year – 58.9%) of the paid up equity share capital of the Company as on 31st March, 2019 held through National Securities Depository Limited and Central Depository Services (India) Ltd. Under the depository system, ISIN allotted to the Company's equity shares is INE526E01018.

(xv) **Outstanding GDRs/ADRs/Warrants or any convertible instruments, conversion dates and likely impact on equity**

Company has not issued any warrants/ other instruments so far.

(xvi) **Commodity Price Risk or Foreign Exchange risk and hedging activities:**

The disclosure pertaining to exposure and Commodity risk is not applicable to the Company as no Commodity which is being dealt with is material.

To mitigate the risk of adverse or volatile exchange rate, the Company takes all possible steps to mitigate it by hedging of foreign exchange.

(xvii) **Plant Locations**

The Company's plants are located at Meerut Road, Ghaziabad (U.P.) and Industrial Area, Pathredi, District Alwar (Rajasthan).

Assembly units are located at Gurugram, Pune, Hosur, Gujarat and Sahibabad.

(xviii) **Investors' correspondence may be addressed to:**

The Company Secretary,
Shriram Pistons & Rings Ltd.
3rd Floor, Himalaya House,
23, Kasturba Gandhi Marg,
New Delhi - 110 001
Ph. 23315941, Fax: 23311203
email: compliance.officer@shrirampistons.com

(xix) **Credit ratings obtained by the Company:**

-	Long-Term Issuer Rating	:	IND AA, Outlook: Stable
-	Long-Term Bank Facilities	:	IND AA, Outlook: Stable
-	Term Deposit Rating	:	IND tAA+, Outlook: Stable
-	Short-Term Bank Facilities	:	IND A1+

During 18-19, there was no revision in the Credit Ratings obtained by the Company.

10.0) **DISCLOSURES**

(i) There were no transactions of the Company of material nature with its Promoters, Directors or Key Management Personnel or their relatives, which could be construed to have potential conflict of interest with the Company.

Disclosures on related party transactions as per the Indian Accounting Standard 24 have been made at Note No. 33 of " Notes forming part of the Financial Statements" of the Annual Accounts.

"Policy for dealing with Related Party Transactions" is available on Company's website viz www.shrirampistons.com under "Investors' Guide".

(ii) The Company complies with Corporate Governance requirements specified in Regulation Nos. 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(iii) There were no penalties or restrictions imposed on the Company by Stock Exchange or SEBI or any statutory authority on any matter related to capital market during the last 3 years.

(iv) The Company has devised Whistle Blower Policy for Directors, Employees and Stakeholders to report any kind of misuse of Company's properties, mismanagement or wrongful conduct prevailing/executed in the Company. As per the policy, all Whistle Blowers are granted access to Chairman of the Audit Committee in appropriate cases. Vigil Mechanism/ Whistle Blower Policy of the Company is available on Company's website viz. www.shrirampistons.com under the link "Investors' Guide".

(v) Mandatory Requirements – All requirements have been complied with.

(vi) Non-mandatory requirements:

a) The Board of Directors of Company, in their meeting held on 16.05.2015 has approved office at residence for Chairman w.e.f. 01.06.2015.

b) The Internal Auditors of the Company, M/s Ernst & Young and M/s KPMG, report directly to the Audit Committee.

(vii) As the Company has no material subsidiary, therefore requirement of framing Policy for determining Material Subsidiaries is not applicable.

(viii) The Company has not raised any funds through preferential allotment or qualified institutions placement as specified under Regulation 32(7A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

(ix) Performance Evaluation: The Board has carried out annual evaluation of its own performance, and that of its Committees and individual Directors (excluding the Director being evaluated).

The evaluation was carried out after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy and composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance and discussion amongst Directors.

The performance evaluation of the Chairman, the Non Independent Directors and the Board as a whole was carried out by the Independent Directors.

The Directors expressed their satisfaction with the evaluation process.

(x) None of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority.

(xi) During the year, the Board has accepted all recommendations made by Committees of the Board which are mandatorily required.

(xii) Total fees of Rs. 4.95 Million was paid by the Company for all services and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

(xiii) Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- No. of complaints filed during the Financial Year: NIL
- No. of complaints disposed of during the Financial Year: NIL
- No. of complaints pending as on end of the Financial Year: NIL

(xiv) The Company has complied with requirement of Corporate Governance Report as per SEBI Listing Regulations, 2015.

CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of Shriram Pistons & Rings Ltd.

We have examined the compliance of conditions of corporate governance by Shriram Pistons & Rings Ltd. for the year ended on March 31, 2019 as stipulated in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further confirm that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authorities.

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

(Deepak Juneja)
Practicing Company Secretary
CP No. 4371

Place: New Delhi
Date: May 02, 2019

ANNEXURE - II TO DIRECTORS' REPORT

REPORT ON MANAGEMENT DISCUSSION AND ANALYSIS

1. Industry Structure and Development

The growth of domestic automobile market is dependent on the growth of the economy and consequent increase in income levels.

Passenger Vehicles, which is the largest segment of the automotive industry, recorded nil growth during the year. Production of two wheelers increased by a moderate 6%.

Growth took place in the first half of the year, but was followed by significant slowdown in the second half. This was due to liquidity crunch, high fuel prices and weak consumer sentiment.

Production of Medium, Heavy Duty and Light Commercial Vehicles increased by 24%, contributed largely by increased investment in infrastructure projects across the country. Production of Tractors increased by 14%; but both these segments also slowed down considerably in the second half of the year.

2. Opportunities

The medium and long-term growth prospects of automobile production are good, and the automotive component industry is expected to grow in line with the automobile production and the growth in the aftermarket segment.

However, due to elections in the first quarter of the current year, and migration from BS-4 to BS-6 emission norms effective from April 2020, which will impact the production and sales in last quarter of the current year, the overall prospects in the current year are muted. The Company takes a long-term view of business and has obtained business for BS-6 models, which will increase its share of business and sustain growth in the following years.

The Company has diversified product portfolio, spread across all market segments i.e. OEMs and After market, both in domestic and export markets and across all vehicle segments i.e. Commercial Vehicles, Cars, Two- Wheelers, Tractors and Industrial Engines. Therefore, the Company is well positioned to take advantage of the growth in demand in various vehicle and customer segments.

Exports are expected to increase, as India is gaining recognition as a dependable supply source for precision auto components. The Company is supplying its products to leading global OEMs with the active assistance of its Technology Partners and has also established effective distribution channel for sales in the aftermarket in various countries.

Amalgamation of Shriram Automotive Products Ltd. (SAPL) with the Company is expected to increase sales and profitability of the Company by leveraging marketing/ distribution strength of both companies, more specifically in the domestic and exports Aftermarket.

Company is identifying various projects for diversification of its product portfolio, for sustainable growth in sales and to minimize the impact that electric mobility may have in some segments of the market, in the medium to long term.

As in the previous year, the Company is targeting to achieve higher growth rate than industry growth in 2019-20, based on new business of BS-6 models acquired from key OEMs and increased focus on the Aftermarket.

3. Threats

Political uncertainty, increase in oil prices, and liquidity constraints may impact the growth of automobiles in the domestic market, and eventually impact the profitability of the Company.

However, the Company is taking several concrete and time-bound steps to meet the changing expectations of customers, especially zero defect quality and cost reduction through improvement in production efficiency and reduction in cost across the organisation.

Volatile Exchange Rate and intense competition may also impact profits of the Company in the coming year. The Company is taking all possible steps to minimise the impact of forex fluctuation and also improve its market share by offering latest technology products that conform to BS-6 emission norms.

The Government has recently announced FAME 2 Policy encouraging the introduction of hybrid/battery operated vehicles in the Indian market. However, investment made by various OEMS for transition to BS-6 Engines, coupled with inadequate

infrastructure for charging and high cost structure for electric vehicles, appears to be serious limitation for early adaptation of e-mobility. Company is closely monitoring e-mobility trends along with the global partners and taking effective steps to minimise the impact and sustain growth.

4. Segment-wise/ Product-wise performance

The Company deals principally in only one segment i.e. automotive components. Therefore, segment-wise performance is not applicable.

5. Outlook

Automobile sector in India, including Tractor and Off-Highway vehicles, is set to witness nil to moderate growth in 2019-20. However, the long-term prospects for automobile production are good, due to huge latent demand for Cars and 2-wheelers, rapid urbanisation, development of road infrastructure, focus on rural development and rising incomes. Formation of a stable Government at the Centre may boost the demand during second half of 2019-20 itself, leading to accelerated growth. As stated earlier, the Company has already obtained business from OEMs in India for BS-6 models and this is likely to lead to improvement in the market share.

Export sales of Company's products to global OEMs are expected to increase with the support of its Technology Partners. With rise in oil prices, the demand in Middle East and Africa is expected to increase and help in the growth of Company's exports in the Aftermarket.

The domestic aftermarket is growing and with increased focus, this is expected to contribute more to Company's sales and profits.

The short term and medium term outlook for automotive sector in India is positive. As mentioned above, introduction of e-mobility in near future has various limitations and may not have significant impact on the operations of the Company.

6. Risk & Concerns

Increase in price of automobiles due to new regulations for safety, insurance etc. and high fuel prices are creating some uncertainty in the mind of consumers, affecting demand.

Continuous demand from customers for price reduction, increase in price of raw materials is also a concern for the Company. Retaining current margins is a management challenge.

Company is working on productivity improvement, rejection reduction and cost reduction projects to mitigate the impact of price reduction.

The medium to long term outlook for the automotive sector remains positive, with India emerging as a global export hub for manufacturer of automobiles and automotive components.

The Company has developed and implemented risk mitigation plan by being present across all market segments – OEMs and Aftermarket, both in domestic and export markets across all vehicle segments to optimise Plant utilisation and through its continuous drive for cost reduction.

With strong support from our Technology Partners, the Company is fully geared to meet customer demand for latest technology products and the increase in number of models/ variants. Company expects to realize ongoing benefits of investments in world class technology and manufacturing systems in the years to come.

The Company is also considering projects related to diversification to increase its product range.

The Management is of the opinion that while risk factors could impact the profitability of the Company, these do not threaten the existence of the Company.

7. Internal Control Systems & their adequacy

The Company has an adequate internal financial control system over financial reporting and such internal financial controls are operating effectively and provide reasonable assurance regarding all financial and operating functions and compliance with statutory provisions.

The Company has an internal audit section besides external firms which are carrying out internal audits. The Internal Auditors' reports are regularly reviewed by Senior Management and Audit Committee of the Board.

The Company endeavours to constantly upgrade internal controls and periodic evaluation of the same is being undertaken.

Company has in place adequate systems to periodically assess various risks, its likelihood and impact and an action plan to pro-actively mitigate the impact of various risks.

8. Financial/ Operational performance

Company's revenue from operations during the year ended 31st March, 2019 were Rs. 19,549 Million.

Net profit after tax (before OCI) of the Company during the year ended 31st March, 2019 was Rs. 1,384 Million.

Earnings per share was Rs. 61.88 in 2018-19.

9. Human Resources/ Industrial Relations

The Management considers People as its key resource and provides development opportunities through various training and welfare programs for employees and their families.

Various steps are being undertaken on a continuing basis, for maintaining excellent industrial relations which are helping to strengthen cordial relations with employees and motivate them to contribute to the growth of the Company.

The Company is also taking steps to strengthen its Management structure to ensure Stability and Growth.

Dignity, respect, fairness, transparency and opportunity for growth for all employees are the key values of the Company and these are being reinforced continuously, through many initiatives.

As on 31.03.2019, number of permanent employees on rolls of the Company are 4,398.

10. There has been no significant change in key financial ratios i.e. Debtor's Turnover, Inventory Turnover, Interest Coverage Ratio, Current Ratio, Debt Equity Ratio, Operating Profit Margin, Net Profit Margin, sector-specific equivalent ratios.

Return on Net worth of the Company as on 31.03.2019 was 13.66% as compared to 15.38% as on 31.03.2018.

11. Cautionary Statement

Statements in the Management Discussion and Analysis Report describing the Company's objectives, projections, estimates, expectations may be "forward looking statements" within the meaning of applicable securities laws and regulations. Actual results could vary materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.

ANNEXURE - III TO DIRECTORS' REPORT

REPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[PARTICULARS REQUIRED UNDER THE COMPANIES (ACCOUNTS) RULES, 2014]

A. Conservation of Energy

1. Energy Conservation measures taken during the year:-

Energy conservation is an environmentally sustainable and economically viable process and has been a priority focus area for the Company. Following measures were taken during the year:

At Ghaziabad:

(i) Optimum capacity utilization of induction furnace in Foundries by using SCADA system

(ii) Replacement of Blowers with direct mounted EC fans in comfort cooling units

(iii) Reduction in distribution losses through re-routing of cables

(iv) Installation of energy efficient pumps and motors was continued during the year

(v) Reduction of air and water usage by leakage control

At Pathredi:

(i) Reduction in power losses by improvement in transformer power factor

(ii) Variable frequency drives used to vary the speed of motors to save power

(iii) Modification of Chip Conveyor circuit in CNC Machines to reduce power consumption

(iv) Replacement of conventional lights with LED lights was continued during the year

2. Steps taken by Company to utilize alternate sources of energy:-

(i) Conversion of diesel fired melting furnace to PNG fired furnace

(ii) Conversion of diesel fired laddle preheating furnace to PNG fired furnace

3. Impact of the above measures: –

These measures have resulted and will lead to further improvement in energy efficiency, and reduction in cost of production.

4. Capital Investment on energy conservation equipments: Rs. 52.40 Million

B. Technology Absorption

1. Efforts, in brief, made towards technology absorption:-

(i) Continuous interaction with Collaborators for upgrading design & quality of products manufactured and to enhance technical expertise for in-house design, development and testing.

(ii) Visit of our engineers to Collaborators' plants and visit of Collaborators' engineers to our Plant for transfer of technology and latest production processes as per Collaborators' practice.

(iii) Regular visit of key R&D personnel of Collaborators to OEMs for sharing latest technology developments, new designs etc.

2. Benefits derived as a result of the above efforts:-

(i) Product design & quality improvement and cost reduction were achieved through improved design/process capability and better utilization of Plant.

(ii) Building trust & long term business relation with customers to emerge as 'preferred supplier'.

(iii) Successfully developed products for BS-6 compliant engines.

3. Imported technology:-

Technology is being continuously received from Technical Collaborators viz. M/s KS Kolbenschmidt GmbH, Germany, M/s Honda Foundry, Japan, M/s Riken Corporation, Japan and M/s Fuji Oozx, Japan under subsisting Technical Collaboration Agreements for manufacture of Pistons, Piston Rings and Engine Valves.

Details of technology imported during last three years (reckoned from the beginning of financial year):

S. No.	Details of technology imported	Year of import	Whether technology has been fully absorbed	Reason for non-absorption of technology, if any
Pistons:				
1	KS Lite3	2015-16	Yes	
2	Piston Pin Bore Bushing	2015-16	Under implementation	
3	Piston 3D Motion Analysis	2016-17	Yes	
4	Oval Pin Bore	2016-17	Yes	
5	Structural Analysis of new alloys for BS-6 Pistons	2016-17	Yes	
6	Salt Core Manufacturing	2017-18	Yes	
7	Design Algorithm and Templates for Diesel OCG & Gasoline Lite KS Pistons	2017-18	Yes	
8	Low friction Piston Skirt Coating (OBEL)	2017-18	Yes	
9	High Horse Power (HHP) Piston	2018-19	Under implementation	
10	Light weight 2-W Piston	2018-19	Yes	
11	Pattern Coating on Skirt	2018-19	Yes	
Rings:				
1	IP-251 Coating on Rails	2017-18	Yes	
2	Side face Chrome coating on Top ring	2017-18	Under implementation	
3	Technology for Chrome coating time reduction	2018-19	Under implementation	
Engine Valves:				
1	FEA Simulation	2017-18	Under implementation	

4. Expenditure on R & D:-

- Capital/Intangible : Rs. 78.07 Million
- Recurring : Rs. 185.87 Million
- Total : Rs. 263.94 Million
- Total R&D expenditure as percentage of total income 1.33 %

C. Foreign Exchange Earnings & Outgo

1. Exports:-

(i) Exports continue to remain focus area for the Company. The Company made exports worth Rs. 3,257 Million in the year as compared to Rs. 2,994 Million in the previous year.

(ii) Several initiatives have been taken for long term growth of Company's export to global OEMs and in the Aftermarket, in close coordination with our Collaborators.

(iii) We participated in several domestic and international auto trade fairs. Response to Company's products was very encouraging resulting in several fresh enquiries from customers.

(iv) Company is planning further growth of over 10% in 2019-20.

2. Foreign Exchange earned - Rs. 3,218.5 Million

Foreign Exchange utilized - Rs. 2,377.0 Million

ANNEXURE - IV TO DIRECTORS' REPORT

DATA OF EMPLOYEES

[UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5 OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014]

1. PARTICULARS OF EMPLOYEES:

Name	Designation/ Duties	Remuneration (Rs.)	Qualifications	Experience (Years)	Commencement of Employment	Age (Years)	%age of Equity Shares held	Last Employment Held
Naveen Agarwal	Executive Director and Alternate Company Secretary	14,993,929	B. Com(H), LLB, ACMA, ACS	40	Jun-96	58	0.00002	Dy. General Manager, Jay Engineering Works Ltd.
Jenender Anand	Executive Director	14,415,514	B Sc.(PCM), PGDM (Marketing)	30	Jun-16	50	-	Vice President, Relaxo Footwears Ltd.
Poonam Bharti	Dy. Executive Director and Chief HR Officer	10,505,318	B.Sc., Masters in HR & IR	22	Mar-18	48	-	Global HR Head, Ranbaxy/ Sun Pharma
V.K. Jayaswal	Executive Director	16,730,075	B. Sc. (Engg.), PGDBM	41	Oct-08	64	0.0002	Director, JV Relationship, Tata Cummins Ltd.
Devendra Mishra	Executive Director	15,578,284	B.E., PGPM	31	Jul-11	54	-	VP-Manufacturing, National Engineering Industries
Vinod Raheja	Dy. Executive Director and CFO	11,296,502	B Com., CA	26	Feb-15	50	-	Vice President-JCB India Limited
Luv D. Shriram*	Wholetime Director	35,348,792	B.Com	26	May-14	47	29.8$	Managing Director, Shriram Veritech Solutions Pvt. Ltd.
Arun Kumar Shukla	Dy. Executive Director	12,032,604	B. Tech	32	Aug-09	54	-	Vice President - Operations, Uniparts India Ltd.
R. Srinivasan*	Joint Managing Director & Company Secretary	32,872,542	B.Com(H), LLB, FCMA, FCS, AMP (Harvard)	46	Feb-74	67	0.01	ET, Usha Sales Pvt. Ltd
A.K. Taneja*	Managing Director & CEO	43,477,820	B.Tech	47	Apr-78	68	0.0002	Dy. Mktg. Manager, Usha Sales Pvt. Ltd.

Notes:

(i) Year of experience include experience prior to joining the Company.

(ii) All employees are on regular employment.

(iii) Remuneration includes payment of salaries, allowances, expenses on perquisites and contribution to provident fund, gratuity fund, superannuation fund & other benefits on payment basis.

(iv) * Employees on Contract.

(v) $ Shri Luv D. Shriram (First named shareholder) and Smt. Meenakshi Dass (Second named shareholder) jointly hold 14.9% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.

Smt. Meenakshi Dass (First named shareholder) and Shri Luv D. Shriram (Second named shareholder) jointly hold 14.9% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.

(vi) There was no employee who was in receipt of remuneration which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director and holds by himself or along with his/ her spouse and dependent children, not less than 2% equity shares of the Company.

2. Ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year

Name of the Director	Ratio of remuneration to median remuneration of employees (Times)
Shri Pradeep Dinodia	38.61
Shri Hari S. Bhartia	0.81
Smt. Ferida Chopra	0.81
Smt. Meenakshi Dass	4.80
Shri Ravinder Narain	5.20
Dr. Peter Neu	3.59
Shri C.Y. Pal	5.34
Shri Alok Ranjan	0.81
Shri M. Sekimoto	3.99
Shri Inderdeep Singh	5.34
Shri Kiyoto Tone	4.13
Shri A. K. Taneja	117.45
Shri R. Srinivasan	88.64
Shri Luv D. Shriram	95.47
Shri Noritada Okano (Alternate Director to Shri M. Sekimoto)	-
Shri Ralf Buschbeck (Alternate Director to Dr. Peter Neu)	0.27

3. Percentage increase in remuneration of Directors, CFO, CEO and CS

Name of the Director / CFO / CEO / CS	% age increase in remuneration
Shri Pradeep Dinodia	1.47
Shri Hari S. Bhartia	20.00
Smt. Ferida Chopra	NA
Smt. Meenakshi Dass	4.71
Shri Ravinder Narain	-3.50
Dr. Peter Neu	-
Shri C.Y. Pal	-1.00
Shri Alok Ranjan	NA
Shri M. Sekimoto	-4.52
Shri Inderdeep Singh	-1.00
Shri Kiyoto Tone	NA
Shri A. K. Taneja	0.53
Shri R. Srinivasan	0.36
Shri Luv D. Shriram	2.12
Shri Noritada Okano (Alternate Director to Shri M. Sekimoto)	-
Shri Ralf Buschbeck (Alternate Director to Dr. Peter Neu)	NA
Shri Vinod Raheja	8.59
Shri Naveen Agarwal	43.34

4. Percentage increase in the median remuneration of employees in the financial year: 12.29%.

5. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof:

(i) Average Percentile Increase in the Salaries of Employees: 13.26%

(ii) Average Percentile Increase in Managerial Remuneration: 2.12%

ANNEXURE - V TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY IN 2018-19

1. A brief outline of the Company's CSR policy, including overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programmes.

Company's policy is to conduct its business responsibly and improve the quality of life of people, especially in the society close to our areas of operation, while creating long term value for all stakeholders.

The Company's priority is to take up CSR projects in the following areas:-

(i) Education

(ii) Health Care

(iii) Sanitation

(iv) Environment preservation

(v) Any other areas as approved by the CSR Committee/ Board

Projects aimed at persons from disadvantageous background or persons who are differently abled have priority over others.

CSR Policy is available on Company's website at the weblink:

https://shrirampistons.com/investors-guide.html

2. Composition of the CSR Committee (as on 31.03.2019):

- Shri Pradeep Dinodia (Chairman)
- Shri Inderdeep Singh
- Shri A.K. Taneja
- Smt. Meenakshi Dass
- Shri Luv D. Shriram

3. Average net profit of the Company for last three financial years:

Average net profit: Rs. 1,814.54 Million

4. Prescribed CSR Expenditure (two percent of the amount as in item III above):

The Company is required to spend Rs. 36.24 Million towards CSR activities.

5. Details of CSR spent during the financial year:

(i)	Total amount to be spent for the financial year	:	Rs. 36.24 Million
(ii)	Amount unspent, if any	:	NIL

c. **Manner in which the amount spent (Rs. 48.10 Million) during the financial year is detailed below:**

S. No.	CSR Projects or activities identified	Sector in which the project is covered	Projects or Programs		Amount Outlay (Budget) for 2018-19*	Amount spent on the projects or programmes		Cumulative Expenditure upto the reporting period#	Amount Spent: Direct or through implementing agency
						Direct expenditure on projects or programmes incurred in 2018-19	Over-heads		
			Local area/ Other	Location District (State)	(Rs./ Million)	(Rs./ Million)	(Rs./ Million)	(Rs./ Million)	
1	School Facilities Augmentation/ Vocational Training	Education	Local area	Ghaziabad (UP), Alwar (Rajasthan) and Delhi	15.06	10.64	-	36.49	All amounts were spent directly except in case of a Charitable Dispensary, where amount was spent through implementing Agency.
2	Hospital Services Augmentation	Healthcare	Local area	Ghaziabad (UP)	5.00	5.00	-	20.00	
3	Charitable Dispensaries & Medical Expenses			Ghaziabad (UP), Alwar (Rajasthan)	17.94	14.15	-	38.53	
4	Building of Toilets	Sanitation	Local area	Ghaziabad (UP), Alwar (Rajasthan)	2.50	2.51	-	10.09	
5	Provision for Drinking Water	Environment Preservation	Local area	Ghaziabad (UP), Alwar (Rajasthan)	0.77	0.63	-	7.00	
6	Development of Park/Other areas			Ghaziabad (UP), Alwar (Rajasthan)	4.94	2.08	-	10.71	
7	Rain Water Harvesting			Alwar (Rajasthan)	0.10	0.02	-	3.63	
8	Rural Development Projects / Other	Rural Development	Local area	Ghaziabad (UP), Alwar (Rajasthan)	18.69	13.07	-	14.76	
	Total Amount -				**65.00**	**48.10**	**-**	**141.21**	
	- Limited to				**60.00**				

Notes:

* As per Companies Act, the Company is required to spend Rs. 36.24 Million. However, the amount approved by Board is Rs. 60 Million which is higher than amount required to be spent.

\# Cumulative Expenditure starting from 2014-15 onwards.

6. Reasons for not spending 2% of the average net profits of last three financial years or any part thereof:

Not applicable.

7. Responsibility Statement by CSR Committee:

We hereby certify that the implementation and monitoring of CSR policy,is in compliance with CSR objectives and Policy of the Company.

New Delhi
May 10, 2019

(A.K. Taneja)
Managing Director & CEO
DIN: 00124814

(Pradeep Dinodia)
Chairman CSR Committee
DIN: 00027995

ANNEXURE - VI TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
Shriram Pistons & Rings Limited (CIN L29112DL1963PLC004084)
Third Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practice by **M/s Shriram Pistons & Rings Limited** (herein after called the Company). Secretarial audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes' books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-process and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minutes' books, forms and returns filed and other records maintained by M/s Shriram Pistons & Rings Limited for the financial year ended on 31st March, 2019 according to the provisions of :

1. The Companies Act, 2013 (the Act) and the rules made thereunder;
2. The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder;
3. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

   Not applicable as the Company has not raised any funds under External Commercial Borrowing and there is no Foreign Direct Investment and/or Overseas Direct Investment during the financial year under review
5. Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI ACT') viz:-
   - (i) Disclosure Under SEBI (Listing Obligations And Disclosure Requirements) Regulations, 2015 (Listing Regulations)
   - (ii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;

     Not applicable
   - (iii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
   - (iv) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2018;

     Not applicable
   - (v) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

     Not applicable
   - (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

     Not applicable
   - (vii) The Securities and Exchange Board of India (Registrar 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 Issue and Share Transfer Agent during the financial year under review:

(viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;

Not applicable as the Company has not delisted its securities from any stock exchange during the financial year under review, and

(ix) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018;

Not applicable as the Company has not bought back any of its securities during the financial year under review.

The Company has identified and confirmed the following laws as being specifically applicable to the Company:

1. The Water (Prevention and Control of Pollution) Act, 1974;
2. The Air (Prevention and Control of Pollution) Act, 1981;
3. The Environment (Protection) Act, 1986 and
4. The Petroleum Act, 1934

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

Secretarial Standards with regard to Meeting of Board of Directors(SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India.

Listing Agreement entered into by the Company with National Stock Exchange and Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards etc. mentioned above.

I further report that:

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

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

As per the minutes of the meetings of the Board and Committees of the Board duly signed by the Chairman, all the decisions of the Board were adequately passed and the dissenting members' views, if any, were captured and recorded as part of the minutes.

I further report that based on the review of the Compliance mechanism established by the Company and on the basis of Compliance Certificate(s) issued by the Company Secretary and Managing Director & CEO based on the certificate issued by Functional heads and taken on record by the Board of Directors at their meeting(s), I am of the opinion that there are adequate systems and processes in place in the Company which is commensurate with the size and operations of the Company to monitor and ensure compliance with applicable Laws, Rules, Regulations and Guidelines.

I further report that during the audit period, the Company had following events which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

The Company held NCLT convened meeting of the Shareholders and Creditors on 21st November, 2018 for amalgamation of M/s Shriram Automotive Products Limited with the Company.

The Company has issued/allotted a total of 28,85,760, 4.2% Fully Paid Non Participating, Redeemable, Non – Convertible, Cumulative Preference Shares under the Scheme of Amalgamation.

As informed, the Company has responded appropriately to notices received from various statutory/regulatory authorities including initiating actions for corrective measures, wherever found necessary.

(Deepak Juneja)
Practicing Company Secretary
FCS No. 6895
C P No. 4371

New Delhi
May 02, 2019

To,
The Members,
Shriram Pistons & Rings Limited (CIN L29112DL1963PLC004084)
Third Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

Our Secretarial Audit Report of even date is to be read along with this letter.

Management's Responsibility

It is the Responsibility of the Management of the Company to maintain secretarial records, device proper system to ensure compliance with the provisions of all applicable Laws and Regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

My responsibility is to express an opinion on these secretarial records, system, standards and procedures based on our audit.

We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

Wherever required, we have obtained the management's representation about the compliance of Laws, Rules & Regulations and happening of event etc.

The Compliance of the provisions of Corporate and other applicable Laws, Rules, Regulations, Standards is the responsibility of Management. Our Examination was limited to the verification of procedures on test basis.

Disclaimer

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.

(Deepak Juneja)
Practicing Company Secretary
FCS No. 6895
C P No. 4371

New Delhi
May 02, 2019

DECLARATION ON COMPLIANCE OF CODE OF CONDUCT

The Board of Directors have laid down a Code of Conduct to be observed and implemented by all Directors and Senior Management Personnel of the Company in their official day-to-day activities, as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

All Board members and Senior Management Personnel of the Company have affirmed to the Company that they have complied and implemented the Company's Code of Conduct in discharging their official day-to-day activities for the F.Y.E. March 31, 2019.

New Delhi
May 10, 2019

(A.K. TANEJA)
MANAGING DIRECTOR & CEO
DIN: 00124814

ANNEXURE- VII TO DIRECTORS' REPORT

Statement containing salient features of the financial statement of Subsidiaries/Associate Companies/Joint Ventures

[Pursuant to first proviso to Sub-Section (3) of section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

Part "A": Subsidiaries

1. Sl. No.: 1
2. Name of the subsidiary: M/s SPR International Auto Exports Limited
3. The date since when subsidiary was acquired: 17.05.2005
4. Reporting period for the subsidiary concerned, if different from the holding Company's reporting period: Not applicable as reporting period of holding and subsidiary Company are same i.e. from 1st April 2018 to 31st March, 2019.
5. Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries: Not Applicable

6.	Share capital : Authorised share capital	:	Rs. 50,00,000
	Paid-up share capital	:	Rs. 5,00,000
7.	Reserves & surplus	:	Rs. 4,867
8.	Total assets	:	Rs. 5,17,487
9.	Total Liabilities	:	Rs. 5,17,487
10.	Investments	:	NIL
11.	Total Income	:	Rs. 31,904
12.	Profit before taxation	:	Rs. 10,583
13.	Provision for taxation	:	Rs. 2,752
14.	Profit after taxation	:	Rs. 7,831
15.	Proposed Dividend	:	NIL
16.	% of shareholding	:	100%

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1. Names of subsidiaries which are yet to commence operations: NIL
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

Part "B": Associates and Joint Ventures

This is not applicable, as there are no Associate Companies or Joint Venture Companies of the Company.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Vinod Raheja
Dy. Executive Director & CFO

New Delhi
May 10, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of Shriram Pistons and Rings Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shriram Pistons and Rings Limited** (the Company), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the 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 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, 2019, and profit, changes in equity and its cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 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 obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to key audit matter
(a) **Revenue recognition with respect to occurrence and cut-off:** There is an inherent risk of occurrence and cut off due to inappropriate revenue recognition that do not relate to valid sales/ shipments and if deliveries are recorded in the wrong accounting period. (Refer to Note 21 to the standalone financial statements)	**Principal Audit Procedures:** We assessed the Company's process to identify the occurrence and cut off as per revenue accounting standard. Our audit approach consisted evaluation of design of controls and testing the operating effectiveness of the controls over: • Recording of revenue transactions in correct period; • Recording of revenue in line with underlying contracts/agreements and proof of delivery; We performed tests of detail for samples of revenue transactions to verify that the performance obligation had been met by: • analyzing the contract and terms of the sale to determine that the Company had fulfilled the requirements of the contract; • confirming revenue could be reliably measured by reference to underlying documentation; and • confirming collectability of the revenue was reasonably assured by agreeing to collection history. We have performed the cut off testing for both late and early cut off to evaluate that sales are recorded in the appropriate period. We have identified the range of delivery period between 1 to 8 days in which sales is recognized and traced to proof of delivery (POD). We also performed analytical procedures supported with corroborative inquiry. We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing and recording, including testing of system generated reports used in our audit. We examined and assessed the accounting policies applied in the recognition of revenue for compliance with the applicable financial reporting framework; We challenged management estimates around appropriateness of revenue recognition and reversals for biases that could result in material misstatement.

Key Audit Matter	Response to key audit matter
(b) Amalgamation of Shriram Automotive Products Limited ("SAPL") On March 29, 2019, the amalgamation of the SAPL was completed. The Company accounted for the business combination in accordance with IND AS 103 - Business Combinations under acquisition method. Due to considering the assumptions and estimates required made by management as part of the purchase price allocation. Reference to related disclosures: With regard to the accounting and measurement policies applied, explanations of the transaction and it's disclosures on the preliminary purchase price allocation are included in Note 48 to the standalone financial statements.	**Principal Audit Procedures** Our audit procedures in relation to business combination included following: • Evaluation of design of controls and testing of operating effectiveness of the controls established by Company for assessment and evaluation of amalgamation transactions, including controls established by Company for ensuring regulatory compliances; • Inspecting Scheme of Amalgamation and related documentation, and considering whether the amalgamation were business combinations and accordingly, whether the relevant accounting standards had been applied based on accounting papers prepared by Company's management. • Performing audit procedure to test the workings prepared by the Company to bifurcate the assets and liabilities of the amalgamated entity and ensure that all assets and liabilities pertaining to that business have been appropriately identified in the Business Combination. • Involvement of our internal valuation specialists, wherever required, in the valuation of the identifiable assets and liabilities including assessing the adequacy of the valuation methods and appropriateness of key assumptions used; • Recomputing the value of the considerations transferred, including calculation of share swap ratio with reference to the scheme agreements and ensuring that the correct effective date was used; • Involving our tax specialist, wherever required, to evaluate and test the tax transactions arising upon business combination; • Performing audit procedures to ensure that all identified assets and liabilities of both the Companies have been disclosed appropriately; and • Performing adequate audit procedures to ensure the accuracy and completeness of the disclosures made in the Financial Statements in accordance with Indian accounting standards.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report, but does not include the consolidated financial statements, 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 the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our 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.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("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, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the 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 Board of Directors 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 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 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 Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- 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 Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 financial statements of the current period 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

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

1. 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 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 Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of 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 Ind AS financial statements. Refer note-39 to the standalone Ind AS financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer note-46 to the standalone Ind AS financial statements.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **Shriram Pistons & Rings Limited** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS 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. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

(b) The fixed assets were physically verified during the year by the Management in accordance with a regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

(c) Based on the examination of confirmation received by us from "IDBI Bank" custodian on behalf of all the term loans and working capital loan lenders, in respect of immovable properties of land that have been taken on lease and disclosed as "Non-current asset" in the financial statements, whose title deeds have been pledged as security for loans, are held in the name of Company.

(ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals other than for goods in transit for which subsequent receipts have been verified in most of the cases and no material discrepancies were noticed on physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to the information and explanations given to us, the Company has not granted any loans, made investments or provided guarantees under Section 185 and 186 of the Companies Act, 2013 and hence reporting under clause (iv) of the Order is not applicable.

(v) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and Companies (Acceptance of Deposits) Rules, 2014, as amended, with regard to the deposits accepted. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

(vi) The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Also, refer to the note 40 in the financial statement regarding management assessment on certain matters relating to the provident fund.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Customs Duty, Goods and Service Tax, cess and other material statutory dues in arrears as at March 31, 2019 for a period of more than six months from the date they became payable.

(c) There are no dues of Customs Duty, which have not been deposited as on March 31, 2019. Details of dues of Income-tax, Sales Tax, Service Tax, Value Added Tax, Excise Duty which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16 & 2016-17	9.60	0.00
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.40	0.39
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 (till June-2017)	0.63	0.60
Finance Act, 1994	Service Tax	Commissioner (Appeal)	2012-13 (from July-2012), 2013-14, 2014-15 & 2015-16	14.65	14.65
Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2012-13, 2013-14, 2014-15 & 2015-16	32.18	31.64
		Appellate Tribunal	2005-06, 2006-07, 2007-08, 2010-11, 2012-13 & 2014-15	18.96	16.96
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2011-12, 2012-13, 2014-15 & 2015-16	440.37	377.92
		Appellate Tribunal	2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	12.40	8.38

* amount as per demand orders including interest and penalty wherever quantified in the order.

The following matters, which have been excluded from the table above, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2013-14 & 2014-15	10.03

* amount as per demand orders including interest and penalty wherever quantified in the order.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions and banks. The Company has not taken any loan from government or has not issued any debentures.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer/ further public offer (including debt instruments) were applied for the purposes for which those are raised. The Company has not raised amount by way of term loans during the year.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and Section 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties during the year and the details of related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year, the Company has not entered into any non-cash transactions with its directors or directors of its holding company or persons connected with them and hence, provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

Standalone Balance Sheet as at March 31, 2019

Rs. million

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	5,843.14	5,511.95
b) Capital work-in-progress		164.76	112.27
c) Goodwill	4	14.85	-
d) Other Intangible assets	4	268.83	41.96
e) Intangible assets under development		1.77	-
f) Financial assets			
(i) Investments	5	0.50	0.50
(ii) Other financial assets	6	39.31	103.90
g) Other non-current assets	8	1,045.92	715.18
		7,379.08	**6,485.76**
Current assets			
a) Inventories	9	3,471.37	2,810.37
b) Financial assets			
(i) Investments	5	55.07	200.36
(ii) Trade receivables	10	3,558.38	3,210.99
(iii) Cash and cash equivalents	11	22.25	25.69
(iv) Other bank balances other than (iii) above	11	808.66	1,785.65
(v) Other financial assets	6	112.52	123.86
c) Other current assets	8	276.78	266.72
		8,305.03	**8,423.64**
TOTAL ASSETS		**15,684.11**	**14,909.40**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	223.75	223.75
b) Other equity		10,040.85	8,908.94
		10,264.60	**9,132.69**
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	424.42	657.95
(ii) Non convertible preference share capital	14	288.58	-
b) Provisions	15	346.83	315.04
c) Deferred tax liabilities (net)	17	319.40	323.89
d) Other non-current liabilities	16	28.25	2.33
		1,407.48	**1,299.21**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	18	39.36	414.93
(ii) Trade payables	19		
- Total outstanding dues of micro and small enterprises		64.36	54.50
- Total outstanding dues of creditors other than micro and small enterprises		2,646.98	2,575.07
(iii) Other financial liabilities	20	686.33	910.52
b) Other Current Liabilities	16	435.80	411.11
c) Provisions	15	91.63	89.04
d) Current tax liabilities (net)	7	47.57	22.33
		4,012.03	**4,477.50**
TOTAL EQUITY AND LIABILITIES		**15,684.11**	**14,909.40**
See accompanying notes to the standalone financial statements	1-49		

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Standalone Statement of Profit and Loss for the year ended March 31, 2019

Rs. million

		Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I	Revenue from operations	21	19,549.03	17,742.76
II	Other income	22	236.32	250.07
III	**Total income (I+II)**		**19,785.35**	**17,992.83**
IV	**Expenses**			
	Cost of materials consumed	23	6,188.40	5,706.48
	Purchase of stock-in-trade		1,075.85	-
	(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	24	(372.00)	(317.96)
	Excise duty on sale of goods		-	448.61
	Employee benefit expenses	25	3,691.77	3,363.22
	Finance costs	26	139.19	164.19
	Depreciation and amortisation expense	27	943.26	903.34
	Other expenses	28	6,026.50	5,616.58
	Total expenses		**17,692.97**	**15,884.46**
V	**Profit before tax (III-IV)**		**2,092.38**	**2,108.37**
VI	**Tax expense:**			
	i) Current tax	17	713.84	744.36
	ii) Deferred tax		(5.96)	(24.81)
			707.88	**719.55**
VII	**Profit for the year (V-VI)**		**1,384.50**	**1,388.82**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the post employment defined benefit plans		4.75	27.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.66)	(9.35)
	B (i) Items that will be reclassified to profit or loss			
	a) Fair value change of cash flow hedge		22.30	(2.83)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(7.76)	0.98
	Total other comprehensive income		**17.63**	**15.81**
	Total Comprehensive income (VII+VIII)		**1,402.13**	**1,404.63**
	Earnings per share (of Rs. 10/- each)	30		
	Basic (Rs)		61.88	62.07
	Diluted (Rs)		61.88	62.07

See accompanying notes to the standalone financial statements 1-49

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
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Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Standalone Cash flow statement for the year ended March 31, 2019

Rs. million

			Year ended March 31, 2019	Year ended March 31, 2018
A.	**Cash flow from Operating Activities**			
	Profit for the year		1,384.50	1,388.82
	Adjustments for :			
	Tax expenses recognised in statement of profit and loss		707.88	719.55
	Depreciation/amortisation		943.26	903.34
	Finance costs		139.19	164.19
	Bad debts/advances written off		1.06	2.91
	Provision for doubtful debts (net)		8.76	2.19
	Interest income		(132.41)	(120.86)
	Net gain on sale/ fair valuation of current investment		(7.75)	(23.95)
	Unrealised exchange rate variation (net)		(5.29)	(23.70)
	Profit/loss on sale / retirement of property, plant and equipment		14.84	7.71
	Fair value change in Cash flow hedges (net of tax)		14.54	(1.85)
	Remeasurement of post employment defined benefit plans (net of tax)		3.09	17.66
	Operating profit before working capital changes		**3,071.67**	**3,036.01**
	Adjustments for:			
	Inventories		(660.99)	(406.55)
	Trade receivables		(366.23)	(808.25)
	Loans and other financial assets (current and non current)		186.28	45.46
	Other assets (current and non current)		(179.02)	(24.26)
	Trade payables		98.18	530.15
	Other financial liabilities (current and non current)		359.80	79.07
	Other Liabilities and Provisions (current and non current)		35.85	14.53
	Cash Generated from operations		**2,545.54**	**2,466.16**
	Income tax paid		(688.60)	(717.66)
	Net cash from operating activities	**(A)**	**1,856.94**	**1,748.50**
B.	**Cash Flow from Investing Activities**			
	Interest received		119.94	119.25
	Sale of tangible assets		24.22	10.02
	Payment for cash consideration under amalgamation		(111.82)	-
	Purchase of tangible assets		(1,479.31)	(677.49)
	Purchase of intangible assets		(294.56)	(44.53)
	Purchase of Current Investment		(5,532.22)	(7,616.36)
	Proceeds from sale of Current Investment		5,685.26	7,520.00
	Increase/(Decrease) in margin money with banks		(29.69)	(3.08)
	Increase / (Decrease) in Deposits more than 12 months		39.60	39.54
	Net cash (used) in investing activities	**(B)**	**(1,578.58)**	**(652.65)**

Rs. million

			Year ended March 31, 2019	Year ended March 31, 2018
C.	**Cash Flow from Financing Activities**			
	Interest paid		(164.15)	(150.52)
	Dividend and dividend distribution tax		(269.74)	(215.44)
	Repayment of long term borrowings		(444.00)	(614.58)
	Proceeds from deposits		277.35	229.89
	Payment of deposits		(298.53)	(133.03)
	Net cash from/(used) in financing activities	**(C)**	**(899.07)**	**(883.68)**
	Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	**(620.71)**	**212.18**
	Cash and cash equivalents at the beginning of the year		**1,431.44**	**1,219.26**
	Add: Cash and cash equivalents acquired on amalgamation (refer note 48)		4.03	
	Cash and cash equivalents at the end of the year		**814.76**	**1,431.44**
	Components of cash and cash equivalents			
	Cash in hand		1.96	0.34
	Balances with banks			
	- current accounts		17.77	22.84
	- Other bank balances		811.19	1,788.16
	Working Capital loan from banks (Secured / Unsecured)		(16.24)	(379.90)
			814.68	**1,431.44**

Note:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS)- 7.
2. The amalgamation of Shriram Automotive Products limited with the Company is effective from 1st April 2018. The details of assets and liabilities taken over by the Company pursuant to amalgamation and purchase consideration involved are disclosed at note 48

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

A.K. Taneja
Managing Director & CEO
DIN: 00124814

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R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Standalone Statement of Change in Equity as at March 31, 2019

a) Fully paid up equity shares

(face value of Rs 10/- each)

	Nos of shares in Million	Rs. million
Balance as at March 31, 2018	22.37	223.75
Changes during the year	-	-
Balance as at March 31, 2019 (refer note 12)	22.37	223.75

(b) Other Equity

Rs. million

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Preference share redemption reserve*	Revaluation reserve*	Retained earnings	General reserve	Sub Total	Effective portion of cash flow hedge reserve	
Balance as at April 01, 2017	100.00	98.52	353.86	7,174.23	7,726.61	(6.52)	7,720.09
Profit for the year		(0.36)	1,388.84		1,388.48	-	1,388.48
Dividends (including coporate dividend tax)			(215.44)		(215.44)	-	(215.44)
Other comprehensive income for the year, net of tax			17.66		17.66	(1.85)	15.81
Transfer to General reserve			(750.00)	750.00	-	-	-
Balance as at March 31, 2018	**100.00**	**98.16**	**794.92**	**7,924.23**	**8,917.31**	**(8.37)**	**8,908.94**
Profit for the year		(0.48)	1,384.50		1,384.02	-	1,384.02
Dividends (including coporate dividend tax)			(269.74)		(269.74)	-	(269.74)
Other comprehensive income for the year, net of tax			3.09		3.09	14.54	17.63
Transfer to General reserve			(612.77)	612.77	-	-	-
Balance as at March 31, 2019	**100.00**	**97.68**	**1,300.00**	**8,537.00**	**10,034.68**	**6.17**	**10,040.85**

* The revaluation reserve and preference share redemption reserve are not “free Reserve” as per Companies Act 2013, hence not available for distribution of dividend.

In terms of our report attached

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Chartered Accountants
(Firm’s Registration No. 015125N)

Vijay Agarwal
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Place: Gurugram
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DIN: 00124760

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Notes to the standalone financial statements for the year ended March 31, 2019

1. Corporate information

Shriram Pistons & Rings Limited ("the Company") is a public Company domiciled in India and incorporated on December 9, 1963 under the provisions of the Companies Act, applicable in India. Its equity share is listed on National Stock Exchange of India Ltd. The registered office of the Company is located at 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi 110001.

The Company's business activity falls under "automotive component". Primary products manufactured by the Company are pistons, piston pins, piston rings and engine valves.

The financial statements of the Company are approved for issuance by the Company's Board of Directors on May 10, 2019.

2. Significant accounting policies

2.1.1 Basis of accounting and preparation of financial statements

The Standalone financial statements ("financial statements") have been prepared to comply with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

The financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Fair Value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entity, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.3 Operating Cycle

Based on the nature of products/ activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

Notes to the standalone financial statements for the year ended March 31, 2019

2.2. Use of estimates

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS) and requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.3. Revenue recognition

Ind AS 115, 'Revenue from Contracts with Customers' is applicable with effect from April 1, 2018. Based on the evaluation of existing contracts, the effect on transition to Ind AS 115 is insignificant.

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Company expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Company and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation / determination of income and in such case income is recognised on realisation / certainty.

2.4. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.5.1. Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat/Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.2. Intangible assets

Intangible are recognised when it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat/Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.3. Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/ construction costs, borrowing costs and other direct expenditure.

Notes to the standalone financial statements for the year ended March 31, 2019

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Company is following written down value method in case of Furniture, fixtures and office equipments and straight line method in respect of other assets.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Plant and machinery

-	General	-	twenty years
-	Electric Installation / Equipment	-	fifteen years
-	Dies	-	three years
Road		-	twenty years
Bore well		-	fifteen years
Vehicle		-	five years
Furniture and Fixture / Office Equipment		-	five years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

Computer Software	-	three years
Product Design	-	three years
Right to Use Assets	-	fifteen years
Trademarks acquired on acquisition	-	ten years
Customer Contracts acquired on acquisition	-	ten years

Assets costing upto Rs. 5,000 are fully depreciated in the year of acquisition.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment and intangible asset is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets

Regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Notes to the standalone financial statements for the year ended March 31, 2019

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

i) Asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

Investments

Non current investment is carried at cost less impairment. Any permanent diminution in the value of non current investments is provided for in the books of account.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note 42.

2.8. Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Company believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition,

these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Company designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction, variable interest risk and foreign exchange risk associated with borrowings.

The Company documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Company documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Company generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Company matches critical terms of hedge item and hedge instruments.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note 42

2.9. Inventories

Inventories are valued on the following basis:

i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.

ii) Stock in process – at lower of cost or net realisable value.

iii) Finished goods stock/Stock-in-trade - at lower of cost or net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and an appropriate proportion of manufacturing overheads based on the normal operating capacity.

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

2.10. Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are

Notes to the standalone financial statements for the year ended March 31, 2019

retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Advance received or paid in foreign currency are recognised at the exchange rate on the date of transaction and are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

2.11. Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund and Superannuation Fund is paid as per the statutory provisions/Company's scheme. These benefits are charged to the statement of profit and loss of the year when they become due. For the provident fund trust administrated by the trustees, the Company is liable to meet the shortfall, if any, in payment of interest at the rates declared by Central Government and such liability is recognised in the year of shortfall. For defined post employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expense or income; and

iii) remeasurement.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Company's scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Company's scheme.

Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Employee benefits in the form of long service awards is provided as per Company scheme. The liability is determined through actuarial valuation using projected unit credit method.

Notes to the standalone financial statements for the year ended March 31, 2019

2.12. Research and development

Revenue expenditure on research and development, inclusive of dies for model development, is charged as expense in the year in which incurred. Capital expenditure is included in Property, plant and equipment.

2.13. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At lessee, assets held under finance leases are initially recognised as assets of Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation.

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.14. Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred taxation.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Notes to the standalone financial statements for the year ended March 31, 2019

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.16. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Company by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Company and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.17. Impairment of assets

The carrying values of assets / cash generating units at each Balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

2.18. Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.19. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

2.20. Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting Standards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

2.20.1 Amendment to Ind AS 19- Employee Benefits plan amendment, curtailment or settlement:

Amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Company is currently evaluating the requirements of Ind AS 19.

Notes to the standalone financial statements for the year ended March 31, 2019

2.20.2 Insertion of new standard Ind AS 116 – 'Leases'

Ministry of Corporate affairs has notified Ind AS 116 Leases which will replace the existing lease standard Ind AS 17 "Leases and related interpretations".

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements

The Company is in the process of evaluating the impact of transition from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

2.20.3 Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

This Appendix clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in Ind AS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Appendix.

The Company is in the process of evaluating the effect of this amendment.

2.20.4 Amendment to Ind AS 12- Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company is currently evaluating the effect of this amendment.

Notes to the standalone financial statements for the year ended March 31, 2019

3. Property, plant & equipment

Rs. million

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2018							
Gross carrying amount							
Opening gross carrying amount	1,261.37	5,818.69	21.30	103.30	81.53	57.86	7,344.05
Additions	56.94	497.97	12.28	22.70	33.99	34.50	658.38
Disposals	-	16.56	0.66	11.42	3.58	8.86	41.08
Closing gross carrying amount as at March 31, 2018	**1,318.31**	**6,300.10**	**32.92**	**114.58**	**111.94**	**83.50**	**7,961.35**
Accumulated depreciation and impairment							
Opening accumlulated depreciation and impairment	114.24	1,430.20	7.70	7.57	35.94	13.37	1,609.02
Depreciation charged during the year	55.95	717.50	11.61	28.68	31.83	22.76	868.33
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	9.62	0.30	8.29	2.12	7.62	27.95
Closing accumulated depreciation and impairment as at March 31, 2018	**170.19**	**2,138.08**	**19.01**	**27.96**	**65.65**	**28.51**	**2,449.40**
Net carrying amount as at March 31, 2018	**1,148.12**	**4,162.02**	**13.91**	**86.62**	**46.29**	**54.99**	**5,511.95**
Year ended 31 March 2019							
Gross carrying amount							
Opening gross carrying amount	1,318.31	6,300.10	32.92	114.58	111.94	83.50	7,961.35
Additions	123.57	985.68	12.46	48.61	31.30	37.26	1,238.88
Acquired on amalgamation (refer note 48)	5.81	1.56	3.72	11.10	3.71	0.86	26.76
Disposals	28.34	18.27	1.79	31.15	5.53	10.17	95.25
Closing gross carrying amount as at March 31, 2019	**1,419.35**	**7,269.07**	**47.31**	**143.14**	**141.42**	**111.45**	**9,131.74**
Accumulated depreciation and impairment							
Opening accumlulated depreciation and impairment	170.19	2,138.08	19.01	27.96	65.65	28.51	2,449.40
Depreciation charged during the year	58.73	719.90	13.24	36.78	32.48	29.29	890.42
Impairment Loss	-	-	-	-	-	-	-
Disposals	0.13	11.12	1.08	25.92	3.97	9.00	51.22
Closing accumulated depreciation and impairment as at March 31, 2019	**228.79**	**2,846.86**	**31.17**	**38.82**	**94.16**	**48.80**	**3,288.60**
Net carrying amount as at March 31, 2019	**1,190.56**	**4,422.21**	**16.14**	**104.32**	**47.26**	**62.65**	**5,843.14**

The above assets are pledged as security against borrowings, refer note 13 (i) and (ii) and note 18.

Notes to the standalone financial statements for the year ended March 31, 2019

4. Intangible assets

Rs. million

Particulars	Computer software	Product design and development	Right to use Assets	Goodwill	Customer contracts	Trademarks	Total
Year ended 31 March 2018							
Gross carrying amount							
Opening gross carrying amount	32.88	35.84	-	-	-	-	68.72
Additions	21.99	22.54	-	-	-	-	44.53
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2018	**54.87**	**58.38**					**113.25**
Accumulated amortization and impairment							
Opening accumulated depreciation and impairment	19.15	17.13	-	-	-	-	36.28
Depreciation charged during the year	15.55	19.46	-	-	-	-	35.01
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment as at March 31, 2018	**34.70**	**36.59**	**-**	**-**	**-**	**-**	**71.29**
Net carrying amount as at March 31, 2018	**20.17**	**21.79**	**-**	**-**	**-**	**-**	**41.96**
Year ended 31 March 2019							
Gross carrying amount							
Opening gross carrying amount	54.87	58.38	-	-	-	-	113.25
Additions	9.20	4.21	48.16	-	-	-	61.57
Acquired on amalgamation (refer note 48)	-	-	-	14.85	114.36	103.78	232.99
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2019	**64.07**	**62.59**	**48.16**	**14.85**	**114.36**	**103.78**	**407.81**
Accumulated amortization and impairment							
Opening accumulated depreciation and impairment	34.70	36.59	-	-	-	-	71.29
Depreciation charged during the year	14.51	15.69	0.83	-	11.43	10.38	52.84
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment as at March 31, 2019	**49.21**	**52.28**	**0.83**	**-**	**11.43**	**10.38**	**124.13**
Net carrying amount as at March 31, 2019	**14.86**	**10.31**	**47.33**	**14.85**	**102.93**	**93.40**	**283.68**

Net Book Value

Rs. million

Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Goodwill	14.85	-	-
Intangible Assets	268.83	41.96	32.44
Total	**283.68**	**41.96**	**32.44**

Goodwill represents goodwill arising on amalgamation of Shriram Automotive Product Limited described in note 48 of the financial statements. Goodwill is tested for impairment on annual basis and wherever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including in business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The Company generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow Calculation are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Notes to the standalone financial statements for the year ended March 31, 2019

5. Investments

Rs. million

	As at March 31, 2019	As at March 31, 2018
Non Current Investment (Unquoted)		
(At amortised cost)		
Investment in equity instrument of subsidiary company		
50,000 Equity shares (previous year 50,000) (fully paid up of Rs 10 each) of SPR International Auto Exports Limited	0.50	0.50
	0.50	0.50
Current Investment (Unquoted)		
Carried at fair value through Statement of Profit and loss		
Investment in Mutual fund (Liquid fund) Units of Face value of Rs 1000 each		
- 54909 units (Previous year: Nil) of Axis overnight Fund direct Growth	55.07	-
- Nil units (Previous year: 11030) of SBI Premier Liquid Fund Growth Plan.	-	30.05
- Nil units (previous year : 32293) of IDBI Liquid Fund Growth Plan - Direct.	-	60.08
- Nil units (previous year : 20802) of Axis liquid Fund - Growth Direct.	-	40.10
- NIl units (previous year : 272747) of ICICI Prudential liquid Fund - Growth Direct.	-	70.13
	55.07	**200.36**
Aggregate value of unquoted investments	**55.57**	**200.86**

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
Bank Deposit more than 12 months	-	-	-	39.60
Interest accrued on deposits	32.29	-	41.26	-
Derivative instrument (refer note 42)	80.23	-	82.60	54.68
Margin money	-	39.31	-	9.62
	112.52	**39.31**	**123.86**	**103.90**

7. Tax assets/ (liabilities) net

Rs. million

	As at March 31, 2019	As at March 31, 2018
Advance income tax	666.27	722.03
less: Provision for income tax	(713.84)	(744.36)
Net	**(47.57)**	**(22.33)**

Notes to the standalone financial statements for the year ended March 31, 2019

8. Other assets

(Unsecured, considered good unless stated otherwise)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
Capital advances	-	232.82	-	68.95
Advances other than capital advances				
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	115.10	-	110.02	-
Doubtful	15.98		13.89	
	131.08	**-**	**123.91**	**-**
Provision for doubtful advances	(15.98)	-	(13.89)	-
	115.10	**-**	**110.02**	**-**
Export incentive receivable	38.59	57.99	43.14	54.50
Balance with government authorities				
- Excise	0.04	-	0.04	-
- Goods and service tax	32.52	-	4.55	-
Prepaid expenses	49.45	-	48.43	-
Security deposits	0.29	150.60	0.62	119.60
Prepayment land leases*	4.01	425.04	3.45	291.15
Other assets	36.78	179.47	56.47	180.98
	276.78	**1,045.92**	**266.72**	**715.18**

* Prepayment of land leases represents net value of leasehold land

9. Inventories

(valued at lower of cost or net realisable value)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Raw material and components	748.16	641.12
(includes in transit Rs. 2.52 million (previous year: Rs. 29.05 million))		
Work-in-progress	1,001.70	874.64
(includes in transit Rs. 0.68 million (previous year: Rs. 0.09 million))		
Finished goods	1,156.51	915.13
(includes in transit Rs. 61.94 million (previous year: Rs. 201.45 million))		
Stock- in - trade	79.40	-
Stores and spares	385.54	329.01
(includes in transit Rs. Nil (previous year: Rs. 9.91 million))		
Loose tools	100.06	50.47
	3,471.37	**2,810.37**

The inventories are hypothecated as security against borrowings, refer note 13 (i) and (ii) and note 18

Notes to the standalone financial statements for the year ended March 31, 2019

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Current		
Considered good*	3,558.38	3,210.99
Credit impaired	25.78	15.23
	3,584.16	**3,226.22**
Impairment of trade receivables	(25.78)	(15.23)
	3,558.38	**3,210.99**

* There is no trade receivable which have significant increase in credit risk.

11. Cash and cash equivalents and other bank balances

(At amortised cost)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
i) Cash and cash equivalents				
Cash on hand	1.96	-	0.34	-
Balances with banks				
- Deposits with banks , with original maturity less than 3 months	2.52		2.51	
- current accounts	17.77	-	22.84	-
	22.25	**-**	**25.69**	**-**
ii) Other bank balances				
- Unclaimed dividend account	0.53	-	0.56	-
- Deposits with banks , with original maturity more than 3 months	700.16	-	1,696.15	39.60
- Deposits with banks held as margin money	107.97	39.31	88.94	9.62
	808.66	**39.31**	**1,785.65**	**49.22**
	830.91	**39.31**	**1,811.34**	**49.22**
Less : Amounts disclosed under other financial assets (refer note 6)	-	(39.31)	-	(49.22)
	830.91	**-**	**1,811.34**	**-**

Notes to the standalone financial statements for the year ended March 31, 2019

12. Equity share capital

Rs. million

	As at March 31, 2019	As at March 31, 2018
Authorised Shares*		
52,500,000 (previous year 50,000,000) equity shares of Rs. 10 each	525.00	500.00
	525.00	**500.00**
a. Issued , subscribed and fully paid up shares		
22,374,912 (previous year 22,374,912) equity shares of Rs. 10 each	223.75	223.75
	223.75	**223.75**

* Represents authorised share capital as per scheme of amalgamation approved by Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench dated 05.03.2019. The Company has made requisite filing with Ministry of Corporate affairs on 29.03.2019.

b. Terms/rights attached to equity shares

The Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share. In the event of liquidation,the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of share outstanding at the beginning and at the end of reporting year

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rs. million	No. of shares	Rs. million
Opening balance	22,374,912	223.75	22,374,912	223.75
Issued during the year	-	-	-	-
Closing balance	**22,374,912**	**223.75**	**22,374,912**	**223.75**

d. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	No. in million	% shareholding	No. in million	% shareholding
Equity shares of Rs. 10 each fully paid				
Riken Corporation	4.69	20.97	4.69	20.97
KS Kolbenschmidt GmbH	4.47	20.00	4.47	20.00
Luv D. Shriram and Meenakshi Dass*	3.33	14.91	3.33	14.91
Meenakshi Dass and Luv D. Shriram *	3.33	14.91	3.33	14.91
National Insurance Company Limited	1.43	6.38	1.43	6.38
Meenakshi Dass	1.15	5.12	1.20	5.38

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

e. The Board of directors has proposed a final dividend of Rs. 6 per equity share to equity shareholders for the year ended March 31, 2019, amounting to Rs. 161.84 million including dividend distribution tax. The final dividend is subject to the approval of shareholders in Annual General Meeting of the company and same has not been recognised as liability in financial statements.

Notes to the standalone financial statements for the year ended March 31, 2019

13. Borrowings

(At amortised cost)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
Secured				
Term loans from banks	325.01	-	462.71	306.30
Unsecured				
Deposits	165.91	374.40	216.65	340.08
Deposits from related parties (refer note 33)	10.93	50.02	42.23	11.57
	501.85	424.42	721.59	657.95
Less : Current maturities of long term debt (refer note 20)	(501.85)	-	(721.59)	-
	-	**424.42**	**-**	**657.95**

(i) Term loans from banks of Rs. 325.01 million (previous year: Rs. 671.25 million) are secured by way of first pari passu charge and mortgage on all present and future immovable & movable fixed assets and hypothecation of all movable current assets of the Company, present and future subject to prior charge created and/or to be created in favour of the Company's working capital bankers on the Company's stocks and book debts.

Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2019		Effective rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		No.	Periodicity	As at March 31, 2019	As at March 31, 2018
325.01	671.25	7	3	Quarterly	8.77	8.68
325.01	**671.25**					

(ii) Term loans from banks of Rs. Nil (previous year: Rs. 97.76 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable fixed assets of the company, present and future.

Amount outstanding		Repayment period from origination (years)	Installments outstanding As at March 31, 2019		Effective rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		No.	Periodicity	As at March 31, 2019	As at March 31, 2018
-	16.30	6	-		-	9.59
-	81.46	7	-		-	8.74
	97.76					

(iii) The long term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

Amount outstanding		Repayment period from origination (years)	Rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		As at March 31, 2019	As at March 31, 2018
49.65	24.07	2	8.50 - 11.00	7.50 - 10.50
551.61	586.46	3		
601.26	**610.53**			

Notes to the standalone financial statements for the year ended March 31, 2019

14. Preference share capital

Rs. million

	As at March 31, 2019	As at March 31, 2018
Authorised Shares		
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	300.00	**300.00**

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
a. Issued , subscribed and fully paid up shares				
28,85,760, 4.2% fully paid up non-participating, redeemable, non-convertible cumulative preference shares of Rs 100 each	-	288.58	-	-
	-	**288.58**	**-**	**-**

b. Terms & Right attached to Preference Share Capital

The Company has issued 28,85,760, 4.2% fully paid up non-participating, redeemable, non-convertible cumulative Preference Shares, having a par value of Rs. 100 per Preference Share to shareholders of Shriram Automotive Products limited pursuant to the scheme of amalgamation.

The Preference Share are redeemable at par on expiry of 5 years from the date of allotment i.e 30th March 2019 . The Company has option to redeem these preference shares at par on expiry of 6 months from the date of allotment or 30.06.2019 whichever is later. The Preference Shareholder are not entitled to any right or privilege available to Equity Shareholder other than those available to them under Statutory Laws.

15. Provisions

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Provision for employee benefits	91.63	346.83	89.04	315.04
	91.63	**346.83**	**89.04**	**315.04**

16. Other liabilities

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Security deposits	88.46	28.25	76.18	2.33
Advances from customers	30.19	-	20.14	-
Statutory dues	230.79	-	231.01	-
Others	86.36	-	83.77	-
	435.80	**28.25**	**411.11**	**2.33**

The security deposits have been received by the Company from customers/vendors in the normal course of business.

Notes to the standalone financial statements for the year ended March 31, 2019

17. a) Deferred tax liability (net)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	553.22	519.17
	553.22	**519.17**
Deferred tax assets		
Expenses deductible on payment basis	210.32	166.79
Provision for doubtful debts/advances	14.59	10.17
Others	-	-
Deferred tax assets on other comprehensive income		
Fair value change in Cash flow hedges	2.77	4.43
Remeasurment of post employment defined benefit plans	6.14	13.89
	233.83	**195.28**
Net deferred tax liability	**319.40**	**323.89**

b) Reconciliation of tax expenses and accounting profit

Rs. million

	As at March 31, 2019	As at March 31, 2018
Profit before tax from continuing operation	2092.37	2108.37
Income tax expenses calculated at current tax rate	731.17	729.67
Less : Effect of Concession		
(i) Weighted Deduction under section 35 (2AB)	41.64	27.77
(ii) Donation under section 80G covered under CSR	1.55	1.03
(iii) Deduction under section 80JJAA	0.25	0.24
Add : Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	16.81	12.64
(ii) Donation under section 80G	0.44	0.45
(iii) Interest to MSMED parties	0.06	0.11
(iv) Interest on Income Tax	0.30	0.33
(v) Amortisation of land	1.40	1.19
(vi) Effect of change in income tax rate	1.14	4.20
Income tax expenses recognised in statement of profit & loss	**707.88**	**719.55**

Notes to the standalone financial statements for the year ended March 31, 2019

18. Short term borrowings

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Secured		
Working capital loans from banks repayable on demand#	16.24	179.90
Unsecured		
Working capital loans from banks	-	200.00
Deposits*	23.12	12.53
Deposits from related parties (refer note 33)*	-	22.50
	39.36	**414.93**

#Working capital loans are secured by way of first pari passu charge on stocks and book debts of the Company and second pari passu charge on all fixed assets of the Company, present and future.

*The short term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 1 year.

19. Trade payables

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
- Total outstanding dues of micro and small enterprises (refer note 38)	64.36	54.50
- Total outstanding dues of creditors other than micro and small enterprises	2,646.98	2,575.07
	2,711.34	**2,629.57**

Trade payable includes Rs. 102.23 million (previous year: Rs. 146.02 million) due to related parties (refer note 33)

20. Other financial liabilities

(At amortised cost excluding derivative instrument)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowing (refer note 13)	501.85	721.59
Interest accrued but not due on borrowings	53.98	79.02
Unclaimed dividends*	0.53	0.56
Unclaimed matured deposits and interest accrued thereon*	16.82	3.86
Capital creditors	113.15	94.82
Derivative instrument (refer note 42)	-	10.67
	686.33	**910.52**

*Not due for transfer to investor education and protection fund

Notes to the standalone financial statements for the year ended March 31, 2019

21. Revenue from operations

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products including excise duty, as applicable	19,163.02	17,413.19
Other operating revenues		
- sale of scrap	239.53	193.89
- export benefits*	142.11	132.14
- others	4.37	3.54
	19,549.03	**17,742.76**

*Export benefits are in the nature of government grants covering following:

Rs. million

	As at March 31, 2019	As at March 31, 2018
Merchandise Exports from India Scheme (MEIS)	86.20	78.38
Duty draw backs	55.92	53.76
	142.11	**132.14**

22. Other income

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
- Bank deposits	110.97	104.25
- Others	21.44	16.61
Net gain on sale/fair valuation of current investment	7.75	23.95
Liabilities no longer required written back	-	9.96
Foreign exchange gain (net)	40.76	51.77
Other non-operating income*	55.40	43.53
	236.32	**250.07**

* Includes government grant of Rs. 28.24 million (previous year Rs. 26.16 million) towards subsidy under Rajasthan Investment Promotion scheme 2010. There are no unfulfilled obligation under the scheme.

23. Cost of material consumed

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of raw material and components consumed	5,806.50	5,355.38
Cost of packing material consumed	381.90	351.10
	6,188.40	**5,706.48**

Notes to the standalone financial statements for the year ended March 31, 2019

24. (Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Work-in-progress	1,001.70	874.64
Finished goods	1,156.51	915.13
Stock-in-trade	79.40	-
	2,237.61	**1,789.77**
Inventories at the beginning of the year		
Work-in-progress	874.64	675.93
Finished goods	915.13	909.38
Stock-in-trade acquired on amalgamation	75.84	-
	1,865.61	**1,585.31**
Excise duty variation on finished goods	-	(113.50)
	(372.00)	**(317.96)**

25. Employee benefits expense

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	3,148.85	2,849.67
Contribution to provident and other funds	264.91	249.99
Staff welfare expenses	278.01	263.56
	3,691.77	**3,363.22**

26. Finance costs

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	138.61	162.21
Dividend on preference shares*	0.08	-
Other borrowing costs	0.50	1.98
	139.19	**164.19**

* Dividend of Rs. 0.0230137 /- per share on pro-rata basis from the date of allotment (refer note 48). The amount of Rs. 0.08 million includes dividend distribution tax of Rs. 0.014 million .

27. Depreciation and amortisation expense

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
- Depreciation on Property , Plant and Equipment (refer note 3)	890.42	868.33
- Amortisation of Intangible Assets (refer note 4)	52.84	35.01
	943.26	**903.34**

Notes to the standalone financial statements for the year ended March 31, 2019

28. Other expenses

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and spares consumed	1,748.60	1,678.39
Power and fuel	1,362.27	1,326.11
Job work charges	528.49	469.76
Freight expenses	295.51	257.63
Royalty	341.98	334.57
Rent	89.00	63.56
Rates and taxes	23.69	10.85
Insurance	18.77	19.00
Repair and maintenance		
- Plant and machinery	146.43	139.53
- Buildings	104.60	125.94
- Others	31.99	32.01
Auditor's remuneration (refer note 29)	4.95	4.18
Directors' fees	5.34	3.22
Provision for doubtful debts and advances (net)	8.76	2.19
Loss on sale / retirement of fixed assets (net)	14.84	7.71
Bad debts and advances written off	1.06	2.91
Corporate social responsibilities expenses	48.10	36.51
Travelling expenses	133.41	106.77
Legal and professional expenses	103.73	98.08
Miscellaneous expenses	1,014.98	897.66
	6,026.50	5,616.58

29. Payment to auditor

(excluding service tax / goods and service tax, as applicable)

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
- Audit fee	2.76	2.28
- Limited review	1.20	1.10
- Other services	0.85	0.66
- Reimbursement of expenses	0.14	0.14
	4.95	**4.18**

30. Earnings per share (EPS)

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to equity shareholders (Rs. million)	1,384.50	1,388.82
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
- Basic (Rs.)	61.88	62.07
- Diluted (Rs.)	61.88	62.07

Notes to the standalone financial statements for the year ended March 31, 2019

31. Research and development expenditure

The details of research and development expenditure incurred by the Company and included in the respective account heads are as under:-

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	78.07	15.51
Revenue expenditure	185.87	177.69
	263.94	**193.20**

The details of revenue expenditure incurred on research and development is as under:

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and spares consumed	59.84	54.63
Salaries and wages	75.57	68.75
Contribution to provident and other funds	7.67	5.45
Staff welfare expenses	0.88	1.27
Power and fuel	10.42	6.65
Repair and maintenance		
- Plant and Machinery	11.98	10.80
- Buildings	0.02	0.04
Loss on sale/retirement of fixed assets (net)	0.10	0.10
Travelling expenses	4.84	5.14
Miscellaneous expenses	14.56	24.86
	185.88	**177.69**

32. Employee benefits

The Company has classified the various employee benefits as under :-

i) Defined contribution plans

The Company has recognised the following amount in the statement of profit and loss:-

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Employers' contribution to Provident fund	158.47	148.49
Employers' contribution to Superannuation fund	25.14	21.75
Employers' contribution to State insurance fund	44.52	52.25
	228.13	**222.49**

Notes to the standalone financial statements for the year ended March 31, 2019

ii) Defined benefit plans - Gratuity

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for Gratuity and details of the same are given below :

Rs. million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount recognized in statement of Profit & Loss A/c		
Current service cost	73.81	72.46
Net Interest cost on defined benefit/ liability	3.31	3.28
Total expense recognised in the Statement of Profit and Loss	**77.12**	**75.74**
Actual contribution and benefit payments for the year		
Actual benefit payments	(36.69)	(28.73)
Actual contributions	45.50	47.50
	8.81	**18.77**
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	961.90	842.52
Fair value of plan assets	891.16	796.96
Funded status [Surplus / (Deficit)]	(70.74)	(45.56)
Net asset / (liability) recognised in the Balance Sheet	(70.74)	(45.56)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	842.52	764.13
Current service cost	73.81	72.46
Interest cost	64.92	52.69
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)	-	-
- Changes in Demographic assumptions	-	-
- Changes in Financial assumptions	-	(53.73)
- Acquisition adjustment	18.01	-
- Experience Variance	(0.68)	35.70
Benefits paid	(36.69)	(28.73)
Present value of DBO at the end of the year	**961.89**	**842.52**
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	796.96	716.58
Expected return on plan assets	61.61	49.41
Contributions	45.50	47.50
- Acquisition adjustment	19.69	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	4.07	8.99
Benefits paid	(36.69)	(25.52)
Plan assets at the end of the year	**891.16**	**796.96**
Actual return on plan assets	**65.69**	**58.40**
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	0.00	0.00
- Changes in Financial assumptions	0.00	(53.72)
- Experience Variance	(0.68)	35.70
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(4.07)	(8.99)
	(4.75)	**(27.01)**

Notes to the standalone financial statements for the year ended March 31, 2019

Rs. million

Actuarial assumptions for Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.55%	7.55%
Expected return on plan assets	8.00%	8.15%
Salary escalation	11.00%	11.00%
Attrition	5 /30 %, p.a.	5 /30 %, p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Rs. million

Sensitivity Analysis for significant actuarial assumptions		Year ended March 31, 2019		Year ended March 31, 2018	
		Impact on Liability		Impact on Liability	
Particulars		Increase	Decrease	Increase	Decrease
Discount Rate	+100 basis points		82.67		73.05
	-100 basis points	96.11		84.83	
Salary Growth Rate	+100 basis points	92.00		81.21	
	-100 basis points		80.95		71.53
Attrition Rate	+100 basis points		42.11		37.40
	-100 basis points	58.01		51.52	
Mortality Rate	+100 basis points	0.64		0.56	
	-100 basis points		0.63		0.56

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk Factors in actuarial assumptions

Interest Rate Risk: The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Company is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/ cash equivalent to meet the liabilities or holding of illquid assets not being sold in time.

Salary escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Company has used certain mortality and attrition assumption in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Company to market risk for volatilities/ fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to the standalone financial statements for the year ended March 31, 2019

Regulatory framework/ Governance / Benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of retirement/ resignation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by independent Board of Trustees, appointed by the Company. The trust is a separate legal entity and is recognized by the Commissioner of Income Tax, under the provisions of Schedule IV the the Income Tax Act, 1961.

The Board of trustees manages the plan assets through Life Insurance Corporation of India (LIC), SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Asset Liability Matching Strategies

The Company has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance company at the end of the financial year. Gratuity claims are settled by the insurance company out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Company is exposed to movement in interest rate.

Effect of plan on Entity's future cash flows

The company has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made on a quarterly basis based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs. 147.08 million (Rs. 115.12 million) Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

iii) Compensated Absences

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Present value of DBO	427.12	390.69
Funded status [Surplus / (Deficit)]	(427.12)	(390.69)

iv) Provident fund

The Company has an obligation to fund any shortfall in yield of the trust's investments over the rate declared by Government. The rate is determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Company has been higher in earlier years.

33. Related party disclosure

As per Indian Accounting Standard – 24 the Company's related parties and transactions with them are disclosed below :

A. List of related parties

Subsidiary company	SPR International Auto Exports Limited
Key management personnel	Shri Pradeep Dinodia, Chairman Shri Hari S. Bhartia, Director Smt Meenakshi Dass, Director Shri Ravinder Narain, Director Shri C.Y.Pal, Director Shri M.Sekimoto, Director Shri Inderdeep Singh, Director Shri A.K Taneja, Managing Director & CEO

Notes to the standalone financial statements for the year ended March 31, 2019

	Shri R. Srinivasan, Jt. Managing Director & Company Secretary Shri Luv D. Shriram, Whole Time Director Dr. Peter Neu, Director Shri Noritada Okano, Alternate Director to Shri M.Sekimoto Shri Toro Suzuki (till 07th May' 2018) Dr. Alexander Sagel (till 30th April' 2018) Smt. Ferida Chopra, Director (W.e.f 30th March, 2019) Shri Alok Ranjan, Director (W.e.f 30th March, 2019) Shri Kiyoto Tone, Director appointed in Casual Vacancy (W.e.f 22nd May, 2018) Shri Ralf Buschbeck, Alternate Director to Dr. Peter Neu (W.e.f 22nd May, 2018)
Close members of the family of key management personnel	
Shri A.K Taneja	Smt. Anita Taneja Smt. Anjali Taneja Kothari
Shri R. Srinivasan	Smt. Usha Srinivasan Smt. R. Srirangam Smt. R. Vijayalakshmi Shri. R. Ramaswamy Shri. R. Venkatesh
Shri Luv D. Shriram	Smt. Meenakshi Dass Shri Arjun D. Shriram Shri Kush D. Shriram Smt Nandishi Shriram Smt. Arati Shriram
Shri Ravinder Narain	Smt. Manju Narain Smt. Rasika Dayal Smt. Sarika Narain
Entity over which , Key management personnel and their Close members of the family has significant influence or control	Shriram Automotive Products Ltd.(till 31st March, 2018) Shriram Veritech Solutions Pvt. Ltd. S.R. Dinodia & Co. LLP Sera Com Pvt. Ltd. Manisha Commercial Pvt. Ltd. Sarva Commercial Pvt. Ltd. Charat Ram Shriram Pvt. Ltd. Deepak C. Shriram & Sons HUF Shabnam Commercial Pvt. Ltd. Ravinder Narain HUF Pradeep Dinodia HUF NAK Benefit Trust
Entity in which Key management personnel and their Close members of the family is Key management personnel	Shriram Automotive Products Ltd. (till 31st March, 2018)
Post-employment defined benefit plan entity	Shriram Pistons & Rings Ltd. Gratuity Fund Trust Shriram Pistons & Rings Ltd. Superannuation Fund Trust Shriram Pistons & Rings Ltd. Officers' Provident Fund Trust Shriram Automotive Products Ltd. Group Gratuity Scheme

Notes to the standalone financial statements for the year ended March 31, 2019

B. Related party transactions

(i) Transactions during the year

Rs. million

Particulars	Key management personnel (KMP)		Close members of the family of key management personnel		Entity over which , Key management personnel and their Close members of the family has significant influence or control		Post-employment defined benefit plan entity		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Remuneration										
Short-term employees benefit	107.55	106.45	1.29	-	-	-	-	-	108.85	106.45
Post- employment benefit	3.44	3.44	0.08	-	-	-	-	-	3.52	3.44
Other long-term employees benefit	0.71	0.74	0.29	-	-	-	-	-	1.00	0.74
Commission to Directors	22.28	22.43	-	-	-	-	-	-	22.28	22.43
Legal Expenses	-	-			0.68	-			0.68	-
Rent	-	-	0.48	0.48	5.95	3.80	-	-	6.43	4.28
Interest on deposits	2.05	1.49	4.66	5.74	-	0.36	-	-	6.71	7.59
Directors sitting fees	5.24	3.20	-	-	-	-	-	-	5.24	3.20
Dividend paid	78.50	63.14	0.04	0.03	27.76	22.23	-	-	106.30	85.40
Contribution Paid	-	-	-	-	-	-	97.24	93.77	97.24	93.77
Deposits taken during the year	24.18	25.00	28.08	0.94	-	-	-	-	52.26	25.94
Deposits paid during the year	22.50	13.07	45.12	9.00	-	4.90	-	-	67.62	26.97
Purchase of material / stores	-	-	-	-	8.78	5.79	-	-	8.78	5.79
Purchase of components	-	-	-	-	-	374.88	-	-	-	374.88
Preference share issued on amalgamation	0.00#	-	57.72	-	230.85	-	-	-	288.58	-
Cash consideration paid for acquisition on amalgamation	0.00##	-	22.37	-	89.45	-	-	-	111.82	-
Share of expenses recovered	-	-	-	-		3.00		-		3.00

Rs. 0.0048 million

Rs. 0.0019 million

Notes to the standalone financial statements for the year ended March 31, 2019

(ii) Balances due from/to the related parties

Rs. million

Particulars	Key management personnel (KMP)		Close members of the family of key management personnel		Entity over which, Key management personnel and their Close members of the family has significant influence or control		Post-employment defined benefit plan entity		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deposits accepted	24.18	22.50	36.77	53.80	-	-	-	-	60.95	76.30
Interest accrued but not due	1.04	0.86	0.12	0.29	-	-	-	-	1.16	1.15
Amount payable	102.11	101.40	57.78	-	230.99	44.62	83.11	57.81	473.99	203.83

Note : i) The deposits from related parties have been accepted on same rate of interest as applicable for other parties.

ii) The amount outstanding from related parties is unsecured and will be settled in cash.

iii) No guarantees have been given or received in respect of related parties.

iv) Shriram Automotive Products Ltd. has been amalgamated with the Company with the appointed date of 01.04.2018.

Notes to the standalone financial statements for the year ended March 31, 2019

34. a) Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2016 in respect of disputed dues, not deposited as at March 31, 2019, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)	Amount Paid (Rs. Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16 & 2016-17	9.60	0.00	9.60
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.40	0.39	0.01
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 (till Jun-2017)	0.63	0.60	0.03
Finance Act, 1994	Service Tax	Commissioner (Appeal)	2012-13 (from Jul-2012), 2013-14, 2014-15, 2015-16	14.65	14.65	0.00
Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2012-13, 2013-14, 2014-15 & 2015-16	32.18	31.64	0.54
		Appellate Tribunal	2005-06, 2006-07, 2007-08, 2010-11, 2012-13 & 2014-15	18.96	16.96	2.00
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2011-12, 2012-13, 2014-15 & 2015-16	440.37	377.92	62.45
		Appellate Tribunal	2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	12.40	8.38	4.02

* amount as per demand orders including interest and penalty wherever quantified in the order.

b) The following matters, which have been excluded from the table above, have been decided in favour of the Company but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2013-14 & 2014-15	10.03

* amount as per demand orders including interest and penalty wherever quantified in the order.

Notes to the standalone financial statements for the year ended March 31, 2019

35. The Company has made provision for disputed/ pending litigation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Rs. million

Particulars	As at March 31, 2018	Addition during the year	As at March 31, 2019
Entry Tax	9.75	(9.75)	0.00

Rs. million

Particulars	As at March 31, 2017	Addition during the year	As at March 31, 2018
Entry Tax	9.75	0.00	9.75

36. Operating lease

The Company has entered into lease agreements both on cancellable and non - cancellable in nature.

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
The total of future minimum lease payments for remaining period of non-cancellable leases are as under:		
Not later than one year	9.37	4.88
Later than one year but not later than five years	22.96	8.85
Later than five years	49.74	-
	82.07	**13.73**

The Company has entered into commercial leases to obtain premises on operating lease. Lease payments made under operating leases amounting to Rs. 89.0 million (previous year: Rs. 63.56 million) have been recognised as an expense in the statement of profit & loss.

37. Segment reporting

The company is engaged in a single segment i.e. the business of "automotive components" from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the company's resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of revenue from customers is given below

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Domestic Sale	15,905.65	14,419.54
Export Sale	3,257.38	2,993.65
	19,163.02	**17,413.19**

Revenue from one customer amounts to Rs. 2,207.82 million (previous year Rs. 2,098.58 million). No other single customer represents 10% or more to the Company revenue for financial year ended March 31, 2019 and March 31, 2018.

Notes to the standalone financial statements for the year ended March 31, 2019

38. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	64.36	54.50
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	40.64	40.88
- Interest actually paid under section 16 of MSMED	-	0.15
	-	
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.17	0.31
- Interest remaining unpaid as at the end of the year	0.17	0.31
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.17	0.31

39. Contingent liabilities

Rs. million

	As at March 31, 2019	As at March 31, 2018
i) Disputed		
- Excise duty	0.40	1.82
- Sales tax	503.91	2,134.90
- Service tax	15.28	3.23
- Income tax	1.43	1.43
- Employees' State Insurance	28.83	28.83
- Interim Relief to Workers at Ghaziabad	8.65	8.65
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Company.		
ii) Bank guarantees	25.00	25.00
iii) Bills discounted from banks	49.55	23.30
iv) Claims not acknowledged as debts	136.05	112.97

40. In view of recent Supreme Court Judgement in the case of "Regional Provident Fund Commissioner (II) Vs Vivekananda Vidyamandir, West Bengal in relation to non-exclusion of certain allowance from the defination of "Wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provision Act, 1952, the company has obtained legal opinion in the matter. In terms of legal opinion, there are various interpretational issues and thus company is in the process of evaluating the impact.

Notes to the standalone financial statements for the year ended March 31, 2019

41. Commitments

Rs. million

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	803.65	539.65

Outstanding export obligation to be fulfilled over a period of maximum up to 5 years under the EPCG scheme against import of some machines is Rs. 6,804.22 Millions (previous year Rs. 4,002.32 Millions). Customs duty saved against outstanding export obligations is Rs. 171.48 million (previous year Rs. 51.55 million)

The Company has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Company does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.

42. Fair Value Measurement

i) The carrying value and fair value of financial instruments by categories as of **March 31, 2019** are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	55.07	55.07	55.07
Derivatives instruments*			
- Forward contracts	8.88	8.88	8.88
- Cross currency interest rate swaps	71.35	71.35	71.35
Total	**135.30**	**135.30**	**135.30**

The carrying value and fair value of financial instruments by categories as of **March 31, 2018** are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	200.36	200.36	200.36
Derivatives instruments*			
- Forward contracts	(10.67)	(10.67)	(10.67)
- Cross currency interest rate swaps	137.27	137.27	137.27
Total	**326.96**	**326.96**	**326.96**

*Change in fair value is recognised in other comprehensive income.

Notes to the standalone financial statements for the year ended March 31, 2019

ii) Fair value hierarchy

The Company uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of **March 31, 2019**

(Rs. million)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	55.07		55.07	
Foreign currency forward contracts	8.88		8.88	
Derivatives instrument	71.35		71.35	
Total financial assets	**135.30**	**-**	**135.30**	**-**

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of **March 31, 2018**

(Rs. million)

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	200.36		200.36	-
Derivatives instrument	137.27	-	137.27	-
Total financial assets	**337.63**	**-**	**337.63**	**-**
Financial liabilities				
Foreign currency forward contracts	(10.67)	-	(10.67)	-
Total financial liabilities	(10.67)	-	(10.67)	-

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Notes to the standalone financial statements for the year ended March 31, 2019

iii). Financial assets and financial liabilities that are measured at amortised cost are :

(Rs. million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Investments in subsidiary	0.50	0.50	0.50	0.50
Trade and other receivables	3,558.38	3,558.38	3,210.99	3,210.99
Cash and cash equivalent	830.91	830.91	1,811.34	1,811.34
Bank deposit	-	-	39.60	39.60
Interest accrued on bank deposit	32.29	32.29	41.26	41.26
Margin money	39.31	39.31	9.62	9.62
Financial liabilities				
Borrowings*	1,019.61	1,019.61	1,873.49	1,873.49
Preference share capital	288.58	288.58	-	-
Trade payables	2,711.34	2,711.34	2,629.57	2,629.57
Unclaimed dividends	0.53	0.53	0.56	0.56
Unclaimed matured deposits and interest accrued thereon	16.82	16.82	3.86	3.86
Capital creditors	113.15	113.15	94.82	94.82

The carrying value of above financial assets and financial liabilities approximate its fair value.

*Includes foreign currency loan where change in fair value is recognised in other comprehensive income.

43. Capital management

The Company's objective for managing capital is to ensure as under:

i) To ensure the company's ability to continue as a going concern

ii) Maintaining a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.

iii) Maintain an optimal capital structure.

iv) Compliance of financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure keeping in view of:

i) Compliance of financial covenants under the borrowing facilities.

ii) Changes in economic conditions

In order to achieve this overall objective of capital management, amongst other things, the Company aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Company may vary the dividend payment to shareholders.

Notes to the standalone financial statements for the year ended March 31, 2019

44. Financial risk management

The Company's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Company also holds FVTPL current 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 under appropriate policies and procedures.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings,deposits, FVTPL current investments and derivative financial instruments.

a) Foreign exchange risk

The Company is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD,EURO and JPY. The Company holds derivative financial instruments such as foreign exchange forward and contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Company's operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Each percentage point change in the foreign exchange rates has an impact of 0.46% (previous year : 0.49%) on Company's operating margins.

The Company's foreign currency risk from financial instruments are as under

(Foreign currency million)

Particulars	Currency	As at March 31, 2019			As at March 31, 2018		
		Total	Hedged	Net	Total	Hedged	Net
Trade Receivables	USD	4.48	0.00	4.48	3.29	3.29	0.00
	EUR	4.80	2.00	2.80	6.10	5.95	0.15
	JPY	5.49		5.49	17.31	0.00	17.31
	GBP	0.23		0.23	0.17	0.15	0.02
Trade Payables	USD	0.10		0.10	0.15	0.00	0.15
	EUR	0.40		0.40	0.13	0.00	0.13
	JPY	505.46	70.00	435.46	450.12	230.00	220.12
	GBP			0.00	0.00	0.00	0.00
	CNY	1.28		1.28	0.79	0.00	0.79
Secured Bank Loans	USD	4.70	4.70	0.00	11.80	11.80	0.00

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates. The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Company enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Company is not exposed to any significant /material interest rate risk.

Notes to the standalone financial statements for the year ended March 31, 2019

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by company's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Company grants credit terms in the normal course of business. The Company uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

(Rs. million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	29.12	26.93
Add: Acquisition adjustment	3.89	-
Add: Provided during the year	9.85	6.23
Less: Reversal of provision	(0.04)	(1.13)
Less: Amount written off	(1.06)	(2.91)
Balance at the end of the year	41.76	29.12

iii) Liquidity risk

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by company's established policy & procedures made under liquidity risk management framework. The Company manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilites,by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities ranges between 1 to 5 years.

45. Hedge Accounting

i) Forwards Contracts

The Company holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period are as under:

(Foreign currency million)

Outstanding Contracts	Currency	As at March 31, 2019	As at March 31, 2018
Not later than one month	USD		1.46
	EUR	1.00	1.40
	JPY	70.00	80.00
	GBP		0.08
Later than one month and not later than three months	USD		1.91
	EUR	1.00	2.55
	JPY		150.00
	GBP		0.07
Later than three months and not later than one year	EUR		2.00
	JPY		0.00

Notes to the standalone financial statements for the year ended March 31, 2019

The Company has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

ii) Cross currency Interest Rate Swaps

Under cross currency interest rate swap contracts, the Company agrees to exchange the principal and interest payment of its loans liabilities in foreign currency for equivalent amount in net present value terms in Indian rupees. Such contracts enable the Company to mitigate the risk of exchange rate and cash flow exposures on the issued variable rate debt in foreign currency.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Company matches the critical terms of the hedged items and hedging instruments.

iii) Reconciliation of cash flow hedge reserve are as under:

(Rs. million)

Particulars	As at March 31, 2019	As at March 31, 2018
Assets /(liability)		
Balance at the beginning of the year	(8.37)	(6.52)
Gain / (Loss) recognised in other comprehensive income during the year	22.30	(2.83)
Tax impact on above	(7.76)	0.98
Balance at the end of the year	6.17	(8.37)

46. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

47. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Company during the year.

48. The Board of Directors in its meeting held on 22.05.2018 approved the scheme of amalgamation of Shriram Automotive Products Limited (SAPL) with the Company. The Company has received approval of aforesaid scheme of amalgamation from Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench, on 05.03.2019 with appointed date of 01.04.2018. The company has filed NCLT order with Registrar of Companies (ROC) on 29.03.2019 which becomes the effective date. In accordance with Ind AS 103 "Business Combinations", the Company has given effect of amalgamation with SAPL with the appointed date i.e 01.04.2018.

In accordance with the provisions of aforesaid scheme, the equity shareholders as on record date, shall be allotted 24 Nos of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each for every one Equity Share held in SAPL, apart from a cash consideration of Rs. 930/-for each Equity Share held in SAPL.

On 30.03.2019 the company has discharged the cash consideration of Rs. 111.82 million and also allotted 28,85,760, 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each to the equity shareholders of SAPL, and the preference share capital has been disclosed under "Non- Current Financial Liability".

In accordance with the scheme, the amalgamation has been accounted under the acquisition method as prescribed by Ind AS 103.

Accordingly, the accounting treatment has been given as under:-

Notes to the standalone financial statements for the year ended March 31, 2019

(i) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Customer Contracts and other business and commercial rights etc. and all the liabilities of the SAPL transferred to and vested in the Company pursuant to this scheme has been recorded in the books of account of the Company at fair values and adopted by the Board of Directors of the Company.

(ii) The Excess of the amount of consideration over the fair value of net assets of the SAPL acquired by the Company has been treated as goodwill in accordance with the applicable Indian Accounting Standards.

(iii) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the SAPL and Company has been cancelled and nullified.

The excess value of consideration over the fair value of assets and liabilities transferred amounting to Rs. 14.85 million has been recorded as goodwill as per Ind AS 103.

The fair value of identifiable assets and liabilities of Shriram Automotive Products Limited as on date of acquisition were as under:

Particulars	**Rs. in Million**
ASSETS	
Property, plant and equipment	26.74
Trade mark	103.78
Customer contracts	114.36
Cash and cash equivalents	4.03
Financial Assets - Non Current	3.59
Other Non-Current Assets	70.49
Trade receivables	278.51
Inventories	75.84
Financial Assets - Current	69.19
Other Current Assets	6.25
TOTAL ASSETS	**752.78**
Liabilities	
Trade payables	284.06
Provisions	20.98
Other financial liabilities- Current	3.84
Other financial liabilities - Non Current	26.48
Other Current liabilities	31.86
TOTAL LIABILITIES	**367.22**
Net assets taken over C= (A-B)	**385.56**
***Purchase consideration**	**400.40**
Goodwill arising on acquisition	**14.85**

Notes to the standalone financial statements for the year ended March 31, 2019

Break up of Purchase consideration	Rs. in Million
- 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty) 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each	288.58
- Cash consideration	111.82
Total	**400.40**

Note: Pursuant to the above mentioned, the financials statement of the current year are not strictly comparable to those of the previous year.

49. Previous year figures have been re-grouped / reclassified, wherever necessary to confirm to current year's classification. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHRIRAM PISTONS & RINGS LIMITED

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of **Shriram Pistons & Rings Limited** ("the Holding Company") and its subsidiary (the Holding Company and its subsidiary together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit and Loss (including other comprehensive income), the Consolidated statement of Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us,the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS')and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2019, consolidated profit,consolidated total comprehensive income, consolidated cash flows and its consolidated 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 specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the **Audit of the Consolidated Financial Statements** section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Response to key audit matter
(a) **Revenue recognition with respect to occurrence and cut-off:** There is an inherent risk of occurrence and cut off due to inappropriate revenue recognition that do not relate to valid sales/ shipments and if deliveries are recorded in the wrong accounting period. (Refer to Note 21 to the consolidated financial statements)	**Principal Audit Procedures:** We assessed the Company's process to identify the occurrence and cut off as per revenue accounting standard. Our audit approach consisted evaluation of design of controls and testing the operating effectiveness of the controls over: • Recording of revenue transactions in correct period; • Recording of revenue in line with underlying contracts / agreements and proof of delivery; We performed tests of detail for samples of revenue transactions to verify that the performance obligation had been met by: • analyzing the contract and terms of the sale to determine that the Company had fulfilled the requirements of the contract; • confirming revenue could be reliably measured by reference to underlying documentation; and • confirming collectability of the revenue was reasonably assured by agreeing to collection history. We have performed the cut off testing for both late and early cut off to evaluate that sales are recorded in the appropriate period. We have identified the range of delivery period between 1 to 8 days in which sales is recognized and traced to proof of delivery (POD). We also performed analytical procedures supported with corroborative inquiry.

Key Audit Matter	Response to key audit matter
	We involved our internal IT specialists to test IT general controls and application specific controls surrounding billing and recording, including testing of system generated reports used in our audit. We examined and assessed the accounting policies applied in the recognition of revenue for compliance with the applicable financial reporting framework; We challenged management estimates around appropriateness of revenue recognition and reversals for biases that could result in material misstatement.
(b) Amalgamation of Shriram Automotive Products Limited ("SAPL") On March 29, 2019, the amalgamation of the SAPL was completed. The Company accounted for the business combination in accordance with IND AS 103 - Business Combinations under acquisition method. Due to assumptions and estimates required made by management as part of the purchase price allocation. Reference to related disclosures: With regard to the accounting and measurement policies applied, explanations of the transaction and it's disclosures on the preliminary purchase price allocation are included in Note 49 to the consolidated financial statements.	**Principal Audit Procedures** Our audit procedures in relation to business combination included following: • Evaluation of design of controls and testing of operating effectiveness of the controls established by Company for assessment and evaluation of amalgamation transactions, including controls established by Company for ensuring regulatory compliances; • Inspecting Scheme of amalgamation and related documentation, and considering whether the amalgamation were business combinations and accordingly, whether the relevant accounting standards had been applied based on accounting papers prepared by Company's management. • Performing audit procedure to test the workings prepared by the Company to bifurcate the assets and liabilities of the amalgamated entity and ensure that all assets and liabilities pertaining to that business have been appropriately identified in the Business Combination. • Involvement of our internal valuation specialists, wherever required, in the valuation of the identifiable assets and liabilities including assessing the adequacy of the valuation methods and appropriateness of key assumptions used; • Recomputing the value of the considerations transferred, including calculation of share swap ratio with reference to the scheme agreements and ensuring that the correct effective date was used; • Involving our tax specialist, wherever required, to evaluate and test the tax transactions arising upon business combination; • Performing audit procedures to ensure that all identified assets and liabilities of both the Companies have been disclosed appropriately; and • Performing adequate audit procedures to ensure the accuracy and completeness of the disclosures made in the Financial Statements in accordance with Indian accounting standards.

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to the Board's Report, Business Responsibility Report, but does not include the consolidated financial statements, standalone 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 the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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.

Management's Responsibility for the Consolidated Financial Statements

The Holding 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 consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income,consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds

and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

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

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system 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 the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 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 within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our 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 Matters

We did not audit the financial statements viz., SPR International Auto Exports Limited whose financial statements reflect total assets of Rs. 0.52 million as at 31st March 2019 and total revenue of Rs. 0.03 million for the year ended on that date, in the consolidated Ind AS financial statements. The financial statements have been audited by other auditors whose reports have been furnished to us by the management, and our opinion in so far as it relates to the amounts and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of the subsidiary, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiary is based solely on the reports of the other auditors

Our opinion on the consolidated financial statements above 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 certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of the other auditor on separate financial statements of the subsidiary company incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

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

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books, returns and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including 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 relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

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

(e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2019 taken on record by the Board of Directors of the Company and the reports of the statutory auditor of its subsidiary company incorporated in India, none of the directors of the Group companies is disqualified as on 31st March 2019 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 over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding Company and subsidiary company, incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies, for the reasons stated therein.

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

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 39 to the Consolidated IND AS financial statements.

ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 46 to the Consolidated IND AS financial statements.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Holding Company and its subsidiary company. Refer Note 47 to the Consolidated IND AS financial statements.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of **Shriram Pistons & Rings Limited** (hereinafter referred to as "Holding Company") and its subsidiary company, which is a company incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding Company and its subsidiary company, which is a company incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (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 internal financial controls over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India, 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") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. 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 over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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 auditor of the subsidiary company, which is a company incorporated in India, in terms of their report 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 system over financial reporting of the Holding Company and its subsidiary company, which is a company incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting 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 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 auditor referred to in the Other Matters paragraph below, the Holding Company and its subsidiary company, which is company incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to subsidiary company which is company incorporated in India, is based on the corresponding reports of the auditors of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
(Partner)
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

Consolidated Balance Sheet as at March 31, 2019

Rs. million

	Note No.	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	5,843.14	5,511.95
b) Capital work-in-progress		164.76	112.27
c) Goodwill	4	14.85	-
d) Other Intangible assets	4	268.83	41.96
e) Intangible assets under development		1.77	-
f) Financial assets			
(i) Other financial assets	6	39.31	103.90
g) Other non-current assets	8	1,045.92	715.18
		7,378.58	**6,485.26**
Current assets			
a) Inventories	9	3,471.37	2,810.37
b) Financial assets			
(i) Investments	5	55.07	200.36
(ii) Trade receivables	10	3,558.38	3,210.99
(iii) Cash and cash equivalents	11	22.28	25.72
(iv) Other bank balances other than (iii) above	11	809.15	1,786.13
(v) Other financial assets	6	112.52	123.86
c) Other current assets	8	276.78	266.72
		8,305.55	**8,424.15**
TOTAL ASSETS		**15,684.13**	**14,909.41**
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	223.75	223.75
b) Other equity		10,040.85	8,908.93
		10,264.60	9,132.68
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	424.42	657.95
(ii) Non convertible preference share capital	14	288.58	-
b) Provisions	15	346.83	315.04
c) Deferred tax liabilities (net)	17	319.40	323.89
d) Other non-current liabilities	16	28.26	2.33
		1,407.49	**1,299.21**
Current liabilities			
a) Financial liabilities			
(i) Borrowings	18	39.36	414.93
(ii) Trade payables	19		
- Total outstanding dues of micro and small enterprises		64.36	54.50
- Total outstanding dues of creditors other than micro and small enterprises		2,646.98	2,575.07
(iii) Other financial liabilities	20	686.33	910.52
b) Other Current Liabilities	16	435.81	411.13
c) Provisions	15	91.63	89.04
d) Current tax liabilities (net)	7	47.57	22.33
		4,012.04	**4,477.52**
TOTAL EQUITY AND LIABILITIES		**15,684.13**	**14,909.41**

See accompanying notes to the consolidated financial statements 1-50

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Consolidated Statement of Profit and Loss for the year ended March 31, 2019

Rs. million

		Note No.	For the Year ended March 31, 2019	For the Year ended March 31, 2018
I	Revenue from operations	21	19,549.03	17,742.76
II	Other income	22	236.35	250.10
III	**Total income (I+II)**		**19,785.38**	**17,992.86**
IV	**Expenses**			
	Cost of materials consumed	23	6,188.40	5,706.48
	Purchase of stock-in-trade		1,075.85	-
	(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	24	(372.00)	(317.96)
	Excise duty on sale of goods		-	448.61
	Employee benefit expenses	25	3,691.77	3,363.22
	Finance costs	26	139.19	164.19
	Depreciation and amortisation expense	27	943.26	903.34
	Other expenses	28	6,026.52	5,616.58
	Total expenses		**17,692.99**	**15,884.46**
V	**Profit before tax (III-IV)**		**2,092.39**	**2,108.40**
VI	**Tax expense:**			
	i) Current tax	17	713.84	744.37
	ii) Deferred tax		(5.96)	(24.81)
			707.88	**719.56**
VII	**Profit for the year (V-VI)**		**1,384.51**	**1,388.84**
VIII	**Other comprehensive income**			
	A (i) Items that will not be reclassified to profit or loss			
	a) Remeasurements of the post employment defined benefit plans		4.75	27.01
	(ii) Income tax relating to items that will not be reclassified to profit or loss		(1.66)	(9.35)
	B (i) Items that will be reclassified to profit or loss			
	a) Fair value change of cash flow hedge		22.30	(2.83)
	(ii) Income tax relating to items that will be reclassified to profit or loss		(7.76)	0.98
	Total other comprehensive income		**17.63**	**15.81**
	Total Comprehensive income (VII+VIII)		**1,402.14**	**1,404.65**
	Earnings per share (of Rs. 10/- each)	30		
	Basic (Rs.)		61.88	62.07
	Diluted (Rs.)		61.88	62.07

See accompanying notes to the consolidated financial statements 1-50

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Consolidated Cash flow statement for the year ended March 31, 2019

Rs. million

			Year ended March 31, 2019	Year ended March 31, 2018
A.	**Cash flow from Operating Activities**			
	Profit for the year		1,384.51	1,388.84
	Adjustments for :			
	Tax expenses recognised in statement of profit and loss		707.88	719.56
	Depreciation/amortisation		943.26	903.34
	Finance costs		139.19	164.19
	Bad debts/advances written off		1.06	2.91
	Provision for doubtful debts (net)		8.76	2.19
	Interest income		(132.44)	(120.86)
	Net gain on sale/ fair valuation of current investment		(7.75)	(23.95)
	Unrealised exchange rate variation (net)		(5.29)	(23.70)
	Profit/loss on sale / retirement of property, plant and equipment		14.84	7.71
	Fair value change in Cash flow hedges (net of tax)		14.54	(1.85)
	Remeasurement of post employment defined benefit plans (net of tax)		3.09	17.66
	Operating profit before working capital changes		**3,071.65**	**3,036.04**
	Adjustments for:			
	Inventories		(660.99)	(406.55)
	Trade receivables		(366.23)	(808.25)
	Loans and other financial assets (current and non current)		186.28	45.46
	Other assets (current and non current)		(179.02)	(24.26)
	Trade payables		98.18	530.15
	Other financial liabilities (current and non current)		359.80	79.07
	Other Liabilities and Provisions (current and non current)		35.85	14.53
	Cash Generated from operations		**2,545.52**	**2,466.19**
	Income tax paid		(688.60)	(717.67)
	Net cash from operating activities	**(A)**	**1,856.92**	**1,748.52**
B.	**Cash Flow from Investing Activities**			
	Interest received		119.97	119.25
	Sale of tangible assets		24.22	10.02
	Payment for cash consideration under amalgamation		(111.82)	-
	Purchase of tangible assets		(1,479.31)	(677.49)
	Purchase of intangible assets		(294.56)	(44.53)
	Purchase of Current Investment		(5,532.22)	(7,616.36)
	Proceeds from sale of Current Investment		5,685.26	7,520.00
	Increase/(Decrease) in margin money with banks		(29.69)	(3.08)
	Increase / (Decrease) in Deposits more than 12 months		39.60	39.55
	Net cash (used) in investing activities	**(B)**	**(1,578.55)**	**(652.64)**

Rs. million

			Year ended March 31, 2019	Year ended March 31, 2018
C.	**Cash Flow from Financing Activities**			
	Interest paid		(164.15)	(150.52)
	Dividend and dividend distribution tax		(269.74)	(215.44)
	Repayment of long term borrowings		(444.00)	(614.58)
	Proceeds from deposits		277.35	229.89
	Payment of deposits		(298.53)	(133.03)
	Net cash from/(used) in financing activities	**(C)**	**(899.07)**	**(883.68)**
	Net Increase/(Decrease) in cash and cash equivalents	**(A+B+C)**	**(620.70)**	**212.20**
	Cash and cash equivalents at the beginning of the year		**1,431.95**	**1,219.75**
	Add: Cash and cash equivalents acquired on amalgamation (refer note 49)		4.03	
	Cash and cash equivalents at the end of the year		**815.28**	**1,431.95**
	Components of cash and cash equivalents			
	Cash in hand		1.96	0.34
	Balances with banks			
	- current accounts		17.80	22.87
	- Other bank balances		811.68	1,788.64
	Working Capital loan from banks (Secured / Unsecured)		(16.24)	(379.90)
			815.20	**1,431.95**

Note:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS)- 7.
2. The amalgamation of Shriram Automotive Products limited with the Parent Company is effective from 1st April 2018. The details of assets and liabilities taken over by the Parent company pursuant to amalgamation and purchase consideration involved are disclosed at note 49

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

A.K. Taneja
Managing Director & CEO
DIN: 00124814

Vinod Raheja
Dy. Executive Director & CFO

Inderdeep Singh
Director
DIN: 00173538

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Consolidated Statement of Change in Equity as at March 31, 2019

a) Fully paid up equity shares

(face value of Rs. 10/- each)

	Nos of shares in Million	Rs. million
Balance as at March 31, 2018	22.37	223.75
Changes during the year	-	-
Balance as at March 31, 2019 (refer note 12)	22.37	223.75

(b) Other Equity

Rs. million

Particulars	Reserves and surplus					Items of other comprehensive income	Total
	Preference share redemption reserve*	Revaluation reserve*	Retained earnings	General reserve	Sub Total	Effective portion of cash flow hedge reserve	
Balance as at April 01, 2017	100.00	98.52	353.86	7,174.23	7,726.61	(6.52)	7,720.09
Profit for the year		(0.36)	1,388.84		1,388.48	-	1,388.48
Dividends (including coporate dividend tax)			(215.44)		(215.44)	-	(215.44)
Other comprehensive income for the year, net of tax			17.66		17.66	(1.85)	15.81
Transfer to General reserve			(750.00)	750.00	-	-	-
Balance as at March 31, 2018	**100.00**	**98.16**	**794.91**	**7,924.23**	**8,917.30**	**(8.37)**	**8,908.93**
Profit for the year		(0.48)	1,384.51		1,384.03	-	1,384.03
Dividends (including corporate dividend tax)			(269.74)		(269.74)	-	(269.74)
Other comprehensive income for the year, net of tax			3.09		3.09	14.54	17.63
Transfer to General reserve			(612.77)	612.77	-	-	-
Balance as at March 31, 2019	**100.00**	**97.68**	**1,300.00**	**8,537.00**	**10,034.68**	**6.17**	**10,040.85**

* The revaluation reserve and preference share redemption reserve are not "free Reserve" as per Companies Act 2013, hence not available for distribution of dividend.

In terms of our report attached

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

Vijay Agarwal
Partner
(Membership No. 094468)

Place: Gurugram
Date: May 10, 2019

For and on behalf of the Board of Directors

Pradeep Dinodia
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Jt. Managing Director & Company Secretary
DIN: 00124760

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

Notes to the consolidated financial statements for the year ended March 31, 2019

1. Corporate information

Shriram Pistons and Rings Limited., the Parent Company's business activity falls under "automotive component". Primary products manufactured by the Parent Company are pistons, piston pins, piston rings and engine valves. Shriram Pistons and Rings Ltd. along with its subsidiary, M/s SPR International Auto Exports Ltd. is hereinafter referred to as "the Group". The Group's consolidated financial statements have been approved for issue by the Company's Board of Directors on May 10, 2019.

1.1 Statement of Compliance

The consolidated financial statements include the financial statements of Shriram Pistons & Rings Ltd. ("the Parent Company"), and SPR International Auto Exports Ltd. ("the subsidiary Company"), incorporated in India, in which the Parent Company holds 100% of its share capital (collectively referred to as "the Group").

The consolidated financial statements have been prepared to comply with the Indian Accounting Standard (Ind AS) notified under section 133 of the Companies Act, 2013, read together with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, Companies (Indian Accounting Standards) Amendment Rules, 2016 and Companies (Indian Accounting Standards) Amendment Rules, 2017 issued by the Ministry of Corporate Affairs ('MCA').

2. Significant accounting policies

2.1.1 Basis of accounting and preparation of consolidated financial statements

The consolidated financial statements have been prepared under historical cost convention on accrual and going concern basis, except for the certain financial instruments which have been measured at fair value as required by relevant Ind ASs.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

2.1.2 Fair Value measurement

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36.

In addition for financial reporting purpose, fair value measurement are categorised into level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in the entirety, which are described as follows:

- Level 1: This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- Level 3: This level includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

2.1.3 Basis of consolidation

The consolidated financial statements of the Parent Company and its wholly owned subsidiary, M/s SPR International Auto Exports Limited., have been combined on a line by line basis by adding together the book values of like items

of assets, liabilities, income and expenses, after fully eliminating intra group balances and intra-group transactions resulting in unrealized profit or losses.

The consolidated financial statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Parent Company's separate financial statements.

The consolidated financial statements incorporate the financial statements of the Parent Company and entities (including structured entities) controlled by the Parent Company and its subsidiaries. Control is achieved when the Parent Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Parent Company reassesses 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 listed above.

When the Parent Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Parent Company considers all relevant facts and circumstances in assessing whether or not the Parent Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Parent Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Parent Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Parent Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Parent Company obtains control over the subsidiary and ceases when the Parent Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss and other comprehensive income from the date the Parent Company gains control until the date when the Parent Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Parent Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Parent Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiary to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.1.4 Operating Cycle

Based on the nature of products/ activities of the Group and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Group has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.2. Use of estimates

The preparation of the financial statements is in conformity with Indian Accounting Standards (Ind AS) and requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities

Notes to the consolidated financial statements for the year ended March 31, 2019

and disclosures relating to contingent liabilities as at the date of the financial statements and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3. Revenue recognition

Ind AS 115, 'Revenue from Contracts with Customers' is applicable with effect from April 1, 2018. Based on the evaluation of existing contracts, the effect on transition to Ind AS 115 is insignificant.

Revenue from the sale of products or services is recognized upon transfer of control to customers. Revenue is measured at the amount of consideration which the Group expects to be entitled to in exchange for transferring distinct goods or services to a customer as specified in the contract, excluding amounts collected on behalf of third parties (for example, taxes and duties collected on behalf of the government). A receivable is recognized upon satisfaction of performance obligations as per the Contracts.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to Group and the amount of income can be measured reliably. Interest income is accrued on time basis, by reference to the principal outstanding and at the interest rate as applicable.

Other revenues are recognised on accrual basis, except where there are uncertainties in realisation/determination of income and in such case income is recognised on realisation/certainty.

2.4. Government grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

2.5.1. Property, plant and equipment

Property, plant and equipment held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat /Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.2. Intangible assets

Intangible are recognised when it is probable that future economic benefits attributed to the asset will flow to the entity and the cost of the asset can be reliably measured.

Intangible assets held for use in production or supply of goods and services, or for administrative purpose, are stated at cost (net of cenvat /Input Tax Credits availed) including taxes and other incidental expenses related to acquisition, installation and borrowing cost on loan taken for the acquisition of qualifying assets upto the date the assets are ready for their intended use.

2.5.3. Capital work-in-progress

Capital work-in-progress represents expenditure incurred in respect of capital projects under development and are carried at cost. Cost includes related acquisition expenses, development/construction costs, borrowing costs and other direct expenditure.

2.6. Depreciation and amortisation

Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value.

The Group is following written down value method in case of Furniture, fixtures and office equipments and straight line method in respect of other assets.

Notes to the consolidated financial statements for the year ended March 31, 2019

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Act except in respect of the following categories of assets, in whose case the life of the assets has been assessed based on technical advice, taking into account the nature, the estimated usage, operating conditions of the asset, past history of replacement, anticipated technological changes and maintenance practices etc.

Plant and machinery

-	General	-	twenty years
-	Electric Installation / Equipment	-	fifteen years
-	Dies	-	three years
Road		-	twenty years
Bore well		-	fifteen years
Vehicle		-	five years
Furniture and Fixture / Office Equipment		-	five years

All intangible assets are amortised on straight-line method over their estimated useful life as under.

Computer Software	-	three years
Product Design	-	three years
Right to Use Assets	-	fifteen years
Trademarks acquired on acquisition	-	ten years
Customer Contracts acquired on acquisition	-	ten years

Assets costing uptoRs. 5,000 are fully depreciated in the year of acquisition.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and the effect of any changes in estimate is accounted for on a prospective basis.

An item of property, plant and equipment and intangible asset is derecognised on disposal, or when no future economic benefit are expected to arise from the continued use of assets. Any gain and loss arising on the disposal of or retirement is determined as the difference between the sale proceeds and the carrying amount of the assets and is recognised in the statement of profit and loss.

2.7. Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition.

Financial assets

Regular way purchases or sales of financial assets are accounted for at trade date basis. Regular way purchases or sales are purchase or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the market place.

Classification of financial assets

Financial assets that meet the following conditions are subsequently measured at amortised cost

i) Asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the consolidated financial statements for the year ended March 31, 2019

Financial assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

i) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and

ii) The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at fair value through profit or loss

Financial asset which are not classified in any of the above categories are subsequently measured at fair value through profit or loss (FVTPL).

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost.

Investments

Non current investment is carried at cost less impairment. Any permanent diminution in the value of non current investments is provided for in the books of account.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost or at fair value through profit or loss (FVTPL). For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

Fair value is determined in the manner described in note 42.

2.8. Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts and cross currency interest rate swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the statement of profit and loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the statement of profit and loss depends on the nature of the hedging relationship and the nature of the hedged item.

(i) Financial assets or financial liabilities, at fair value through profit or loss.

This category has derivative financial assets or liabilities which are not designated as hedges. Although the Group believes that these derivatives constitute hedges from an economic perspective, they may not qualify for hedge accounting under Ind AS 109, Financial Instruments. Any derivative that is either not designated a hedge, or is so designated but is ineffective as per Ind AS 109, is categorized as a financial asset or financial liability, at fair value through profit or loss.

Derivatives not designated as hedges are recognized initially at fair value and attributable transaction costs are recognized in net profit in the statement of profit and loss when incurred. Subsequent to initial recognition, these derivatives are measured at fair value through the statement of profit and loss and the resulting exchange gains or losses are included in the statement of profit and loss. Assets/liabilities in this category are presented as current assets/current liabilities if they are either held for trading or are expected to be realized within 12 months after the Balance sheet date.

(ii) Hedge accounting

The Group designates the derivatives as hedge of foreign exchange risk associated with the cash flows of highly probable forecast transaction, variable interest risk and foreign exchange risk associated with borrowings.

Notes to the consolidated financial statements for the year ended March 31, 2019

The Group documents at the inception of the hedging transaction the economic relationship between hedging instrument and hedge items. The Group documents its risk management objective and strategy for undertaking various hedge transactions at the inception of each hedge relationship.

When forward contracts are used to hedge forecast transactions, the Group generally designates related forward contract related as the hedging instruments.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income and accumulated under the heading of cash flow hedge reserve. The gain or loss relating to the ineffective portion is recognised immediately in the statement of profit and loss. Amounts previously recognised in other comprehensive income and accumulated in equity relating to (effective portion as described above) are reclassified to the statement of profit and loss in the periods when the hedged item affects profit or loss, in the same line as the recognised hedged item. For the same, Group matches critical terms of hedge item and hedge instruments.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. Any gain or loss recognised in other comprehensive income and accumulated in equity at that time remains in equity and is recognised when the forecast transaction and cross currency interest rate swap transaction is ultimately recognised in the statement of profit and loss. When a forecast transaction and cross currency interest rate swap transaction is no longer expected to occur, the gain or loss accumulated in equity is recognised immediately in the statement of profit and loss.

Fair value is determined in the manner described in note 42.

2.9. Inventories

Inventories are valued on the following basis:

i) Raw materials and components - at lower of cost determined on weighted average basis or net realisable value.

ii) Stock in process – at lower of cost or net realisable value.

iii) Finished goods stock/Stock-in-trade- at lower of cost or net realisable value.

Cost of raw materials includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

Cost of finished goods and work in progress includes cost of direct materials and labour and an appropriate proportion of manufacturing overheads based on the normal operating capacity.

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

2.10. Foreign currency transactions and translations

Transactions in foreign currency are recorded on initial recognition at the exchange rate prevailing on or closely approximating to the date of transaction.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Advance received or paid in foreign currency are recognised at the exchange rate on the date of transaction and are not retranslated.

Exchange differences on monetary items are recognised in the statement of profit and loss in the period in which they arise except exchange differences on transactions entered into in order to hedge certain foreign currency risks.

For foreign currency denominated financial assets measured at amortised cost or FVTPL, the exchange differences are recognised in statement of profit and loss except for those which are designated as hedging instruments in a hedging relationship.

Notes to the consolidated financial statements for the year ended March 31, 2019

2.11. Employee benefits

Retirement benefit costs and termination benefits:

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

Contribution towards Provident Fund and Superannuation Fund is paid as per the statutory provisions/Group's scheme. These benefits are charged to the statement of profit and loss of the year when they become due. For the provident fund trust administrated by the trustees, the Group is liable to meet the shortfall, if any, in payment of interest at the rates declared by Central Government and such liability is recognised in the year of shortfall. For defined post employment employee benefit plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to the statement of profit and loss. Past service cost is recognised in the statement of profit and loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

i) service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

ii) net interest expense or income; and

iii) remeasurement.

Short-term and other long-term employee benefits:

A liability is recognised for benefits accruing to employees in respect of wages and salaries in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Leave availment / encashment benefit is provided as per Group's scheme. Employee's are entitled to accumulate leaves subject to certain limit as per Group's scheme.

Liabilities for compensated absence that are not expected to be settled wholly within 12 months after the end of the period in which the employees rendered the related service, are measured at the present value of expected future payment to be made in respect of service provided by employees up to the end of reporting period using the projected unit credit method. The benefit are discounted using the market yields at the end of reporting period. Remeasurement as a result of experience adjustments and change in actuarial assumptions are recognised in the statement of profit and loss.

Employee benefits in the form of long service awards is provided as per Group scheme. The liability is determined through actuarial valuation using projected unit credit method.

2.12. Research and development

Revenue expenditure on research and development, inclusive of dies for model development, is charged as expense in the year in which incurred. Capital expenditure is included in Property, plant and equipment.

2.13. Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

At lessee, assets held under finance leases are initially recognised as assets of Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Balance sheet as a finance lease obligation.

Notes to the consolidated financial statements for the year ended March 31, 2019

Rental expense from operating leases is recognised on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

2.14. Taxes on income

Income tax expense represents the sum of the tax currently payable and deferred taxation.

Current Tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is calculated using tax rates that have been enacted by the end of the reporting period.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in the statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Minimum Alternate Tax

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Group will pay normal income tax. Accordingly, MAT is recognized as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Group.

2.15. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in the statement of profit and loss in the period in which they are incurred.

2.16. Earnings per share

Basic earnings per share is calculated by dividing profit or loss attributable to the owners of the Group by weighted average number of equity shares outstanding during the financial year. The weighted average number of equity shares outstanding during the year is adjusted for events of bonus issue, share split and any new equity issue.

Notes to the consolidated financial statements for the year ended March 31, 2019

For the purpose of calculating diluted earnings per share, profit or loss attributable to the owners of the Group and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

2.17. Impairment of assets

The carrying values of assets / cash generating units at each Balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased such reversal of impairment loss is recognised in the statement of profit and loss.

2.18. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.19. Contingent liabilities

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources.

When there is a possible obligation or a present obligation in respect of which the likelihood on outflow of resources is remote, no provision or disclosure is made.

2.20. Recent accounting pronouncement issued but not yet effective upto the date of issuance of financial statements

On March 30, 2019, the Ministry of Corporate Affairs (MCA) notified certain amendments to Indian Accounting Standards (Ind AS). All these amendments are effective from financial year beginning on or after April 1, 2019.

2.20.1 Amendment to Ind AS 19 - Employee Benefits plan amendment, curtailment or settlement:

Amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and to recognise in profit or loss as part of past service cost, or gain or loss on settlement, any reduction in surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

The Group is currently evaluating the requirements of Ind AS 19.

2.20.2 Insertion of new standard Ind AS 116 – 'Leases'

Ministry of Corporate affairs has notified Ind AS 116 Leases which will replace the existing lease standard Ind AS 17 "Leases and related interpretations".

The new standard sets out the principles for the recognition, measurement, presentation and disclosure of lease for both parties to a contract i.e. the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of profit and loss. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward lessor accounting requirements

Notes to the consolidated financial statements for the year ended March 31, 2019

The Group is in the process of evaluating the impact of transition from old standard i.e Ind AS 17 to new standard i.e Ind AS 116 and the transition approach.

2.20.3 Appendix C to Ind AS 12, Uncertainty over Income Tax Treatments

This Appendix clarifies how to apply the recognition and measurement requirements in Ind AS 12 when there is uncertainty over income tax treatments. In such a circumstance, an entity shall recognise and measure its current or deferred tax asset or liability applying the requirements in Ind AS 12 based on taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates determined applying this Appendix.

The Group is in the process of evaluating the effect of this amendment.

2.20.4 Amendment to Ind AS 12- Income Taxes

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group is currently evaluating the effect of this amendment.

Notes to the consolidated financial statements for the year ended March 31, 2019

3. Property, plant & equipment

Rs. million

Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2018							
Gross carrying amount							
Opening gross carrying amount	1,261.37	5,818.69	21.30	103.30	81.53	57.86	7,344.05
Additions	56.94	497.97	12.28	22.70	33.99	34.50	658.38
Disposals	-	16.56	0.66	11.42	3.58	8.86	41.08
Closing gross carrying amount as at March 31, 2018	**1,318.31**	**6,300.10**	**32.92**	**114.58**	**111.94**	**83.50**	**7,961.35**
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	114.24	1,430.20	7.70	7.57	35.94	13.37	1,609.02
Depreciation charged during the year	55.95	717.50	11.61	28.68	31.83	22.76	868.33
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	9.62	0.30	8.29	2.12	7.62	27.95
Closing accumulated depreciation and impairment as at March 31, 2018	**170.19**	**2,138.08**	**19.01**	**27.96**	**65.65**	**28.51**	**2,449.40**
Net carrying amount as at March 31, 2018	**1,148.12**	**4,162.02**	**13.91**	**86.62**	**46.29**	**54.99**	**5,511.95**
Year ended 31 March 2019							
Gross carrying amount							
Opening gross carrying amount	1,318.31	6,300.10	32.92	114.58	111.94	83.50	7,961.35
Additions	123.57	985.68	12.46	48.61	31.30	37.26	1,238.88
Acquired on amalgamation (refer note 49)	5.81	1.56	3.72	11.10	3.71	0.86	26.76
Disposals	28.34	18.27	1.79	31.15	5.53	10.17	95.25
Closing gross carrying amount as at March 31, 2019	**1,419.35**	**7,269.07**	**47.31**	**143.14**	**141.42**	**111.45**	**9,131.74**
Accumulated depreciation and impairment							
Opening accumlulated depreciation and impairment	170.19	2,138.08	19.01	27.96	65.65	28.51	2,449.40
Depreciation charged during the year	58.73	719.90	13.24	36.78	32.48	29.29	890.42
Impairment Loss	-	-	-	-	-	-	-
Disposals	0.13	11.12	1.08	25.92	3.97	9.00	51.22
Closing accumulated depreciation and impairment as at March 31, 2019	**228.79**	**2,846.86**	**31.17**	**38.82**	**94.16**	**48.80**	**3,288.60**
Net carrying amount as at March 31, 2019	**1,190.56**	**4,422.21**	**16.14**	**104.32**	**47.26**	**62.65**	**5,843.14**

The above assets are pledged as security against borrowings, refer note 13 (i) and (ii) and note 18.

Notes to the consolidated financial statements for the year ended March 31, 2019

4. Intangible assets

Rs. million

Particulars	Computer software	Product design and development	Right to use Assets	Goodwill	Customer contracts	Trademarks	Total
Year ended 31 March 2018							
Gross carrying amount							
Opening gross carrying amount	32.88	35.84	-	-	-	-	68.72
Additions	21.99	22.54	-	-	-	-	44.53
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2018	**54.87**	**58.38**					**113.25**
Accumulated amortization and impairment							
Opening accumlulated depreciation and impairment	19.15	17.13	-	-	-	-	36.28
Depreciation charged during the year	15.55	19.46	-	-	-	-	35.01
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment as at March 31, 2018	**34.70**	**36.59**	**-**	**-**	**-**	**-**	**71.29**
Net carrying amount as at March 31, 2018	20.17	21.79	-	-	-	-	41.96
Year ended 31 March 2019							
Gross carrying amount							
Opening gross carrying amount	54.87	58.38	-	-	-	-	113.25
Additions	9.20	4.21	48.16	-	-	-	61.57
Acquired on amalgamation (refer note 49)	-	-	-	14.85	114.36	103.78	232.99
Disposals	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2019	**64.07**	**62.59**	**48.16**	**14.85**	**114.36**	**103.78**	**407.81**
Accumulated amortization and impairment							
Opening accumulated depreciation and impairment	34.70	36.59	-	-	-	-	71.29
Depreciation charged during the year	14.51	15.69	0.83	-	11.43	10.38	52.84
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment as at March 31, 2019	**49.21**	**52.28**	**0.83**	**-**	**11.43**	**10.38**	**124.13**
Net carrying amount as at March 31, 2019	**14.86**	**10.31**	**47.33**	**14.85**	**102.93**	**93.40**	**283.68**

Net Book Value

Rs. million

Particulars	As at 31.03.2019	As at 31.03.2018	As at 31.03.2017
Goodwill	14.85	-	-
Intangible Assets	268.83	41.96	32.44
Total	**283.68**	**41.96**	**32.44**

Goodwill represents goodwill arising on amalgamation of Shriram Automotive Product Limited described in note 49 of the financial statements. Goodwill is tested for impairment on annual basis and wherever there is an indication that the recoverable amount is less than its carrying amount based on a number of factors including in business plan, operating results, future cash flows and economic conditions. The recoverable amount is determined based on higher of value in use and fair value less cost to sell. The Group generally uses discounted cash flows method to determine the recoverable amount. These discounted cash flow Calculation are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

Notes to the consolidated financial statements for the year ended March 31, 2019

5. Investments

Rs. million

	As at March 31, 2019	As at March 31, 2018
Current Investment (Unquoted)		
Carried at fair value through Statement of Profit and loss		
Investment in Mutual fund (Liquid fund) Units of Face value of Rs 1000 each		
- 54909 units (Previous year: Nil) of Axis overnight Fund direct Growth	55.07	-
- Nil units (Previous year: 11030) of SBI Premier Liquid Fund Growth Plan.	-	30.05
- Nil units (previous year : 32293) of IDBI Liquid Fund Growth Plan - Direct.	-	60.08
- Nil units (previous year : 20802) of Axis liquid Fund - Growth Direct.	-	40.10
- NIl units (previous year : 272747) of ICICI Prudential liquid Fund - Growth Direct.	-	70.13
	55.07	**200.36**
Aggregate value of unquoted investments	**55.07**	**200.36**

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
Bank Deposit more than 12 months	-	-	-	39.60
Interest accrued on deposits	32.29	-	41.26	-
Derivative instrument (refer note 42)	80.23	-	82.60	54.68
Margin money	-	39.31	-	9.62
	112.52	39.31	123.86	103.90

7. Tax assets/ (liabilities) net

Rs. million

	As at March 31, 2019	As at March 31, 2018
Advance income tax	666.27	722.04
less: Provision for income tax	(713.84)	(744.37)
Net	**(47.57)**	**(22.33)**

Notes to the consolidated financial statements for the year ended March 31, 2019

8. Other assets

(Unsecured, considered good unless stated otherwise)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Capital advances	-	232.82	-	68.95
Advances other than capital advances				
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	115.10	-	110.02	-
Doubtful	15.98		13.89	
	131.08	**-**	**123.91**	**-**
Provision for doubtful advances	(15.98)	-	(13.89)	-
	115.10	**-**	**110.02**	**-**
Export incentive receivable	38.59	57.99	43.14	54.50
Balance with government authorities				
- Excise	0.04	-	0.04	-
- Goods and service tax	32.52	-	4.55	-
Prepaid expenses	49.45	-	48.43	-
Security deposits	0.29	150.60	0.62	119.60
Prepayment land leases*	4.01	425.04	3.45	291.15
Other assets	36.78	179.47	56.47	180.98
	276.78	**1,045.92**	**266.72**	**715.18**

* Prepayment of land leases represents net value of leasehold land

9. Inventories

(valued at lower of cost or net realisable value)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Raw material and components	748.16	641.12
(includes in transit Rs. 2.52 million (previous year: Rs. 29.05 million))		
Work-in-progress	1,001.70	874.64
(includes in transit Rs. 0.68 million (previous year: Rs. 0.09 million))		
Finished goods	1,156.51	915.13
(includes in transit Rs. 61.94 million (previous year: Rs. 201.45 million))		
Stock- in - trade	79.40	-
Stores and spares	385.54	329.01
(includes in transit Rs. Nil (previous year: Rs. 9.91 million))		
Loose tools	100.06	50.47
	3,471.37	**2,810.37**

The inventories are hypothecated as security against borrowings, refer note 13 (i) and (ii) and note 18

Notes to the consolidated financial statements for the year ended March 31, 2019

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Current		
Considered good*	3,558.38	3,210.99
Credit impaired	25.78	15.23
	3,584.16	3,226.22
Impairment of trade receivables	(25.78)	(15.23)
	3,558.38	**3,210.99**

* There is no trade receivable which have significant increase in credit risk.

11. Cash and cash equivalents and other bank balances

(At amortised cost)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
i) Cash and cash equivalents				
Cash on hand	1.96	-	0.34	-
Balances with banks				
- Deposits with banks , with original maturity less than 3 months	2.52		2.51	
- current accounts	17.80	-	22.87	-
	22.28	**-**	**25.72**	**-**
ii) Other bank balances				
- Unclaimed dividend account	0.53	-	0.56	-
- Deposits with banks , with original maturity more than 3 months	700.65	-	1,696.63	39.60
- Deposits with banks held as margin money	107.97	39.31	88.94	9.62
	809.15	**39.31**	**1,786.13**	**49.22**
	831.43	**39.31**	**1,811.85**	**49.22**
Less : Amounts disclosed under other financial assets (refer note 6)	-	(39.31)	-	(49.22)
	831.43	**-**	**1,811.85**	**-**

Notes to the consolidated financial statements for the year ended March 31, 2019

12. Equity share capital

Rs. million

	As at March 31, 2019	As at March 31, 2018
Authorised Shares*		
52,500,000 (previous year 50,000,000) equity shares of Rs. 10 each	525.00	500.00
	525.00	**500.00**
a. Issued , subscribed and fully paid up shares		
22,374,912 (previous year 22,374,912) equity shares of Rs. 10 each	223.75	223.75
	223.75	**223.75**

* Represents authorised share capital as per scheme of amalgamation approved by Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench dated 05.03.2019. The Parent Company has made requisite filing with Ministry of Corporate affairs on 29.03.2019.

b. Terms/rights attached to equity shares

The Parent Company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to dividend and one vote per share. In the event of liquidation,the equity shareholders are eligible to receive the remaining assets of the Parent Company after distribution of all preferential amount, in proportion to their shareholding.

c. Reconciliation of numbers of share outstanding at the beginning and at the end of reporting year

	As at March 31, 2019		As at March 31, 2018	
	No. of shares	Rs. million	No. of shares	Rs. million
Opening balance	22,374,912	223.75	22,374,912	223.75
Issued during the year	-	-	-	-
Closing balance	**22,374,912**	**223.75**	**22,374,912**	**223.75**

d. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2019		As at March 31, 2018	
	No. in million	% shareholding	No. in million	% shareholding
Equity shares of Rs. 10 each fully paid				
Riken Corporation	4.69	20.97	4.69	20.97
KS Kolbenschmidt GmbH	4.47	20.00	4.47	20.00
Luv D. Shriram and Meenakshi Dass*	3.33	14.91	3.33	14.91
Meenakshi Dass and Luv D. Shriram *	3.33	14.91	3.33	14.91
National Insurance Company Limited	1.43	6.38	1.43	6.38
Meenakshi Dass	1.15	5.12	1.20	5.38

* Shares held on behalf of Deepak Shriram Family Benefit Trust.

e. The Board of directors has proposed a final dividend of Rs 6 per equity share to equity shareholders for the year ended March 31, 2019, amounting to Rs. 161.84 million including dividend distribution tax. The final dividend is subject to the approval of shareholders in Annual General Meeting of the parent Company and same has not been recognised as liability in financial statements.

Notes to the consolidated financial statements for the year ended March 31, 2019

13. Borrowings

(At amortised cost)

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	**Non current**	**Current**	**Non current**
Secured				
Term loans from banks	325.01	-	462.71	306.30
Unsecured				
Deposits	165.91	374.40	216.65	340.08
Deposits from related parties (refer note 33)	10.93	50.02	42.23	11.57
	501.85	424.42	721.59	657.95
Less : Current maturities of long term debt (refer note 20)	(501.85)	-	(721.59)	-
	-	**424.42**	**-**	**657.95**

(i) Term loans from banks of Rs. 325.01 million (previous year: Rs. 671.25 million) are secured by way of first pari passu charge and mortgage on all present and future immovable & movable fixed assets and hypothecation of all movable current assets of the Group, present and future subject to prior charge created and/or to be created in favour of the Group's working capital bankers on the Group's stocks and book debts.

Amount outstanding		Repayment period from origination (years)	Installments outstanding		Effective rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		As at March 31, 2019 No.	Periodicity	As at March 31, 2019	As at March 31, 2018
325.01	671.25	7	3	Quarterly	8.77	8.68
325.01	**671.25**					

(ii) Term loans from banks of Rs. Nil (previous year: Rs. 97.76 million) are secured by way of first pari passu charge and mortgage on all present and future immovable assets and hypothecation of all movable fixed assets of the Group, present and future.

Amount outstanding		Repayment period from origination (years)	Installments outstanding		Effective rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		As at March 31, 2019 No.	Periodicity	As at March 31, 2019	As at March 31, 2018
-	16.30	6	-		-	9.59
-	81.46	7	-		-	8.74
	97.76					

(iii) The long term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 2 and 3 years.

Amount outstanding		Repayment period from origination (years)	Rate of Interest per annum %	
As at March 31, 2019 (Rs. million)	As at March 31, 2018 (Rs. million)		As at March 31, 2019	As at March 31, 2018
49.65	24.07	2	8.50 - 11.00	7.50 - 10.50
551.61	586.46	3		
601.26	**610.53**			

Notes to the consolidated financial statements for the year ended March 31, 2019

14. Preference share capital

Rs. million

	As at March 31, 2019	As at March 31, 2018
Authorised Shares		
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	300.00	**300.00**

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
a. Issued , subscribed and fully paid up shares				
28,85,760 , 4.2% fully paid up non-participating, redeemable, non-convertible cumulative preference shares of Rs 100 each	-	288.58	-	-
	-	**288.58**	**-**	**-**

b. Terms & Right attached to Preference Share Capital

The Parent Company has issued 28,85,760, 4.2% fully paid up non-participating, redeemable, non-convertible cumulative Preference Shares , having a par value of Rs. 100 per Preference Share to shareholders of Shriram Automotive Products limited pursuant to the scheme of amalgamation.

The Preference Share are redeemable at par on expiry of 5 years from the date of allotment i.e 30th March 2019. The Parent Company has option to redeem these preference shares at par on expiry of 6 months from the date of allotment or 30.06.2019 whichever is later. The Preference Shareholder are not entitled to any right or privilege available to Equity Shareholder other than those available to them under Statutory Laws.

15. Provisions

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Provision for employee benefits	91.63	346.83	89.04	315.04
	91.63	**346.83**	**89.04**	**315.04**

16. Other liabilities

Rs. million

	As at March 31, 2019		As at March 31, 2018	
	Current	Non current	Current	Non current
Security deposits	88.46	28.26	76.18	2.33
Advances from customers	30.19	-	20.14	-
Statutory dues	230.79	-	231.01	-
Others	86.37	-	83.79	-
	435.81	**28.26**	**411.13**	**2.33**

The security deposits have been received by the Group from customers/vendors in the normal course of business.

Notes to the consolidated financial statements for the year ended March 31, 2019

17. a) Deferred tax liability (net)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	553.22	519.17
	553.22	**519.17**
Deferred tax assets		
Expenses deductible on payment basis	210.32	166.79
Provision for doubtful debts/advances	14.59	10.17
Others	-	-
Deferred tax assets on other comprehensive income		
Fair value change in Cash flow hedges	2.77	4.43
Remeasurment of post employment defined benefit plans	6.14	13.89
	233.83	**195.28**
Net deferred tax liability	**319.40**	**323.89**

b) Reconciliation of tax expenses and accounting profit

Rs. million

	As at March 31, 2019	As at March 31, 2018
Profit before tax from continuing operation	2,092.38	2,108.40
Income tax expenses calculated at current tax rate	731.17	729.68
Less : Effect of Concession		
(i) Weighted Deduction under section 35 (2AB)	41.64	27.77
(ii) Donation under section 80G covered under CSR	1.55	1.03
(iii) Deduction under section 80JJAA	0.25	0.24
Add : Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	16.81	12.64
(ii) Donation under section 80G	0.44	0.45
(iii) Interest to MSMED parties	0.06	0.11
(iv) Interest on Income Tax	0.30	0.33
(v) Amortisation of land	1.40	1.19
(vi) Effect of change in income tax rate	1.14	4.20
Income tax expenses recognised in statement of profit & loss	**707.88**	**719.56**

Notes to the consolidated financial statements for the year ended March 31, 2019

18. Short term borrowings

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Secured		
Working capital loans from banks repayable on demand#	16.24	179.90
Unsecured		
Working capital loans from banks	-	200.00
Deposits*	23.12	12.53
Deposits from related parties (refer note 33)*	-	22.50
	39.36	**414.93**

#Working capital loans are secured by way of first pari passu charge on stocks and book debts of the Parent Company and second pari passu charge on all fixed assets of the Parent Company, present and future.

*The short term deposits have been raised under Section 58A of the Companies Act, 1956 and Section 73 to 76 of the Companies Act, 2013 for maturity period of 1 year.

19. Trade payables

(At amortised cost)

Rs. million

	As at March 31, 2019	As at March 31, 2018
- Total outstanding dues of micro and small enterprises (refer note 38)	64.36	54.50
- Total outstanding dues of creditors other than micro and small enterprises	2,646.98	2,575.07
	2,711.34	**2,629.57**

Trade payable includes Rs. 102.23 million (previous year: Rs. 146.02 million) due to related parties (refer note 33)

20. Other financial liabilities

(At amortised cost excluding derivative instrument)

Rs. million

	As at March 31, 2019	As at March 31, 2018
Current maturities of long term borrowing (refer note 13)	501.85	721.59
Interest accrued but not due on borrowings	53.98	79.02
Unclaimed dividends*	0.53	0.56
Unclaimed matured deposits and interest accrued thereon*	16.82	3.86
Capital creditors	113.15	94.82
Derivative instrument (refer note 42)	-	10.67
	686.33	**910.52**

*Not due for transfer to investor education and protection fund

Notes to the consolidated financial statements for the year ended March 31, 2019

21. Revenue from operations

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Sale of products including excise duty, as applicable	19,163.02	17,413.19
Other operating revenues		
- sale of scrap	239.53	193.89
- export benefits*	142.11	132.14
- others	4.37	3.54
	19,549.03	**17,742.76**

*Export benefits are in the nature of government grants covering following:

Rs. million

	As at March 31, 2019	As at March 31, 2018
Merchandise Exports from India Scheme (MEIS)	86.20	78.38
Duty draw backs	55.92	53.76
	142.11	**132.14**

22. Other income

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income		
- Bank deposits	111.00	104.28
- Others	21.44	16.58
Net gain on sale/fair valuation of current investment	7.75	23.95
Liabilities no longer required written back	-	9.96
Foreign exchange gain (net)	40.76	51.77
Other non-operating income*	55.40	43.56
	236.35	**250.10**

* Includes government grant of Rs. 28.24 million (previous year Rs. 26.16 million) towards subsidy under Rajasthan Investment Promotion scheme 2010. There are no unfulfilled obligation under the scheme.

23. Cost of material consumed

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Cost of raw material and components consumed	5,806.50	5,355.38
Cost of packing material consumed	381.90	351.10
	6,188.40	**5,706.48**

Notes to the consolidated financial statements for the year ended March 31, 2019

24. (Increase) / Decrease in inventories of finished goods , work-in-progress and stock-in-trade

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Inventories at the end of the year		
Work-in-progress	1,001.70	874.64
Finished goods	1,156.51	915.13
Stock-in-trade	79.40	-
	2,237.61	**1,789.77**
Inventories at the beginning of the year		
Work-in-progress	874.64	675.93
Finished goods	915.13	909.38
Stock-in-trade acquired on amalgamation	75.84	-
	1,865.61	**1,585.31**
Excise duty variation on finished goods	-	(113.50)
	(372.00)	**(317.96)**

25. Employee benefits expense

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	3,148.85	2,849.67
Contribution to provident and other funds	264.91	249.99
Staff welfare expenses	278.01	263.56
	3,691.77	**3,363.22**

26. Finance costs

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense	138.61	162.21
Dividend on preference shares*	0.08	-
Other borrowing costs	0.50	1.98
	139.19	**164.19**

* Dividend of Rs. 0.0230137 /- per share on pro-rata basis from the date of allotment (refer note 49). The amount of Rs. 0.08 million includes dividend distribution tax of Rs. 0.014 million .

27. Depreciation and amortisation expense

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
- Depreciation on Property, Plant and Equipment (refer note 3)	890.42	868.33
- Amortisation of Intangible Assets (refer note 4)	52.84	35.01
	943.26	**903.34**

Notes to the consolidated financial statements for the year ended March 31, 2019

28. Other expenses

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and spares consumed	1,748.60	1,678.39
Power and fuel	1,362.27	1,326.11
Job work charges	528.49	469.76
Freight expenses	295.51	257.63
Royalty	341.98	334.57
Rent	89.00	63.56
Rates and taxes	23.69	10.85
Insurance	18.77	19.00
Repair and maintenance		
- Plant and machinery	146.43	139.53
- Buildings	104.60	125.94
- Others	31.99	32.01
Auditor's remuneration (refer note 29)	4.95	4.18
Directors' fees	5.34	3.22
Provision for doubtful debts and advances (net)	8.76	2.19
Loss on sale / retirement of fixed assets (net)	14.84	7.71
Bad debts and advances written off	1.06	2.91
Corporate social responsibilities expenses	48.10	36.51
Travelling expenses	133.41	106.77
Legal and professional expenses	103.73	98.08
Miscellaneous expenses	1,015.00	897.66
	6,026.52	**5,616.58**

29. Payment to auditor

(excluding service tax / goods and service tax, as applicable)

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
As auditor:		
- Audit fee	2.76	2.28
- Limited review	1.20	1.10
- Other services	0.85	0.66
- Reimbursement of expenses	0.14	0.14
	4.95	**4.18**

30. Earnings per share (EPS)

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Profit attributable to equity shareholders (Rs. million)	1,384.51	1,388.84
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
- Basic (Rs.)	61.88	62.07
- Diluted (Rs.)	61.88	62.07

Notes to the consolidated financial statements for the year ended March 31, 2019

31. Research and development expenditure

The details of research and development expenditure incurred by the Group and included in the respective account heads are as under:-

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Capital expenditure	78.07	15.51
Revenue expenditure	185.87	177.69
	263.94	**193.20**

The details of revenue expenditure incurred on research and development is as under:

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Stores and spares consumed	59.84	54.63
Salaries and wages	75.57	68.75
Contribution to provident and other funds	7.67	5.45
Staff welfare expenses	0.88	1.27
Power and fuel	10.42	6.65
Repair and maintenance		
- Plant and Machinery	11.98	10.80
- Buildings	0.02	0.04
Loss on sale/retirement of fixed assets (net)	0.10	0.10
Travelling expenses	4.84	5.14
Miscellaneous expenses	14.56	24.86
	185.88	**177.69**

32. Employee benefits

The Group has classified the various employee benefits as under :-

i) Defined contribution plans

The Group has recognised the following amount in the statement of profit and loss:-

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Employers' contribution to Provident fund	158.47	148.49
Employers' contribution to Superannuation fund	25.14	21.75
Employers' contribution to State insurance fund	44.52	52.25
	228.13	**222.49**

Notes to the consolidated financial statements for the year ended March 31, 2019

ii) Defined benefit plans - Gratuity

In accordance with Ind AS 19, actuarial valuation of defined benefit plans was done for Gratuity and details of the same are given below :

Rs. million

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Amount recognized in statement of Profit & Loss A/c		
Current service cost	73.81	72.46
Net Interest cost on defined benefit/ liability	3.31	3.28
Total expense recognised in the Statement of Profit and Loss	**77.12**	**75.74**
Actual contribution and benefit payments for the year		
Actual benefit payments	(36.69)	(28.73)
Actual contributions	45.50	47.50
	8.81	**18.77**
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	961.90	842.52
Fair value of plan assets	891.16	796.96
Funded status [Surplus / (Deficit)]	(70.74)	(45.56)
Net asset / (liability) recognised in the Balance Sheet	(70.74)	(45.56)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	842.52	764.13
Current service cost	73.81	72.46
Interest cost	64.92	52.69
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)	-	-
- Changes in Demographic assumptions	-	-
- Changes in Financial assumptions	-	(53.73)
- Acquisition adjustment	18.01	-
- Experience Variance	(0.68)	35.70
Benefits paid	(36.69)	(28.73)
Present value of DBO at the end of the year	**961.89**	**842.52**
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	796.96	716.58
Expected return on plan assets	61.61	49.41
Contributions	45.50	47.50
- Acquisition adjustment	19.69	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	4.07	8.99
Benefits paid	(36.69)	(25.52)
Plan assets at the end of the year	**891.16**	**796.96**
Actual return on plan assets	**65.69**	**58.40**
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	0.00	0.00
- Changes in Financial assumptions	0.00	(53.72)
- Experience Variance	(0.68)	35.70
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(4.07)	(8.99)
	(4.75)	**(27.01)**

Notes to the consolidated financial statements for the year ended March 31, 2019

Rs. million

Actuarial assumptions for Gratuity	Year ended March 31, 2019	Year ended March 31, 2018
Discount rate	7.55%	7.55%
Expected return on plan assets	8.00%	8.15%
Salary escalation	11.00%	11.00%
Attrition	5 /30 %, p.a.	5 /30 %, p.a.
Mortality table used	IAL 2006-08 Ultimate	IAL 2006-08 Ultimate

Estimate of the future salary increase is based on factors such as inflation, seniority, promotions, demand and supply in employment market.

Rs. million

Sensitivity Analysis for significant actuarial assumptions		Year ended March 31, 2019 Impact on Liability		Year ended March 31, 2018 Impact on Liability	
Particulars		Increase	Decrease	Increase	Decrease
Discount Rate	+100 basis points		82.67		73.05
	-100 basis points	96.11		84.83	
Salary Growth Rate	+100 basis points	92.00		81.21	
	-100 basis points		80.95		71.53
Attrition Rate	+100 basis points		42.11		37.40
	-100 basis points	58.01		51.52	
Mortality Rate	+100 basis points	0.64		0.56	
	-100 basis points		0.63		0.56

The sensitivity analysis has been determined based on possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The sensitivity analysis present above may not be representative of the actual change in the defined obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be co-related.

Risk Factors in actuarial assumptions

Interest Rate Risk: The plan exposes the Group to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

Liquidity Risk: This is the risk that the Group is not able to meet the short term gratuity payouts. This may arise due to non availability of enough cash/cash equivalent to meet the liabilities or holding of illquid assets not being sold in time.

Salary escalation Risk: The present value of the defined benefit plan is calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary use to determine the present value of obligation will have a bearing on the plan's liability.

Demographic Risk: The Group has used certain mortality and attrition assumption in valuation of the liability. The Group is exposed to the risk of actual experience turning out to be worse compared to the assumption.

Asset Liability Mismatching or Market Risk: The duration of the liability is longer compared to duration of assets, exposing the Group to market risk for volatilities/fall in interest rate.

Investment Risk: The probability or likelihood of occurrence of losses relative to the expected return on any particular investment.

Notes to the consolidated financial statements for the year ended March 31, 2019

Regulatory framework/Governance/Benefits under the plan:

The gratuity benefit is a post employment benefit. It is calculated at the terminal salary (Basic+VDA) at the time of retirement/ resignation of the employee according to the provisions of Payment of Gratuity Act, 1972. However, there is no restriction on the maximum amount of gratuity payable. The plan assets are managed by independent Board of Trustees, appointed by the Group. The trust is a separate legal entity and is recognized by the Commissioner of Income Tax, under the provisions of Schedule IV the the Income Tax Act, 1961.

The Board of trustees manages the plan assets through Life Insurance Corporation of India (LIC), SBI Life Insurance, Bajaj Allianz Life Insurance Company and HDFC Life Insurance Co. Under this policy, the eligible employees are entitled to receive gratuity payments upon their resignation or death in lumpsum after deduction of necessary taxes. The fund managers do not disclose the composition of their portfolio investment, accordingly break-down of plan assets by investment type has not been disclosed.

Asset Liability Matching Strategies

The Group has purchased insurance policy, which is a cash accumulation plan. Interest on the fund balances during the year is accumulated at the interest rate declared by insurance company at the end of the financial year. Gratuity claims are settled by the insurance company out of the fund, thus mitigating any liquidity risk. However, being a cash accumulation plan, the duration of assets is shorter compared to the duration of the liabilities. Thus, the Group is exposed to movement in interest rate.

Effect of plan on Entity's future cash flows

The Group has purchased insurance policies to provide for payment of gratuity to the employees. The contribution to the funds are made on a quarterly basis based on estimated shortfall in plan assets from liabilities. Expected contribution during the next annual reporting period is Rs. 147.08 million (Rs. 115.12 million) Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

iii) Compensated Absences

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Present value of DBO	427.12	390.69
Funded status [Surplus / (Deficit)]	(427.12)	(390.69)

iv) Provident fund

The Group has an obligation to fund any shortfall in yield of the trust's investments over the rate declared by Government. The rate is determined annually predominantly considering the social rather than economic factors and in most cases the actual return earned by the Group has been higher in earlier years.

33. Related party disclosure

As per Indian Accounting Standard – 24 the Company's related parties and transactions with them are disclosed below :

A. List of related parties

Key management personnel	Shri Pradeep Dinodia, Chairman Shri Hari S. Bhartia, Director Smt Meenakshi Dass, Director Shri Ravinder Narain, Director Shri C.Y.Pal, Director Shri M.Sekimoto, Director Shri Inderdeep Singh, Director Shri A.K Taneja, Managing Director & CEO Shri R. Srinivasan, Jt. Managing Director & Company Secretary

Notes to the consolidated financial statements for the year ended March 31, 2019

	Shri Luv D. Shriram, Whole Time Director Dr. Peter Neu, Director Shri Noritada Okano, Alternate Director to Shri M.Sekimoto Shri Toro Suzuki (till 07th May, 2018) Dr. Alexander Sagel (till 30th April, 2018) Smt. Ferida Chopra, Director (W.e.f 30th March, 2019) Shri Alok Ranjan, Director (W.e.f 30th March, 2019) Shri Kiyoto Tone, Director appointed in Casual Vacancy (W.e.f 22nd May' 2018) Shri Ralf Buschbeck, Alternate Director to Dr. Peter Neu (W.e.f 22nd May, 2018)
Close members of the family of key management personnel	
Shri A.K Taneja	Smt. Anita Taneja Smt. Anjali Taneja Kothari
Shri R. Srinivasan	Smt. Usha Srinivasan Smt. R. Srirangam Smt. R. Vijayalakshmi Shri. R. Ramaswamy Shri. R. Venkatesh
Shri Luv D. Shriram	Smt. Meenakshi Dass Shri Arjun D. Shriram Shri Kush D. Shriram Smt Nandishi Shriram Smt. Arati Shriram
Shri Ravinder Narain	Smt. Manju Narain Smt. Rasika Dayal Smt. Sarika Narain
Entity over which , Key management personnel and their Close members of the family has significant influence or control	Shriram Automotive Products Ltd.(till 31st March, 2018) Shriram Veritech Solutions Pvt. Ltd. S.R. Dinodia & Co. LLP Sera Com Pvt. Ltd. Manisha Commercial Pvt. Ltd. Sarva Commercial Pvt. Ltd. Charat Ram Shriram Pvt. Ltd. Deepak C. Shriram & Sons HUF Shabnam Commercial Pvt. Ltd. Ravinder Narain HUF Pradeep Dinodia HUF NAK Benefit Trust
Entity in which Key management personnel and their Close members of the family is Key management personnel	Shriram Automotive Products Ltd.(till 31st March, 2018)
Post-employment defined benefit plan entity	Shriram Pistons & Rings Ltd. Gratuity Fund Trust Shriram Pistons & Rings Ltd. Superannuation Fund Trust Shriram Pistons & Rings Ltd. Officers' Provident Fund Trust Shriram Automotive Products Ltd. Group Gratuity Scheme

Notes to the consolidated financial statements for the year ended March 31, 2019

B. Related party transactions

(i) Transactions during the year

Rs. million

Particulars	Key management personnel (KMP)		Close members of the family of key management personnel		Entity over which, Key management personnel and their Close members of the family has significant influence or control		Post-employment defined benefit plan entity		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Remuneration										
Short-term employees benefit	107.55	106.45	1.29	-	-	-	-	-	108.85	106.45
Post- employment benefit	3.44	3.44	0.08	-	-	-	-	-	3.52	3.44
Other long-term employees benefit	0.71	0.74	0.29	-	-	-	-	-	1.00	0.74
Commission to Directors	22.28	22.43	-	-	-	-	-	-	22.28	22.43
Legal Expenses	-	-		-	0.68	-			0.68	
Rent	-	-	0.48	0.48	5.95	3.80	-	-	6.43	4.28
Interest on deposits	2.05	1.49	4.66	5.74	-	0.36	-	-	6.71	7.59
Directors sitting fees	5.24	3.20	-	-	-	-	-	-	5.24	3.20
Dividend paid	78.50	63.14	0.04	0.03	27.76	22.23	-	-	106.30	85.40
Contribution Paid	-	-	-	-	-	-	97.24	93.77	97.24	93.77
Deposits taken during the year	24.18	25.00	28.08	0.94	-	-	-	-	52.26	25.94
Deposits paid during the year	22.50	13.07	45.12	9.00	-	4.90	-	-	67.62	26.97
Purchase of material / stores	-	-	-	-	8.78	5.79	-	-	8.78	5.79
Purchase of components	-	-	-	-	-	374.88	-	-	-	374.88
Preference share issued on amalgamation	0.00#	-	57.72	-	230.85	-	-	-	288.58	-
Cash consideration paid for acquisition on amalgamation	0.00##	-	22.37	-	89.45	-	-	-	111.82	-
Share of expenses recovered	-	-	-			3.00			-	3.00

Rs. 0.0048 million

Rs. 0.0019 miliion

Notes to the consolidated financial statements for the year ended March 31, 2019

(ii) Balances due from/to the related parties

Rs. million

Particulars	Key management personnel (KMP)		Close members of the family of key management personnel		Entity over which, Key management personnel and their Close members of the family has significant influence or control		Post-employment defined benefit plan entity		Total	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Deposits accepted	24.18	22.50	36.77	53.80	-	-	-	-	60.95	76.30
Interest accrued but not due	1.04	0.86	0.12	0.29	-	-	-	-	1.16	1.15
Amount payable	102.11	101.40	57.78	-	230.99	44.62	83.11	57.81	473.99	203.83

Note : i) The deposits from related parties have been accepted on same rate of interest as applicable for other parties.

ii) The amount outstanding from related parties is unsecured and will be settled in cash.

iii) No guarantees have been given or received in respect of related parties.

iv) Shriram Automotive Products Ltd. has been amalgamated with the Company with the appointed date of 01.04.2018.

Notes to the consolidated financial statements for the year ended March 31, 2019

34. a) Information pursuant to clause 3 (vii) (b) of the Companies (Auditor's Report) order, 2016 in respect of disputed dues, not deposited as at March 31, 2019, pending with various authorities:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount Involved* (Rs. Million)	Amount Unpaid (Rs. Million)	Amount Paid (Rs. Million)
Income Tax Act, 1961	Income tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16 & 2016-17	9.60	0.00	9.60
Central Excise Act, 1944	Excise Duty	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2010-11	0.40	0.39	0.01
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18 (till Jun-2017)	0.63	0.60	0.03
Finance Act, 1994	Service Tax	Commissioner (Appeal)	2012-13 (from Jul-2012), 2013-14, 2014-15, 2015-16	14.65	14.65	0.00
Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2012-13, 2013-14, 2014-15 & 2015-16	32.18	31.64	0.54
		Appellate Tribunal	2005-06, 2006-07, 2007-08, 2010-11, 2012-13 & 2014-15	18.96	16.96	2.00
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2011-12, 2012-13, 2014-15 & 2015-16	440.37	377.92	62.45
		Appellate Tribunal	2007-08, 2008-09, 2009-10, 2010-11, 2011-12 & 2012-13	12.40	8.38	4.02

* amount as per demand orders including interest and penalty wherever quantified in the order.

b) The following matters, which have been excluded from the table above, have been decided in favour of the Group but the department has preferred appeals at higher levels. The details are given below:

Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which the amount relates (various years covering the period)	Amount* (Rs. Million)
Income Tax Act, 1961	Income tax	Income Tax Appellate Tribunal	2013-14 & 2014-15	10.03

* amount as per demand orders including interest and penalty wherever quantified in the order.

Notes to the consolidated financial statements for the year ended March 31, 2019

35. The Group has made provision for disputed/ pending litigation based on its assessment of the amount it estimates to incur to meet such obligations, details of which are given below:

Rs. million

Particulars	As at March 31, 2018	Addition during the year	As at March 31, 2019
Entry Tax	9.75	(9.75)	0.00

Rs. million

Particulars	As at March 31, 2017	Addition during the year	As at March 31, 2018
Entry Tax	9.75	0.00	9.75

36. Operating lease

The Group has entered into lease agreements both on cancellable and non - cancellable in nature.

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
The total of future minimum lease payments for remaining period of non- cancellable leases are as under:		
Not later than one year	9.37	4.88
Later than one year but not later than five years	22.96	8.85
Later than five years	49.74	-
	82.07	**13.73**

The Group has entered into commercial leases to obtain premises on operating lease. Lease payments made under operating leases amounting to Rs. 89.0 million (previous year: Rs. 63.56 million) have been recognised as an expense in the statement of profit & loss.

37. Segment reporting

The Group is engaged in a single segment i.e. the business of “automotive components” from where it is earning its revenue and incurring expense. The operating results are regularly reviewed and performance is assessed by its Chief Operating Decision Maker (CODM). All the Group’s resources are dedicated to this single segment and all the discrete financial information is available for this segment.

Geographical information in respect of revenue from customers is given below

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Domestic Sale	15,905.65	14,419.54
Export Sale	3,257.38	2,993.65
	19,163.02	**17,413.19**

Revenue from one customer amounts to Rs. 2,207.82 million (previous year Rs. 2,098.58 million). No other single customer represents 10% or more to the Group revenue for financial year ended March 31, 2019 and March 31, 2018.

Notes to the consolidated financial statements for the year ended March 31, 2019

38. Micro, Small and Medium enterprises as defined under the MSMED Act

The status of vendors under Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is based on certificate submitted by vendors about their coverage under the provisions of MSMED Act, 2006.

Rs. million

	Year ended March 31, 2019	Year ended March 31, 2018
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	64.36	54.50
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	40.64	40.88
- Interest actually paid under section 16 of MSMED	-	0.15
	-	
Amount of interest due and payable for delay in payment (which has been paid but beyond the appointed day during the year) but without adding interest under MSMED	-	-
Interest accrued and remaining unpaid at the end of the year		
- Interest accrued during the year	0.17	0.31
- Interest remaining unpaid as at the end of the year	0.17	0.31
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.17	0.31

39. Contingent liabilities

Rs. million

	As at March 31, 2019	As at March 31, 2018
i) Disputed		
- Excise duty	0.40	1.82
- Sales tax	503.91	2,134.90
- Service tax	15.28	3.23
- Income tax	1.43	1.43
- Employees' State Insurance	28.83	28.83
- Interim Relief to Workers at Ghaziabad	8.65	8.65
All the above matters are subject to legal proceedings in the ordinary course of business. In the opinion of the management, the legal proceedings, when ultimately concluded, will not have a material effect on operations or the financial position of the Group.		
ii) Bank guarantees	25.00	25.00
iii) Bills discounted from banks	49.55	23.30
iv) Claims not acknowledged as debts	136.05	112.97

40. In view of recent Supreme Court Judgement in the case of "Regional Provident Fund Commissioner (II) Vs Vivekananda Vidyamandir, West Bengal in relation to non-exclusion of certain allowance from the defination of "Wages" of the relevant employees for the purpose of determining contribution to provident fund under the Employees Provident Fund & Miscellaneous provision Act, 1952, the Group has obtained legal opinion in the matter. In terms of legal opinion, there are various interpretational issues and thus Group is in the process of evaluating the impact.

Notes to the consolidated financial statements for the year ended March 31, 2019

41. Commitments

Rs. million

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	803.65	539.65

Outstanding export obligation to be fulfilled over a period of maximum up to 5 years under the EPCG scheme against import of some machines is Rs. 6,804.22 Millions (previous year Rs. 4,002.32 Millions). Customs duty saved against outstanding export obligations is Rs. 171.48 million (previous year Rs. 51.55 million)

The Group has other commitments, for purchase / sales orders which are issued after considering requirements as per operating cycle for purchase / sale of goods, employee benefits including union agreements in normal course of business. The Group does not have any other long term commitments or material non-cancellable contractual commitments, which may have a material impact on the financial statements.

42. Fair Value Measurement

i) The carrying value and fair value of financial instruments by categories as of **March 31, 2019** are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	55.07	55.07	55.07
Derivatives instruments*			
- Forward contracts	8.88	8.88	8.88
- Cross currency interest rate swaps	71.35	71.35	71.35
Total	**135.30**	**135.30**	**135.30**

The carrying value and fair value of financial instruments by categories as of **March 31, 2018** are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	200.36	200.36	200.36
Derivatives instruments*			
- Forward contracts	(10.67)	(10.67)	(10.67)
- Cross currency interest rate swaps	137.27	137.27	137.27
Total	**326.96**	**326.96**	**326.96**

*Change in fair value is recognised in other comprehensive income.

Notes to the consolidated financial statements for the year ended March 31, 2019

ii) Fair value hierarchy

The Group uses the following hierarchy for determining and/or disclosing the fair value of financial instruments by valuation techniques:

The following is the basis of categorising the financial instruments measured at fair value into Level 1 to Level 3.

Level 1 - This level includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - This level includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - This level includes financial assets and liabilities, measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of **March 31, 2019**

(Rs. million)

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	55.07		55.07	
Foreign currency forward contracts	8.88		8.88	
Derivatives instrument	71.35		71.35	
Total financial assets	**135.30**	**-**	**135.30**	**-**

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of **March 31, 2018**

(Rs. million)

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	200.36		200.36	-
Derivatives instrument	137.27	-	137.27	-
Total financial assets	**337.63**	**-**	**337.63**	**-**
Financial liabilities				
Foreign currency forward contracts	(10.67)	-	(10.67)	-
Total financial liabilities	**(10.67)**	**-**	**(10.67)**	**-**

There is no transfer between the fair value measurement hierarchy amongst level 1, level 2 and level 3 during the year.

Notes to the consolidated financial statements for the year ended March 31, 2019

iii). Financial assets and financial liabilities that are measured at amortised cost are :

(Rs. million)

Particulars	As at March 31, 2019		As at March 31, 2018	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade and other receivables	3,558.38	3,558.38	3,210.99	3,210.99
Cash and cash equivalent	831.43	831.43	1,811.34	1,811.34
Bank deposit	-	-	39.60	39.60
Interest accrued on bank deposit	32.29	32.29	41.26	41.26
Margin money	39.31	39.31	9.62	9.62
Financial liabilities	-			
Borrowings*	1,019.61	1,019.61	1,873.49	1,873.49
Preference share capital	288.58	288.58	-	-
Trade payables	2,711.34	2,711.34	2,629.57	2,629.57
Unclaimed dividends	0.53	0.53	0.56	0.56
Unclaimed matured deposits and interest accrued thereon	16.82	16.82	3.86	3.86
Capital creditors	113.15	113.15	94.82	94.82

The carrying value of above financial assets and financial liabilities approximate its fair value.

*Includes foreign currency loan where change in fair value is recognised in other comprehensive income.

43. Capital management

The Group's objective for managing capital is to ensure as under:

i) To ensure the Group's ability to continue as a going concern

ii) Maintaining a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.

iii) Maintain an optimal capital structure.

iv) Compliance of financial covenants under the borrowing facilities.

For the purpose of capital management, capital includes issued equity capital, and all other equity reserves attributable to the equity holders of the Group.

The Group manages its capital structure keeping in view of:

i) Compliance of financial covenants under the borrowing facilities.

ii) Changes in economic conditions

In order to achieve this overall objective of capital management, amongst other things, the Group aims to ensure that it meets financial covenants attached to the borrowings facilities defining capital structure requirements, where breach in meeting the financial covenants may permit the lender to call the borrowings.

There have been no breach in the financial covenants of any borrowing facility in the current period. There is no change in the objectives, policies or processes for managing capital over previous year. To maintain the capital structure, the Group may vary the dividend payment to shareholders.

Notes to the consolidated financial statements for the year ended March 31, 2019

44. Financial risk management

The Group's principal financial liabilities, other than derivatives, comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, trade and other receivables, and cash and cash equivalents that it derives directly from its operations. The Group also holds FVTPL current investments and enters into derivative transactions.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks under appropriate policies and procedures.

i) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings,deposits, FVTPL current investments and derivative financial instruments.

a) Foreign exchange risk

The Group is exposed to foreign exchange risk through its sales and purchases from overseas in foreign currencies mainly in USD,EURO and JPY. The Group holds derivative financial instruments such as foreign exchange forward and contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and foreign currencies has changed substantially in recent years and may fluctuate substantially in the future. Consequently, the results of the Group's operations may be adversely affected as the rupee appreciates/ depreciates against these currencies.

Each percentage point change in the foreign exchange rates has an impact of 0.46% (previous year : 0.49%) on Group's operating margins.

The Group's foreign currency risk from financial instruments are as under

(Foreign currency million)

Particulars	Currency	As at March 31, 2019			As at March 31, 2018		
		Total	Hedged	Net	Total	Hedged	Net
Trade Receivables	USD	4.48	0.00	4.48	3.29	3.29	0.00
	EUR	4.80	2.00	2.80	6.10	5.95	0.15
	JPY	5.49		5.49	17.31	0.00	17.31
	GBP	0.23		0.23	0.17	0.15	0.02
Trade Payables	USD	0.10		0.10	0.15	0.00	0.15
	EUR	0.40		0.40	0.13	0.00	0.13
	JPY	505.46	70.00	435.46	450.12	230.00	220.12
	GBP			0.00	0.00	0.00	0.00
	CNY	1.28		1.28	0.79	0.00	0.79
Secured Bank Loans	USD	4.70	4.70	0.00	11.80	11.80	0.00

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. The Group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Group enters into cross currency interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The Group is not exposed to any significant /material interest rate risk.

Notes to the consolidated financial statements for the year ended March 31, 2019

ii) Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. Credit risk is managed by Group's established policy, procedures and control relating to customer credit risk management. Credit risk has always been managed by the Group through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group uses expected credit loss model to assess the impairment loss and makes an allowance for doubtful debts using expected credit loss model on case to case basis.

Movement in the expected credit loss allowance of financial assets

(Rs. million)

Particulars	Year ended March 31, 2019	Year ended March 31, 2018
Balance at beginning of the year	29.12	26.93
Add: Acquisition adjustment	3.89	-
Add: Provided during the year	9.85	6.23
Less: Reversal of provision	(0.04)	(1.13)
Less: Amount written off	(1.06)	(2.91)
Balance at the end of the year	41.76	29.12

iii) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans. Liquidity risk is managed by Group's established policy & procedures made under liquidity risk management framework. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilites,by continuously forecast and actual cash flows, and by matching the maturity profile of financial assets and liabilities.

The financial assets and liabilities have been appropriately disclosed in financial statements as current and non current portion. The maturity period of non current financial assets and financial liabilities ranges between 1 to 5 years.

45. Hedge Accounting

i) Forwards Contracts

The Group holds derivative financial instruments such as foreign exchange forward contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The counter party for these contracts is generally a bank or a financial institution. These derivative financial instruments are valued based on quoted prices for similar assets and liabilities in active markets or inputs that are directly or indirectly observable in the market place.

Details of Forward Foreign Currency Contracts outstanding at the end of reporting period are as under:

(Foreign currency million)

Outstanding Contracts	Currency	As at March 31, 2019	As at March 31, 2018
Not later than one month	USD		1.46
	EUR	1.00	1.40
	JPY	70.00	80.00
	GBP		0.08
Later than one month and not later than three months	USD		1.91
	EUR	1.00	2.55
	JPY		150.00
	GBP		0.07
Later than three months and not later than one year	EUR		2.00
	JPY		0.00

Notes to the consolidated financial statements for the year ended March 31, 2019

The Group has designated foreign exchange forward contracts as cash flow hedges to mitigate the risk of foreign exchange exposure on highly probable forecast cash transactions. The related hedge transactions for balance lying in cash flow hedging reserve are expected to occur and reclassified in the statement of profit or loss within 6 months.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Group matches the critical terms of the hedged items and hedging instruments.

ii) Cross currency Interest Rate Swaps

Under cross currency interest rate swap contracts, the Group agrees to exchange the principal and interest payment of its loans liabilities in foreign currency for equivalent amount in net present value terms in Indian rupees. Such contracts enable the Group to mitigate the risk of exchange rate and cash flow exposures on the issued variable rate debt in foreign currency.

Hedge effectiveness is determined at the inception of the hedge relationship. To ensure that an economic relationship exists between the hedged item and hedging instrument, the Group matches the critical terms of the hedged items and hedging instruments.

iii) Reconciliation of cash flow hedge reserve are as under:

(Rs. million)

Particulars	As at March 31, 2019	As at March 31, 2018
Assets /(liability)	(8.37)	(6.52)
Balance at the beginning of the year	(8.37)	(6.52)
Gain / (Loss) recognised in other comprehensive income during the year	22.30	(2.83)
Tax impact on above	(7.76)	0.98
Balance at the end of the year	6.17	(8.37)

46. The Group does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.

47. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund (IEPF) by the Group during the year.

48. Information as required by Paragraph 2 of the General Instructions for Preparation of Consolidated Financial Statements to Schedule III to the Companies Act, 2013 is given below:-

Name of the entity	Net assets, i.e., total assets		Share of profit or loss	
	As % of consolidated net assets	Rs. (Million)	As % of consolidated profit or loss	Rs. (Million)
Parent				
Shriram Pistons & Rings Limited	100.00	10,264.61	100.00	1,402.14
Subsidiary				
SPR International Auto Exports Ltd	0.00	0.50	0.00	0.01

49. The Board of Directors of Parent Company in its meeting held on 22.05.2018 approved the scheme of amalgamation of Shriram Automotive Products Limited (SAPL) with the Company. The Parent Company has received approval of aforesaid scheme of amalgamation from Hon'ble National Company Law Tribunal ("NCLT"), Delhi Bench, on 05.03.2019 with appointed date of 01.04.2018. The Parent company has filed NCLT order with Registrar of Companies (ROC) on 29.03.2019 which becomes the effective date. In accordance with Ind AS 103 "Business Combinations", the Company has given effect of amalgamation with SAPL with the appointed date i.e 01.04.2018.

Notes to the consolidated financial statements for the year ended March 31, 2019

In accordance with the provisions of aforesaid scheme, the equity shareholders as on record date, shall be allotted 24 Nos of 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each for every one Equity Share held in SAPL, apart from a cash consideration of Rs 930/-for each Equity Share held in SAPL.

On 30.03.2019 the Parent company has discharged the cash consideration of Rs 111.82 million and also allotted 28,85,760, 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each to the equity shareholders of SAPL, and the preference share capital has been disclosed under "Non- Current Financial Liability".

In accordance with the scheme, the amalgamation has been accounted under the acquisition method as prescribed by Ind AS 103.

Accordingly, the accounting treatment has been given as under:-

(i) All the assets including identifiable intangible assets such as Trademarks, Trade Name, Customer Contracts and other business and commercial rights etc. and all the liabilities of the SAPL transferred to and vested in the Parent Company pursuant to this scheme has been recorded in the books of account of the Parent Company at fair values and adopted by the Board of Directors of the Company.

(ii) The Excess of the amount of consideration over the fair value of net assets of the SAPL acquired by the Parent Company has been treated as goodwill in accordance with the applicable Indian Accounting Standards.

(iii) The inter-company balances, loans and/or investments, if any, appearing in the books of account of the SAPL and Parent Company has been cancelled and nullified.

The excess value of consideration over the fair value of assets and liabilities transferred amounting to Rs. 14.85 million has been recorded as goodwill as per Ind AS 103.

The fair value of identifiable assets and liabilities of Shriram Automotive Products Limited as on date of acquisition were as under:

Particulars	**Rs. in million**
ASSETS	
Property, plant and equipment	26.74
Trade mark	103.78
Customer contracts	114.36
Cash and cash equivalents	4.03
Financial Assets - Non Current	3.59
Other Non-Current Assets	70.49
Trade receivables	278.51
Inventories	75.84
Financial Assets - Current	69.19
Other Current Assets	6.25
TOTAL ASSETS	**752.78**

Notes to the consolidated financial statements for the year ended March 31, 2019

Particulars	Rs. in million
Liabilities	
Trade payables	284.06
Provisions	20.98
Other financial liabilities- Current	3.84
Other financial liabilities - Non Current	26.48
Other Current liabilities	31.86
TOTAL LIABILITIES	**367.22**
Net assets taken over C= (A-B)	**385.56**
***Purchase consideration**	**400.40**
Goodwill arising on acquisition	**14.85**

Break up of Purchase consideration	Rs. in million
- 28,85,760 (Twenty Eight Lac Eighty Five Thousand Seven Hundred Sixty) 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each	288.58
- Cash consideration	111.82
Total	**400.40**

Note: Pursuant to the above mentioned, the financials statement of the current year are not strictly comparable to those of the previous year.

50. Previous year figures have been re-grouped / reclassified, wherever necessary to confirm to current year's classification. Figures in brackets denote previous year figures.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

A.K. Taneja
Managing Director & CEO
DIN: 00124814

R. Srinivasan
Jt. Managing Director & Company Secretary
DIN: 00124760

Vinod Raheja
Dy. Executive Director & CFO

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place: New Delhi
Date: May 10, 2019

NOTES

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ENGINE VALVES

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& ASSEMBLIES

SHRIRAM PISTONS & RINGS LTD.

Regd. Office: 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001 (India)
Tel.: +91 11 2331 5941 Fax: +91 11 2331 1203 E-mail: compliance.officer@shrirampistons.com Website: www.shrirampistons.com
CIN: L29112DL1963PLC004084 PAN: AAACS0229G

SHRIRAM PISTONS & RINGS LTD.

Regd. Office: 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi -110 001
Tel.: +91 11 2331 5941 Fax: +91 11 2331 1203, Website: www.shrirampistons.com
E-mail: compliance.officer@shrirampistons.com
CIN: L29112DL1963PLC004084, PAN: AAACS0229G

SHRIRAM

NOTICE

The 55th Annual General Meeting of the Company will be held on Tuesday, 9th July, 2019 at 4:30 P.M. at PHD Chamber of Commerce and Industry, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 (Route map of venue is enclosed), to transact the following business: -

1. To consider and adopt the annual financial statements (standalone and consolidated) of the Company for the financial year ended March 31, 2019 and the Report of Directors' and Auditors' thereon.

2. To declare dividend on Preference Shares.

3. To declare dividend on Equity Shares.

4. To appoint a Director in place of Smt. Meenakshi Dass (DIN 00524865), who retires by rotation and being eligible, offers herself for re-appointment.

5. To appoint a Director in place of Shri Pradeep Dinodia (DIN 00027995), who retires by rotation and being eligible, offers himself for re-appointment.

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

   "RESOLVED THAT M/s Chandra Wadhwa & Co., Cost Accountants, (Firm Registration No. 00239) appointed by the Board of Directors as Cost Auditors of the Company for the financial year ending March 31, 2020 be paid remuneration of Rs. 2.9 lacs plus applicable taxes."

7. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and Rules framed thereunder read with Schedule IV of the Act, as amended from time to time, Shri Alok Ranjan (DIN 08254398), a Non-Executive Independent Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act & Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and who is eligible for appointment, be and is hereby appointed as a Non-Executive Independent Director of the Company w.e.f. 30.03.2019 upto 29.03.2024 and whose office shall not be liable to retire by rotation".

8. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

   "RESOLVED THAT, pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act"), and Rules framed thereunder read with Schedule IV of the Act, as amended from time to time, Smt. Ferida Avnish Chopra (DIN 08415847), a Non-Executive Independent Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act & Regulation 16 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time and who is eligible for appointment, be and is hereby appointed as a Non-Executive Independent Director of the Company w.e.f. 30.03.2019 upto 29.03.2024 and whose office shall not be liable to retire by rotation".

9. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:-

   "RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Shri Inderdeep Singh (DIN 00173538), a Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of Listing Regulations, and who is eligible for re-appointment, be and is

hereby re-appointed as an Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years w.e.f. 29.07.2019 upto 28.07.2024 and whose office shall not be liable to retire by rotation".

10. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, Shri Kiyoto Tone (DIN 08154738), a Non-Executive Independent Director of the Company who has submitted a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16 of Listing Regulations, and who is eligible for re-appointment, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold office for the second term of five consecutive years w.e.f. 29.07.2019 upto 28.07.2024 and whose office shall not be liable to retire by rotation".

11. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:-

"RESOLVED THAT, pursuant to the provisions of Sections 203, 197, 198 and other applicable provisions of the Companies Act, 2013, and Rules framed thereunder, the re-appointment of Shri A.K. Taneja (DIN 00124814) as Managing Director & CEO of the Company for a period of 3 years w.e.f. 01.04.2019 on the terms and remuneration, as set out in the Explanatory Statement attached to this Notice be and is hereby approved".

12. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

"RESOLVED THAT, pursuant to the provisions of Sections 196, 197, 198 and other applicable provisions of the Companies Act, 2013, and Rules framed thereunder, the re-appointment of Shri Luv D. Shriram (DIN 00051065) as Wholetime Director of the Company for a period of 5 years w.e.f. 05.05.2019 on the terms and remuneration, as set out in the Explanatory Statement attached to this Notice be and is hereby approved".

13. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

"RESOLVED THAT, pursuant to the provisions of Sections 197, 198 and other applicable provisions of the Companies Act, 2013, and Rules framed thereunder, the revision in remuneration of Shri R. Srinivasan (DIN 00124760), Joint Managing Director, as set out in the Explanatory Statement attached to this Notice be and is hereby approved".

14. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as a **Special Resolution**:-

"RESOLVED THAT, pursuant to provisions of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, Sections 197, 198 and Rules made there under and other applicable provisions, if any, of the Companies Act, 2013 and approval given by Shareholders in their meeting held on 26.06.2015 to pay profit commission of upto 1% of net profits of the Company to all Non-Executive Directors calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, approval be and is hereby accorded to payment of remuneration @ 0.6% to Chairman and upto 0.4% to all other Non-Executive Directors of net profits calculated in accordance with the provisions of Section 198 of the Companies Act, 2013".

By the Order of the Board,
For Shriram Pistons & Rings Ltd.

Sd/-
(R. Srinivasan)
Company Secretary
Membership No.: F-4034
3rd Floor, Himalaya House,
23, K.G. Marg, New Delhi-110001

New Delhi
May 10, 2019

1.	**Members who wish to ask for information about the Accounts are requested to write one week in advance.**
2.	**Please note that only member(s)/ proxies/ authorized representatives with attendance slips will be allowed in the area where AGM/ related functions will be held.**
3.	**Attendance Slip, Proxy Form, Polling Paper is enclosed with this Notice.**

NOTES TO NOTICE OF MEETING

1. The relevant details of persons seeking appointment/re-appointment relating to item Nos. 4, 5, 7, 8, 9, 10, 11 & 12 and details of Director seeking revision in remuneration related to item No. 13 of the Notice are also annexed.

2. PROXIES

A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY(IES) TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH PROXY(IES) NEED NOT BE A MEMBER OF THE COMPANY. A PROXY MAY BE SENT IN THE ENCLOSED FORM AND IN ORDER TO BE EFFECTIVE MUST REACH THE REGISTERED OFFICE OF THE COMPANY ATLEAST 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.

3. REMOTE E-VOTING:

Pursuant to Section 108 of the Companies Act, 2013 and Rules made thereunder, the Shareholders may exercise their vote on all resolutions set forth in this Notice through electronic means.

The facility for voting by polling paper shall be made available at the meeting and Shareholders attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their voting right at the meeting.

The Shareholders who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again.

Instructions to members for remote e-voting:

(i) Log on to the E-Voting website www.evotingindia.com.

(ii) Click on “Shareholders” tab.

(iii) Select the “COMPANY NAME” from the drop down menu and click on “SUBMIT”

(iv) Enter your User ID

a) For CDSL: 16 digits beneficiary ID,

b) For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c) Members holding shares in Physical Form should enter their Folio Number registered with the Company

(v) Enter the Image Verification as displayed and Click on Login.

(vi) If Members are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any Company, then your existing password is to be used.

(vii) If you are a first time user (holding shares in Demat Form or Physical Form), please follow the steps given below to complete the login process:

a) Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat Shareholders as well as physical Shareholders)

Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and 8 digits of the sequence number (affixed in this notice) in the PAN Field. In case the sequence number is less than 8 digits, please enter the applicable number of zero’s before the number after the first two characters of the name in CAPITAL letters. Eg: If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.

b) Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format, OR

Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio, OR

In case the DOB or Dividend Bank Details are not recorded with the Depository or Company, please enter the Folio number/ DP id and Client id in the Dividend Bank details field.

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then reach directly the Company selection screen. However, Members holding shares in demat form (who do not have existing password) will now reach 'Password Creation' menu wherein they are required to mandatorily create their password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, and that Company opts for E-Voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the individual details given in the notice can be used only for E-Voting on the resolutions contained in this Notice.

(xi) Click on the Electronic Voting Sequence Number (EVSN) (affixed in this notice) for Shriram Pistons and Rings Limited.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the password, then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Additional instructions for Institutional Shareholders:

a) Institutional Shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to https://www.evotingindia.com and register themselves as Corporates.

b) They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com and deepakjuneja111@gmail.com.

c) After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.

d) The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

e) They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the Scrutinizer to verify the same.

General Guidelines:

i) Remote e-Voting facility shall remain open from Saturday, 06.07.2019 (10:00 AM) to Monday, 08.07.2019 (5:00 PM) during which the Members holding shares as on record date (either in demat or in physical form) may cast their vote(s). No voting will be allowed beyond 5:00 PM on Monday, 08.07.2019. The E-Voting module shall be disabled by CDSL for voting thereafter.

ii) Right of voting shall be given to Members holding shares as on cut-off date (i.e. 02.07.2019). Any person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

iii) Any person who acquires shares of the Company and becomes member of the Company after dispatch of the Notice and holding shares as on the cut -off date i.e. 02.07.2019 may obtain the login Id and password by sending a request at helpdesk.evoting@cdslindia.com and deepakjuneja111@gmail.com.

iv) Members may cast their vote separately for each business to be transacted in the Annual General Meeting. They may also elect not to vote on some resolution(s).

v) In case of joint holders, Login id and password shall be sent to the first holder of the shares. Accordingly, the vote cast using the Login id and password sent to first holder is recognized on behalf of all the joint holders.

vi) Mr. Deepak Juneja, Practicing Company Secretary (Membership No. F 6895), who has been appointed as the Scrutinizer to the remote e-voting process and voting to be conducted at the meeting, shall unblock the votes in presence of at least two witnesses not in the employment of the Company and shall, within 2 days of conclusion of the AGM, submit a Consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized who shall countersign the same and declare the results of voting forthwith.

vii) The results declared along with Scrutinizer's report shall be placed on the website of Company viz. www.shrirampistons.com under "Investor's Guide" and CDSL viz. www.cdslindia.com and shall also be displayed at Company's Registered office immediately after the result is declared by the Chairman, or in his absence, any other person authorized by him, on 11.07.2019 by 5:30 PM.

viii) Subject to receipt of sufficient votes, the resolution shall be deemed to be passed on the date of Annual General Meeting.

ix) In case of any query, Members may refer FAQs available at https://evotingindia.com or may write to helpdesk.evoting@cdslindia.com.

x) In case of any grievance related to e-voting, members may write to compliance.officer@shrirampistons.com or contact at 011-46451100.

xi) Notice of the meeting is also displayed on www.shrirampistons.com under "Investor's Guide" and www.cdslindia.com

xii) User manual for electronic voting is available at www.cdslindia.com.

4. CLOSURE OF REGISTER OF MEMBERS & DIVIDEND

The Board has recommended Preference Shareholders be paid dividend at the stipulated rate of 4.2% per share on the 4.2% fully paid up Non Participating, Redeemable, Non- Convertible, Cumulative Preference Shares of Rs. 100/- each, on a pro-rata basis, from the date of allotment of shares i.e. 30.03.2019. The aggregate amount of dividend works out to Rs. 0.0230137 per share for the year ended March' 2019.

The Board has recommended dividend of Rs. 10.00 per equity share, including Interim Dividend of Rs. 4.00 per share already paid, on equity shares for the year ended March 2019.

The Register of Members and the Share Transfer Books of the Company will remain closed from 03.07.2019 to 09.07.2019 (both days inclusive) for the purpose of determining entitlement of dividend, if any, declared by the Company to those members whose name stand on the Register of Members as on 09.07.2019. The dividend in respect of shares held in electronic form will be payable to the beneficial owners as at the end of business hours on 02.07.2019 as per the details furnished by the Registrar and Transfer Agent of the Company.

5. UNPAID/UNCLAIMED DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company is obliged to transfer any amount lying in the unpaid dividend account which remains unpaid or unclaimed for a period of 7 years from the date of such transfer to the unpaid account to the credit of Investor Education and Protection Fund (the Fund). The Company has already transferred the unpaid dividend up to the financial year 2010-11 to the Fund. Unclaimed final dividend for the financial year 2011-12 is becoming due to be transferred to the Fund on 19.07.2019.

Please note that no claim shall lie against the Company in respect of individual amounts of dividend, once the same is transferred to the Fund. In view of this, the Members of the Company who have not yet encashed their final dividend warrant(s) for the financial year 2011-12 and thereafter may write to the Company immediately.

Till date, the Company has also transferred 14,800 Nos. Equity Shares, pertaining to 11 Shareholders, in respect of which dividends have not been paid or claimed by the Shareholders for a period of seven consecutive years to the Demat Account of the Investor Education and Protection Fund (IEPF) Authority.

6. RE- APPOINTMENT OF DIRECTORS:

At the ensuing Annual General Meeting, Smt. Meenakshi Dass and Shri Pradeep Dinodia, Directors, retire by rotation and being eligible offer themselves for re-appointment.

EXPLANATORY STATEMENT U/S 102 OF THE COMPANIES ACT, 2013

ITEM NO. 6

The Board, on the recommendation of the Audit Committee, has approved appointment of M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi, as Cost Auditors of the Company at a remuneration of Rs. 2.9 lacs plus applicable taxes for the Financial Year 2019-20.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the Shareholders of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 6 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2020.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are interested in the Resolution at Item No. 6 of the Notice.

The Board recommends to the Shareholders, the payment of remuneration of Rs. 2.9 lacs plus applicable taxes to Cost Auditors for the Financial Year 2019-20.

The remuneration of the Cost Auditors is for Shareholders' approval.

ITEM NO. 7

Based on the recommendation of the Nomination & Remuneration Committee, the Board, in its meeting of 30.03.2019, appointed Shri Alok Ranjan as Additional (Non-Executive Independent) Director w.e.f. 30.03.2019 up to 29.03.2024.

Shri Alok Ranjan has 38 years of distinguished service as an IAS Officer in various State/Central Government Departments. He retired as the Chief Secretary of Uttar Pradesh.

He is considered as an Independent Director as defined under Section 149(6) of the Companies Act, 2013 & Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Shri Alok Ranjan has given (i) a declaration to the effect that he meets the criteria of independence as required under Section 149(6) of the Act and Listing Regulations, 2015, (ii) his consent in writing to act as a Director in Form DIR-2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, and (iii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

In the opinion of the Board, Shri Alok Ranjan fulfils the conditions specified in the Act & the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for appointment as Independent Director and he is independent of the management.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying his intention to propose Shri Alok Ranjan's appointment as a Non-Executive Independent Director.

The Board recommends to the Shareholders, the appointment of Shri Alok Ranjan as a Non-Executive Independent Director w.e.f. 30.03.2019 upto 29.03.2024.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Alok Ranjan as Non-Executive Independent Director is now being placed before the members in Annual General Meeting for their approval.

A copy of the draft letter for the appointment of Shri Alok Ranjan setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri Alok Ranjan and his relatives, are concerned or interested in the Resolution at Item No. 7 of the Notice.

The appointment of Shri Alok Ranjan as Non-Executive Independent Director of the Company for a period of five years (i.e. from 30.03.2019 up to 29.03.2024) is for Shareholders' approval.

ITEM NO. 8

Based on the recommendation of the Nomination & Remuneration Committee, the Board, in its meeting of 30.03.2019, appointed Smt. Ferida Avnish Chopra as Additional (Non-Executive Independent) Director w.e.f. 30.03.2019 up to 29.03.2024.

Smt. Ferida Avnish Chopra is an Advocate. She is a practicing Independent Legal Counsel at the Supreme Court of India, the High Court of Delhi, the Competition Commission of India and various other Tribunals.

She is considered as an Independent Director as defined under Section 149(6) of the Companies Act, 2013 & Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Smt. Ferida Avnish Chopra has given (i) a declaration to the effect that she meets the criteria of independence as required under Section 149(6) of the Act and Listing Regulations, 2015, (ii) her consent in writing to act as a Director in Form DIR-2, pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, and (iii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under Section 164(2) of the Companies Act, 2013.

In the opinion of the Board, Smt. Ferida Avnish Chopra fulfils the conditions specified in the Act & the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for appointment as Independent Director and she is independent of the management.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying her intention to propose Smt. Ferida Avnish Chopra's appointment as a Non-Executive Independent Director.

The Board recommends to the Shareholders, the appointment of Smt. Ferida Avnish Chopra as Non-Executive Independent Director w.e.f. 30.03.2019 upto 29.03.2024.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Smt. Ferida Avnish Chopra as Non-Executive Independent Director is now being placed before the members in Annual General Meeting for their approval.

A copy of the draft letter for the appointment of Smt. Ferida Avnish Chopra setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Smt. Ferida Avnish Chopra and her relatives, are concerned or interested in the Resolution at Item No. 8 of the Notice.

The appointment of Smt. Ferida Avnish Chopra as Non-Executive Independent Director of the Company for a period of five years (i.e. from 30.03.2019 up to 29.03.2024) is for Shareholders' approval.

ITEM NO. 9

Shri Inderdeep Singh joined the Board of Directors of the Company on 25.03.2008. The Shareholders, in their meeting held on 29.07.2014, had approved his appointment as Non-Executive Independent Director of the Company for a period of five years w.e.f. 29.07.2014 upto 28.07.2019.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director can hold office for upto two consecutive terms of not more than five consecutive years of each term. He shall be eligible for reappointment for second term on passing of a special resolution by the Company and is not liable to retire by rotation.

The matter regarding re-appointment of Shri Inderdeep Singh as Non-Executive Independent Director was placed before the Nomination & Remuneration Committee, and based on their recommendation, the Board, in its meeting of 10.05.2019, approved his re-appointment as Non-Executive Independent Director w.e.f. 29.07.2019 up to 28.07.2024.

Shri Inderdeep Singh is a Graduate in Science from University of Delhi and is Masters in Electrical Engineering & M.B.A. from Washington University, U.S.A.

His performance evaluation was carried out by all other Directors on the following basis:

- Ethical standards of integrity and probity
- Implementation of best corporate governance practices in the Company
- Attendance and participation in the meetings
- Raising of concerns to the Board
- Safeguarding of confidential information
- Rendering independent, unbiased opinion and resolution of issues
- Initiative in terms of new ideas and planning for the Company
- Safeguarding interest of whistle-blowers under vigil mechanism
- Timely inputs on the minutes of the meetings of the Board and Committees

Basis the above, the Directors are of the opinion that Shri Inderdeep Singh be re-appointed as Non-Executive Independent Director of the Company.

He is considered as an Independent Director as defined under Section 149(6) of the Companies Act, 2013 & Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Shri Inderdeep Singh has given (i) a declaration to the effect that he meets the criteria of independence as required under Section 149(6) of the Act and Listing Regulations, 2015, (ii) his consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, and (iii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

In the opinion of the Board, Shri Inderdeep Singh fulfils the conditions specified in the Act & the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for re-appointment as an Independent Director and he is independent of the management.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying his intention to propose Shri Inderdeep Singh's appointment as a Non-Executive Independent Director.

The Board recommends to the Shareholders, the re-appointment of Shri Inderdeep Singh as Non-Executive Independent Director w.e.f. 29.07.2019 up to 28.07.2024.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of Shri Inderdeep Singh as Independent Director is now being placed before the members in Annual General Meeting for their approval.

A copy of the draft letter for the appointment of Shri Inderdeep Singh setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri Inderdeep Singh and his relatives, are concerned or interested in the Resolution at Item No. 9 of the Notice.

The re-appointment of Shri Inderdeep Singh as Non-Executive Independent Director of the Company for a period of five years (i.e. from 29.07.2019 up to 28.07.2024) is for Shareholders' approval.

ITEM NO. 10

Shri Kiyoto Tone was appointed by Board of Directors as Non-Executive Independent Director w.e.f. May 22, 2018 in casual vacancy caused consequent to resignation of Shri Toru Suzuki.

The Shareholders, in their meeting held on 10.07.2018, had approved his appointment as Non-Executive Independent Director of the Company w.e.f. May 22, 2018 up to July 28, 2019 (i.e. upto the term of appointment of Shri Toru Suzuki as approved by Shareholders in their meeting held on June 26, 2015).

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director can hold office for upto two consecutive terms of not more than five consecutive years of each term. He shall be eligible for reappointment for second term on passing of a special resolution by the Company and is not liable to retire by rotation.

Shri Kiyoto Tone is a Graduate in Economics from Keio University, Japan and holds Master's degree in International Management from Thunderbird School of Global Management. He is having over 33 years of experience in manufacturing companies.

His performance evaluation was carried out by all other Directors on the following basis:

- Ethical standards of integrity and probity
- Implementation of best corporate governance practices in the Company
- Attendance and participation in the meetings
- Raising of concerns to the Board
- Safeguarding of confidential information
- Rendering independent, unbiased opinion and resolution of issues
- Initiative in terms of new ideas and planning for the Company
- Timely inputs on the minutes of the meetings of the Board

Basis the above, the Directors are of the opinion that Shri Kiyoto Tone be re-appointed as Non-Executive Independent Director of the Company.

The matter regarding re-appointment of Shri Kiyoto Tone as Non-Executive Independent Director was placed before the Nomination & Remuneration Committee, and based on their recommendation, the Board, in its meeting of 10.05.2019, approved his re-appointment as Non-Executive Independent Director w.e.f. 29.07.2019 up to 28.07.2024.

He is considered as an Independent Director as defined under Section 149(6) of the Companies Act, 2013 & Rules framed thereunder and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Shri Kiyoto Tone has given (i) a declaration to the effect that he meets the criteria of independence as required under Section 149(6) of the Act and Listing Regulations, 2015, (ii) his consent in writing to act as a Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment and Qualification of Directors) Rules, 2014, and (iii) intimation in Form DIR-8 in terms of Companies (Appointment and Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Companies Act, 2013.

In the opinion of the Board, Shri Kiyoto Tone fulfils the conditions specified in the Act & the Rules made there under and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, for re-appointment as an Independent Director and he is independent of the management.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying his intention to propose Shri Kiyoto Tone's appointment as a Non-Executive Independent Director.

The Board recommends to the Shareholders, the re-appointment of Shri Kiyoto Tone as Non-Executive Independent Director w.e.f. 29.07.2019 up to 28.07.2024.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the re-appointment of Shri Kiyoto Tone as Independent Director is now being placed before the members in Annual General Meeting for their approval.

A copy of the draft letter for the appointment of Shri Kiyoto Tone setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri Kiyoto Tone and his relatives, are concerned or interested in the Resolution at Item No. 10 of the Notice.

The re-appointment of Shri Kiyoto Tone as Non-Executive Independent Director of the Company for a period of five years (i.e. from 29.07.2019 up to 28.07.2024) is for Shareholders' approval.

ITEM NO. 11

Shri A.K. Taneja was appointed as 'Wholetime Director' of the Company w.e.f. 21.04.1999. He was elevated to the position of 'Managing Director' of the Company w.e.f. 01.04.2009.

The Shareholders of the Company, in the Annual General Meeting held on 29.07.2014 had approved re-appointment of Shri A.K. Taneja as Managing Director & CEO of the Company, for a period of five years, effective from 01.04.2014 till 31.03.2019.

On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, in their meeting held on 30.03.2019, have resolved to re-appoint him as Managing Director & CEO of the Company for a period of three years effective from 01.04.2019, subject to approval of Shareholders on the following terms and conditions:-

I	PERIOD		w.e.f 01.04.2019 up to 31.03.2022
II	REMUNERATION		
	A.1	Salary	Rs. 5,00,000/- per month in the Pay Scale of Rs. 5,00,000/- to Rs. 8,00,000/- p.m. Revision in salary, within the pay scale be decided by the Nomination & Remuneration Committee.
	2	Commission	1% of the annual profits of the Company before depreciation, donation and taxes.
	3	Housing Accommodation/ House Rent Allowance	60% of Salary
	4	Gas, Electricity & Water	Up to Rs. 15,000/- per month.
	5	House Furnishings	Up to Rs. 7 Lacs.
	6	Medical Reimbursement	Up to Rs. 1,80,000/- p.a. for self and family and Mediclaim Insurance for self & family.
	7	Leave Travel Concession	Once in a year for self and family
	8	Club Membership Fees	Maximum of 2 clubs (excluding Admission and Life membership fees)
	9	Personal Accident Insurance	Cover of Rs. 10 Lacs and payment of premium for the same not exceeding Rs. 4,000/- p.a.
	B.1	Employer's Contribution to PF & Superannuation Fund	PF @ 12% of the Salary. PF and Superannuation or annuity fund shall not exceed 27% of the salary.
	2	Gratuity	Not exceeding half month's salary for each completed year of service.
	3	Leave	Earned/ privilege leave on full pay and allowances as per Company's Rules, but not more than 1 month's leave for every 11 months of service. Leave Encashment at the end of the tenure will not be treated as a perquisite.
	C.1	Company Car with Driver	For official use; private usage will be billed by the Company.
	2	Telephone	Two telephones at residence. A mobile phone for official use.
III	Commission will be restricted to an amount which together with salary and all perquisites listed above shall not exceed 5% of net profits computed under Section 198 of the Companies Act, 2013. It will further be restricted to 10% of net profits for all Whole time Directors of the Company put together.		
IV	He will be entitled to the salary and perquisites excluding commission as minimum remuneration in the absence or inadequacy of profits, as per the provisions of the Companies Act, 2013.		

OTHER TERMS:

1. He will devote wholetime and attention to the affairs of the Company and shall conduct the day to day management of the Company subject to the directions and control of the Board of Directors and shall also perform such duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board.

2. He will undertake travel for Company's official work, in India/abroad as per Company's Rules, as applicable from time to time. The Company may require his wife to also accompany him wherever it is necessary for furtherance of the Company's business interest. In such case his wife will travel as per Company's Rules as applicable from time to time. This would not be treated as an item of remuneration.

3. No sitting fees shall be payable to him for attending meetings of the Board of Directors or any Committee thereof.

4. The Company shall reimburse all entertainment expenses actually and properly incurred for the business of the Company, subject to a ceiling on such expenses as may be fixed by the Board from time to time. This would not be treated as an item of remuneration for the purpose of Income Tax/ Companies Act, 2013.

5. He will not, so long as he function as such, become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company in future without prior approval as per Companies Act, 2013.

6. He will be considered in continuous service in the Company, for the purpose of Gratuity, Provident fund, Superannuation and other retirement benefits from the date of joining Shriram group viz. 12.07.1972.

7. This appointment may, notwithstanding the period of three years mentioned above, be terminated by either party giving to the other six months' notice in writing.

   In the event of termination of the appointment, he will be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013.

As per the provisions of Section 196 of the Companies Act, 2013 ("Act"), approval of Shareholders by way of special resolution is required to continue as Managing Director who will attain the age of seventy years.

The Company has achieved all round growth and made for itself a reputation in the core areas of its businesses under his leadership.

The Board recommends to the Shareholders, the re-appointment of Shri A.K. Taneja as Managing Director & CEO w.e.f. 01.04.2019 upto 31.03.2022.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying his intention to propose Shri A. K. Taneja's appointment as Managing Director & CEO.

A copy of the letter for the appointment of Shri A.K. Taneja setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri A.K. Taneja and his relatives, are concerned or interested in the Resolution at Item No. 11 of the Notice.

The re-appointment of Shri A. K. Taneja as Managing Director & CEO for a period of three years (i.e. from 01.04.2019 up to 31.03.2022) and his remuneration is for Shareholders' approval.

ITEM NO. 12

Shri Luv D. Shriram has been associated with the Company as Director since 01.04.2009.

The Shareholders of the Company, in the Annual General Meeting held on 29.07.2014, had approved his appointment as 'Wholetime Director' of the Company for a period of five years, effective from 05.05.2014 till 04.05.2019.

On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, in their meeting held on 30.03.2019, have resolved to re-appoint him as Wholetime Director of the Company for a period of five years

effective from 05.05.2019, subject to approval of Shareholders on the following terms and conditions:-

I	PERIOD		w.e.f 05.05.2019 upto 04.05.2024
II	REMUNERATION		
	A.1	Salary	Rs. 3.50,000/- per month in the Pay Scale of Rs. 3.50,000/- to Rs. 6,00,000/- p.m. Revision in salary within the pay scale be decided by the Nomination & Remuneration Committee.
	2	Special Pay	Rs. 1,46,000/- per month
	3	Commission	0.85% of the annual profits of the Company before depreciation, donation and taxes.
	4	Housing Accommodation/ House Rent Allowance	60% of Salary
	5	Gas, Electricity & Water	Up to Rs. 12,500/- per month.
	6	House Furnishings	Up to Rs. 6 Lacs.
	7	Medical Reimbursement	Up to Rs. 1,80,000/- p.a. for self and family and Mediclaim Insurance for self & family.
	8	Leave Travel Concession	Once in a year for self and family
	9	Club Membership Fees	Maximum of 2 clubs (excluding Admission and Life membership fees)
	10	Personal Accident Insurance	Cover of Rs. 10 Lacs and payment of premium for the same not exceeding Rs. 4,000/- p.a.
	B.1	Employer's Contribution to PF	Rs. 125/- per month
	2	Leave	Earned/ privilege leave on full pay and allowances as per Company's Rules, but not more than 1 month's leave for every 11 months of service. Leave Encashment at the end of the tenure will not be treated as a perquisite.
	C.1	Company Car with Driver	For official use; private usage will be billed by the Company.
	2	Telephone	One telephone at residence. A mobile phone for official use.
III	Commission will be restricted to an amount which together with salary and all perquisites listed above shall not exceed 5% of net profits computed under Section 198 of the Companies Act, 2013. It will further be restricted to 10% of net profits for all Whole time Directors of the Company put together.		
IV	He will be entitled to the salary and perquisites excluding commission as minimum remuneration even in the absence or inadequacy of profits, as per the provisions of the Companies Act, 2013.		

OTHER TERMS:

1. He will devote whole time and attention to the affairs of the Company and perform such duties and services and exercise such powers as shall, from time to time, be entrusted to him by the Board.

2. He will undertake travel for Company's official work, in India/abroad as per Company's Rules, as applicable from time to time. The Company may require his wife to also accompany him wherever it is necessary for furtherance of the Company's business interest. In such case his wife will travel as per Company's Rules as applicable from time to time. This would not be treated as an item of remuneration.

3. No sitting fees shall be payable for attending meetings of the Board of Directors or any Committee thereof.

4. The Company shall reimburse all entertainment expenses actually and properly incurred for the business of the Company, subject to a ceiling on such expenses as may be fixed by the Board from time to time. This would not be treated as an item of remuneration for the purpose of Income Tax/ Companies Act, 2013.

5. He will not, so long as he function as such, become interested or otherwise concerned directly or through his wife and/ or minor children in any selling agency of the Company in future without prior approval as per Companies Act, 2013.

6. This appointment may, notwithstanding the period of five years mentioned above, be terminated by either party giving to the other six months' notice in writing.

   In the event of termination of the appointment, he will be entitled to receive compensation in accordance with the provisions of the Companies Act, 2013.

The Board recommends to the Shareholders, the re-appointment of Shri Luv D. Shriram as Whole Time Director w.e.f. 05.05.2019 upto 04.05.2024.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying his intention to propose Shri Luv D. Shriram's appointment as a Whole Time Director.

A copy of the letter for the appointment of Shri Luv D. Shriram setting out the terms and conditions would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri Luv D. Shriram and Smt. Meenakshi Dass and their relatives, are concerned or interested in the Resolution at Item No. 12 of the Notice.

The re-appointment of Shri Luv D. Shriram as Whole Time Director for a period of five years (i.e. from 05.05.2019 up to 04.05.2024) and his remuneration is for Shareholders' approval.

ITEM NO. 13

Shri R. Srinivasan has been working as Joint Managing Director of the Company since 01.04.2009.

The Shareholders of the Company at Annual General Meeting held on 25.06.2016 had approved the re-appointment of Shri R. Srinivasan as Joint Managing Director of the Company, for a period of five years, effective from 01.02.2016 till 31.01.2021.

On the basis of recommendation of Nomination and Remuneration Committee, the Board of Directors of the Company, in their meeting held on 30.03.2019, have resolved to revise his remuneration/ perquisites w.e.f. 01.04.2019, subject to approval of Shareholders as under:

S. No.	Particulars	Details
1	Salary	Rs. 4,00,000/- per month in the Pay Scale of Rs. 4,00,000/- to Rs. 7,00,000/- p.m. Revision in salary, within the pay scale be decided by the Nomination & Remuneration Committee.
2	Commission	0.85% of the annual profits of the Company before depreciation, donation and taxes.
3	House Furnishings	Up to Rs. 6 Lacs.
4	Medical Reimbursement	Up to Rs. 1,80,000/- p.a. for self and family and Mediclaim Insurance for self & family.

All other terms of appointment, as approved by Shareholders in the meeting of 25.06.2016 shall remain unchanged.

The Board recommends to the Shareholders, the revision in remuneration of Shri R. Srinivasan as given above.

A copy of the letter setting out revision in remuneration of Shri R. Srinivasan would be available for inspection without any fee by the members at the Company's registered office on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP, except Shri R. Srinivasan and his relatives, are concerned or interested in the Resolution at Item No. 13 of the Notice.

The revision in remuneration of Shri R. Srinivasan, Joint Managing Director, is for Shareholders' approval.

ITEM NO. 14

The Shareholders, in their meeting held on 26.06.2015, had approved the payment of a sum not exceeding 1% of annual net profits of the Company calculated in accordance with the provisions of Section 198 of the Companies Act, 2013 to some or any of the Directors of the Company, other than the Managing Director, Joint Managing Director and Whole time Director, in such amounts or proportions and in such manner and in all respects as the Board may determine and that such payment be made in respect of profits of the Company for whole or proportionately for a part of each of its financial years during a period of five years commencing from 1st April 2015.

The Board, in its meeting held on 29.03.2016, had approved payment of the above remuneration of 1% of profits calculated under Section 198 of Companies Act, 2013 to Non-Executive Directors in the following proportion:

i) 0.6% to Chairman of the Company; and

ii) Upto 0.4% to all other Non-Executive Directors of the Company

Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, which has come into effect from 01.04.2019, requires every listed Company to seek approval from Shareholders if the remuneration payable to a single Non-Executive Director exceeds fifty percent of total annual remuneration payable to all Non-Executive Directors.

The Board recommends to the Shareholders, payment of remuneration @ 0.6% to Chairman and upto 0.4% to all other Non-Executive Directors of net profits calculated under Section 198 of Companies Act, 2013.

All Non-Executive Directors and their relatives, are concerned or interested in the Resolution at Item No. 14 of the Notice. None of the Executive Directors or Key Managerial Personnel (KMP) or relatives of Executive Directors and KMP, are concerned or interested in the Resolution at Item No. 14 of the Notice.

Remuneration of Non-Executive Directors as given above is for Shareholders' approval.

: INSPECTION

Documents pertaining to accompanying notice are open for inspection at the Registered Office of the Company on any working day between 10:00 am to 12:00 noon and shall also be available at the meeting.

By the Order of the Board,
For Shriram Pistons & Rings Ltd.

Sd/-
(R. Srinivasan)
Company Secretary
Membership No.: F-4034
3rd Floor, Himalaya House,
23, K.G. Marg, New Delhi-110001

New Delhi
May 10, 2019

DETAILS OF PERSONS SEEKING APPOINTMENT/ RE-APPOINTMENT AS DIRECTORS OR DIRECTOR SEEKING REVISION IN REMUNERATION AT THE ANNUAL GENERAL MEETING

Name of the Director	Smt. Meenakshi Dass	Shri Pradeep Dinodia	Shri Alok Ranjan	Smt. Ferida Avnish Chopra
Date of Birth/ Age	04-04-1964/ 55 Years	02-12-1953/ 65 Years	09-03-1956/ 63 Years	30-04-1956/ 63 Years
Nationality	Indian	Indian	Indian	Indian
Date of appointment in the Board of the Company	28.03.2009	16.05.2003	30.03.2019	30.03.2019
Number of Board Meetings attended during last year	7	7	1	1
Qualifications/ Experience	- Degree in Textile Designing	- B.A. (Economics) Hons. from St. Stephens College, University of Delhi - LLB from University of Delhi - Fellow member of The Institute of Chartered Accountants of India	- Graduate in Economics from St. Stephens College, University of Delhi - PGDM from Indian Institute of Management, Ahmedabad	- Law Graduate from University of Delhi - Bachelor's degree in Arts from University of Delhi
Occupation/ Expertise in Functional Area	She has vast experience in managing Company's affairs	- Practicing Chartered Accountant - Chairman and Managing Partner of M/s S.R. Dinodia & Company LLP, an audit firm of repute - Independent Director of large Public Listed Companies such as Hero Motocorp Limited, DCM Shriram Limited, DFM Foods Limited, JK Lakshmi Cement Limited. - Co-authored a book "Transfer Pricing Demystified" - Expertise in Tax Litigation, Accounting, Succession Planning and Corporate Governance	- He was inducted in IAS (U.P Cadre) in 1978 and has served in various State/ Central Government Departments. He retired as Chief Secretary of Uttar Pradesh and served as Chief Advisor to Hon. Chief Minister of Uttar Pradesh & Chairman, UPSIDC. - He is also an Advisor (Honorary) to PHD Chamber of Commerce & Industry.	She is practicing as an Independent Legal Counsel in Supreme Court of India, High Court of Delhi, Competition Commission of India and various other Tribunals.
Details of remuneration sought	All Non-Executive Directors are entitled to receive Sitting Fees and Profit Commission			
Remuneration last drawn	Details are provided in Corporate Governance Report annexed with the Board Report as **Annexure-I**			
Directorships held in other companies	- Pearey Lall & Sons (E.P.) Private limited - PLS Construction Equipment Limited - Wylie Indicators Limited - Sera Com Private Limited - Manisha Commercial Private Limited - SPR International Auto Exports Limited - Sarva Commercial Private Limited - Shabnam Commercial Private Limited - Heritage Desk Solutions Private Limited	- Hero Motocorp Limited - DCM Shriram Limited - JK Lakshmi Cement Limited - DFM Foods Limited - Hero Fincorp Limited	- Jakson Limited - Jakson Engineering Limited - Vernacular News & Multi Resources Pvt. Ltd.	NIL
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	**Member:** - CSR Committee - Risk Management Committee	**Chairman:** - CSR Committee - Risk Management Committee **Member:** - Audit Committee - Nomination and Remuneration Committee - Stakeholders' Relationship Committee	**Member:** - Audit Committee - Nomination and Remuneration Committee - Risk Management Committee	**Member:** - Audit Committee - Stakeholders' Relationship Committee

Name of the Director	Smt. Meenakshi Dass	Shri Pradeep Dinodia	Shri Alok Ranjan	Smt. Ferida Avnish Chopra
Chairman/ Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	NIL	**Chairman:** - **Stakeholders' Relationship Committee:** 1. Hero Motocorp Limited 2. DCM Shriram Limited 3. Hero FinCorp Limited - **Audit Committee:** 1. DCM Shriram Limited 2. DFM Foods Limited - **Nomination and Remuneration Committee:** 1. DCM Shriram Limited - **Risk Management Committee:** 1. Hero Motocorp Limited - **IT Strategic Committee:** 1. Hero FinCorp Limited **Member:** - **Audit Committee:** 1. Hero Motocorp Limited 2. Hero FinCorp Limited - **Nomination and Remuneration Committee:** 1. Hero Motocorp Limited 2. Hero FinCorp Limited 3. DFM Foods Limited - **CSR Committee:** 1. Hero Motocorp Limited 2. J K Lakshmi Cement Limited 3. Hero FinCorp Limited - **Risk Management Committee:** 1. Hero FinCorp Limited - **Asset Liability Management Committee:** 1. Hero FinCorp Limited - **Committee of Directors:** 1. Hero Motocorp Limited - **Committee of Directors (BS 6 Project):** 1. Hero Motocorp Limited	NIL	NIL
No. of Shares held by the Director of the Company	-33,35,668* Equity shares held jointly as 1st holder -33,35,668* Equity shares held jointly as 2nd holder -11,46,100 Equity shares -24 Preference Shares *In Capacity of Trustee- shares belongs to Deepak Shriram Family Benefit Trust	NIL	NIL	NIL
Relationship with other Directors/ KMPs	Smt. Meenakshi Dass and Shri Luv D. Shriram are related to each other and are Promoters of the Company	NIL	NIL	NIL

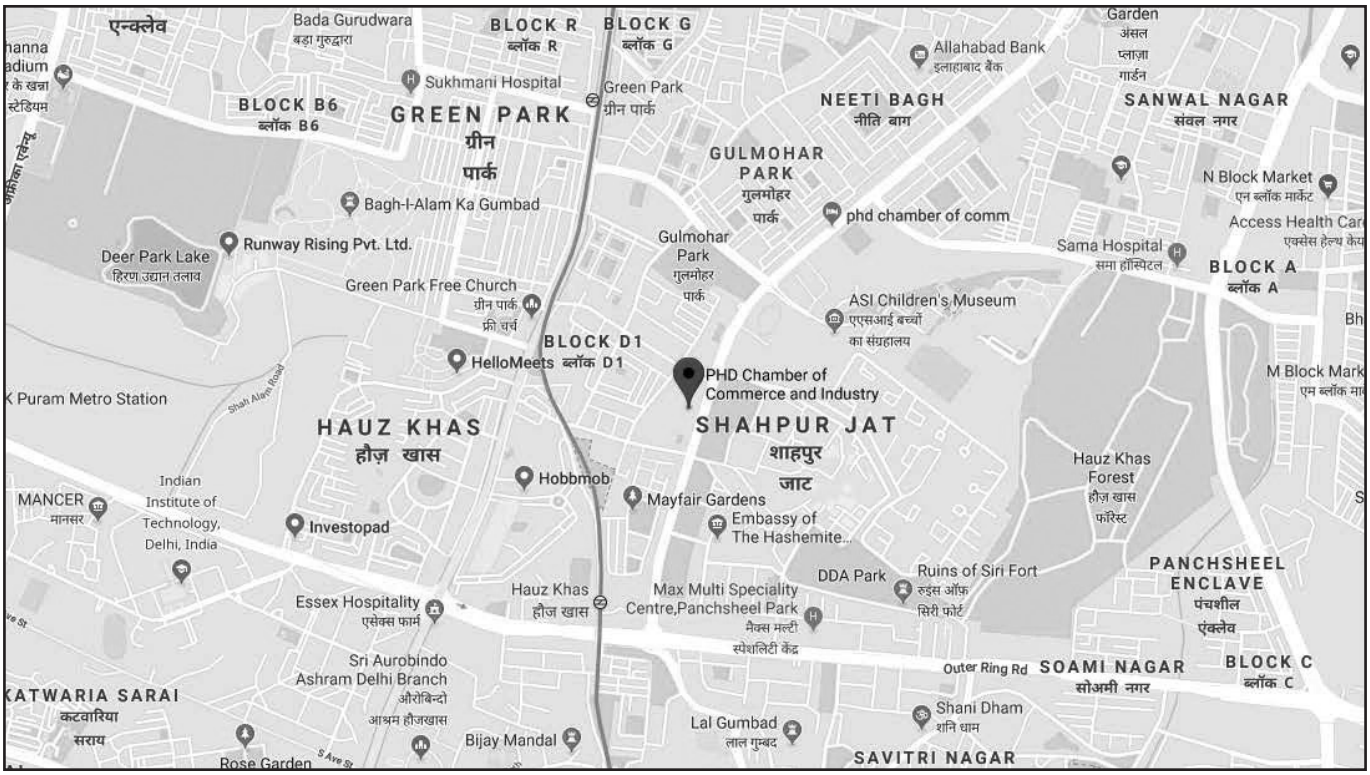
DETAILS OF PERSONS SEEKING APPOINTMENT/ RE-APPOINTMENT AS DIRECTORS OR DIRECTOR SEEKING REVISION IN REMUNERATION AT THE ANNUAL GENERAL MEETING CONTD.

Name of the Director	Shri Inderdeep Singh	Shri Kiyoto Tone	Shri A.K. Taneja	Shri Luv D. Shriram	Shri R. Srinivasan
Date of Birth/ Age	18-08-1960/ 58 Years	03-04-1961/ 58 Years	18-08-1951/ 67 Years	02-08-1972/ 46 Years	17-09-1952/ 66 Years
Nationality	Indian	Japanese	Indian	Indian	Indian
Date of appointment in the Board of the Company	25-03-2008	22-05-2018	21-04-1999	01-04-2009	01-02-2001
Number of Board Meetings attended during last year	6	4	7	7	7
Qualifications/ Experience	- B.Sc. from St. Stephens College, University of Delhi - M.S. (Elec. Engg.), Washington University, U.S.A - M.B.A. from Washington University, U.S.A	- Bachelor's Degree in Economics from Keio University, Japan - Masters in International Management from Thunderbird School of Global Management	- B. Tech from IIT, Kanpur	- B. Com from Shriram College of Commerce, University of Delhi	- B. Com (Hons.) from Shriram College of Commerce, University of Delhi - Fellow member of the Institute of Company Secretaries of India (ICSI) - Fellow member of The Institute of Cost Accountantsof India(ICMAI) - LLB from Delhi University - AMP from Harvard University
Occupation/ Expertise in Functional Area	- Managing Director of Continental Device India Pvt. Ltd. - Received an award for "Electronics Man of the Year" in 2011 by Electronics For You.	- He has over 33 years of experience of working in manufacturing Companies	Over 47 years of experience in various management functions	Associated with the Company since 2009	Over 46 years of experience in various management functions
Details of remuneration sought	All Non-Executive Directors are entitled to receive Sitting Fees and Profit Commission		Details are provided in Explanatory Statement		
Remuneration last drawn	Details are provided in Corporate Governance Report annexed with the Board Report as **Annexure-I**				
Directorships held in other companies	- Deltron Limited - Continental Device India Private Limited - Raghav Properties Private Limited - Mulberry Projects Private Limited - M D Holdings Private Limited - Continental Device Infotech Private Limited - Bella Vista Management Solutions Private Limited - National Cold Storage and Refrigeration Private Limited - Simran Electronics Private Limited - Soft Electronics Pvt. Ltd. - CDIL (KH) Limited	NIL	- T. K. Precision Pvt. Ltd. - SPR International Auto Exports Limited	- SPR International Auto Exports Limited - Shriram Veritech Solutions (P) Ltd. - Sera Com (P) Ltd. - Manisha Commercial (P) Ltd. - Shriram Marketing (P) Ltd. - Itara Prints (P) Ltd. - Sarva Commercial (P) Ltd. - Kiki Farms (P) Ltd. - Shabnam Commercial (P) Ltd.	NIL

Name of the Director	Shri Inderdeep Singh	Shri Kiyoto Tone	Shri A.K. Taneja	Shri Luv D. Shriram	Shri R. Srinivasan
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	**Chairman:** - Audit Committee - Stakeholders' Relationship Committee **Member:** - Nomination & Remuneration Committee - Corporate Social Responsibility (CSR) Committee - Risk Management Committee	NIL	**Member:** - Corporate Social Responsibility (CSR) Committee - Risk Management Committee - Stakeholders' Relationship Committee	**Member:** - Corporate Social Responsibility (CSR) Committee - Risk Management Committee	**Member:** - Risk Management Committee
Chairman/ Member of the Committee(s) of the Board of Directors of other Companies in which he is a Director	**Chairman:** - **Stakeholders' Relationship Committee:** - Deltron Limited **Member:** - **Nomination & Remuneration Committee:** - Deltron Limited	NIL	NIL	**Member:** - **Corporate Social Responsibility Committee:** - Shriram Veritech Solutions Pvt. Ltd.	NIL
No. of Shares held by the Director of the Company	NIL	NIL	48 nos. Equity Shares	- 33,35,668 nos. Equity Shares (shares held in the capacity of Trustee (First named shareholder) of Deepak Shriram Family Benefit Trust) - 33,35,668 nos. Equity Shares (shares held in the capacity of Trustee (Second named shareholder) of Deepak Shriram Family Benefit Trust) - 23,08,488* Preference Shares - 24 Preference Shares *In Capacity of Trustee- shares belongs to NAK Benefit Trust	3,236 nos. Equity Shares held jointly with Mrs. Usha Srinivasan
Relationship with other Directors/ KMPs	NIL	NIL	NIL	Shri Luv D. Shriram and Smt. Meenakshi Dass are related to each other and are Promoters of the Company	NIL

ROUTE MAP OF AGM VENUE

PHD Chamber of Commerce and Industry, PHD House 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016



SHRIRAM

PROXY FORM – 55th Annual General Meeting

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L29112DL1963PLC004084
Name of the Company : Shriram Pistons & Rings Ltd.
Registered Office : 3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110 001

Name of the Member(s):	
Registered Address:	
E-Mail ID:	
Folio No./ Client ID:	
DP ID:	

I/We, being the member(s) of Shriram Pistons and Rings Limited, holding _____ shares of the Company, hereby appoint:

1. Name :	2. Name :	3. Name :
Address :	Address :	Address :
E-mail ID:	E-mail ID:	E-mail ID:
Signature:	Signature:	Signature:
or failing him/her,	or failing him/her,	

as my/our proxy to attend and vote (on a poll) for me/us on my/our behalf at 55th Annual General Meeting of the Company to be held on 9th July, 2019 at 4:30 PM at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution(s) No.: _____

Signed this _____ day of _____, 2019.

Signature of shareholder:

Signature of proxy holder(s):

Affix Revenue Stamp

NOTES:

1. The Proxy need not be a member.
2. The Proxy Form duly signed across a revenue stamp of 15 paisa should reach the Company's Registered Office at least 48 hours before the time of the meeting.
3. A shareholder may vote either 'for' or 'against' each resolution.

SHRIRAM

ATTENDANCE SLIP – 55th Annual General Meeting

CIN : **L29112DL1963PLC004084**

Name of the Company : **Shriram Pistons & Rings Ltd.**

Registered Office : **3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110 001**

Registered Folio No./ DP Id : _____

Client ID : _____

No. of shares held : _____

I certify that I am a registered Shareholder/Proxy/ Authorised signatory for the registered Shareholder of the Company and hereby record my presence at the 55th Annual General Meeting of the Company to be held on 9th July, 2019 at 4:30 PM at PHD Chamber of Commerce and Industry, PHD House, No. 4/2, Siri Institutional Area, August Kranti Marg, New Delhi - 110016 and at any adjournment thereof.

_____ _____

Member's/ Authorised Signatory's/ Proxy's name in Block Letters Member's/ Authorised Signatory's/ Proxy's Signature

Notes:

1. Please fill this attendance slip and hand it over at the entrance of the hall.
2. Proxies/Authorised representatives must carry their photo identity proof to the AGM venue and shall produce at the Attendance Verification Counter on demand.
3. **Please note that only member(s)/ proxies/ authorized representatives with attendance slips will be allowed in the area where AGM/ related functions will be held.**

SHRIRAM

POLLING PAPER– 55th Annual General Meeting

[Pursuant to section 109(5) of the Companies Act, 2013 and rule 21(1) (c) of the Companies (Management and Administration) Rules, 2014]

CIN : **L29112DL1963PLC004084**
Name of the Company : **Shriram Pistons & Rings Ltd.**
Registered Office : **3rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi – 110 001**

S. NO.	PARTICULARS	DETAILS
1	Name of the first named shareholder (in block letters)	
2	Postal Address	
3	Registered Folio No./ *Client ID No. (* Applicable to Investors holding shares in dematerialized form)	
4	Class of Shares	

I hereby exercise my vote in respect of Ordinary/ Special Resolutions enumerated below by recording my assent or dissent to the said Resolution in the following manner:

Item No.	Particulars	No. of Shares held by me	I assent to the Resolution	I dissent from the Resolution
1	Adoption of annual financial statements			
2	Declaration of dividend on Preference Shares			
3	Declaration of dividend on Equity Shares			
4	Re-appointment of Smt. Meenakshi Dass as Non-Executive Director			
5	Re-appointment of Shri Pradeep Dinodia as Non-Executive Director			
6	Ratification of remuneration of Cost Auditors			
7	Appointment of Shri Alok Ranjan as Independent Director			
8	Appointment of Smt. Ferida Avnish Chopra as Independent Director			
9	Re-appointment of Shri Inderdeep Singh as Independent Director			
10	Re-appointment of Shri Kiyoto Tone as Independent Director			
11	Re-appointment of Shri A.K. Taneja as Managing Director & CEO			
12	Re-appointment of Shri Luv D. Shriram as Whole Time Director			
13	Revision in remuneration of Shri R. Srinivasan, Joint Managing Director			
14	Approval for payment of remuneration to Non-Executive Directors			

Place:

Date:

(Member's/ Authorised Signatory's/ Proxy's Signature)