



June 11, 2021

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 2020-21 and Notice of 57th AGM

Sir,

The 57th Annual General Meeting (AGM) of the Company is scheduled to be held on Tuesday, 6th July, 2021 at 4:00 P.M. through Video Conferencing/ Other Audio Visual Means ("VC/ OAVM").

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. 2020-21 and Notice of 57th AGM.

In terms of Circular Nos. 14/2020, 17/2020, 20/2020 and 2/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January, 2021 respectively, issued by the Ministry of Corporate Affairs ("MCA Circulars") and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12th May 2020 and 15th January, 2021 respectively issued by the Securities and Exchange Board of India ("SEBI Circulars"), the Annual Report of 2020-21, the notice of 57th AGM and instructions for e-voting are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company/Depository Participant(s).

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

Annual Report 2020-21	https://shrirampistons.com/pdf/ig/audited-accounts-and-annual-reports/Annual%20Report%202020-2021.pdf
AGM Notice	https://shrirampistons.com/pdf/agm-notice/AGM%20Notice%202021.pdf

Pursuant to Regulation 42 of Listing Regulations, the Register of Members and the Share Transfer Books of the Company will remain closed from 30.06.2021 to 06.07.2021 (both days inclusive).

The cut-off date for determining Shareholders who are entitled to vote is 29.06.2021.

Thanking you,

Yours faithfully,

(Naveen Agarwal)

Alternate Company Secretary

Encl: as above

57TH ANNUAL REPORT 2020-21



SHRIRAM PISTONS & RINGS LTD.

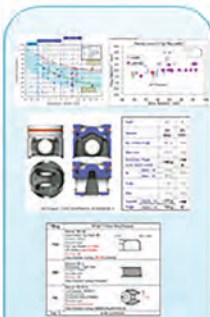
LEADERSHIP *through* PARTNERSHIP

Tech Centre



ADVANCED TECH CENTRE

FACILITY OFFERED TO OEMs

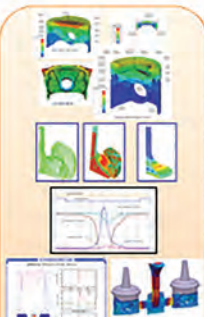


Concept design for
Pistons/ Rings/
Engine Valves

Design Algorithm
Software

All major CAD
platform

CONCEPT
DESIGN



Piston FEA
Engine Valve FEA
Ring dynamic
simulation
Piston dynamic
simulation
Casting
simulation
CFD simulation

SIMULATION



Piston Prototype
manufacturing
facility

PROTO LINE



Piston
Hydropulsator
testing
Ring
material/coating
wear analysis
Ring material/
coating scuffing
analysis

RIG TESTING



Diesel &
Gasoline Engine
Testing Facility
Piston Temp.
Measurement
Continuous oil
consumption
measurement
Engine valve
temperature
mapping

ENGINE
TESTING



Post trial analysis of
Piston, Ring, Engine
Valve & Piston Pin

PERFORMANCE
LAB

END TO END SOLUTION

Pioneering the BS 6 Transition in India

Board of Directors

Shri Pradeep Dinodia	- Chairman
Shri Hari S. Bhartia	
Ms. Ferida Chopra	
Ms. Meenakshi Dass	
Shri Sascha Putz	
Shri Alok Ranjan	
Shri Inderdeep Singh	
Shri Yukio Tanemura	
Shri Shinichi Unno	
Shri Krishnakumar Srinivasan	- Managing Director & CEO
Shri A.K. Taneja	- Managing Director & Chief Mentor
Shri Luv D. Shriram	- Wholetime Director
Shri Kaoru Ito	- Alternate Director to Shri Yukio Tanemura

Principal Executives

Shri Krishnakumar Srinivasan	- Managing Director & CEO
Shri A.K. Taneja	- Managing Director & Chief Mentor
Shri Luv D. Shriram	- Whole Time Director
Shri Naveen Agarwal	- Executive Director & Alternate Company Secretary
Shri Devendra Mishra	- Executive Director
Shri Sandeep Kalia	- Executive Director
Shri Sandeep Agrawal	- Executive Director & Chief Marketing Officer
Shri Jenender Anand	- Executive Director
Shri Rajan Nanda	- Executive Director
Ms. Poonam Bharti	- Executive Director & Chief HR Officer
Shri Prem Prakash Rath	- Dy. Executive Director & CFO
Shri Arun Kumar Shukla	- Dy. Executive Director
Shri Atul K. Khanapurkar	- Dy. Executive Director
Shri Dharmendra Singh	- Dy. Executive Director

Advisor

Shri Rajeev Kumar Wasan

Technical Collaborators

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

Statutory Auditors

Deloitte Haskins & Sells, Gurgaon, Haryana

Registered Office

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

Works

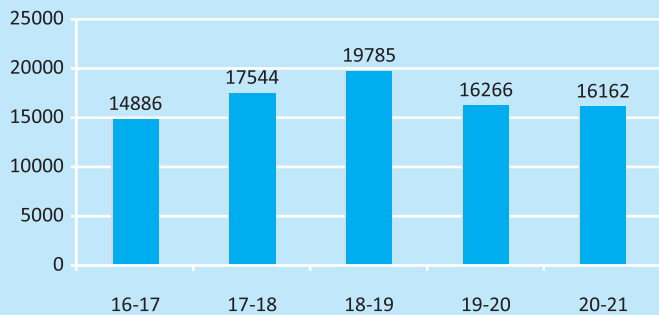
Industrial Area, Meerut Road, Ghaziabad (U.P.)
Industrial Area, Pathredi, District Alwar (Rajasthan)
Industrial Area, Bulandshahr Road, Ghaziabad (U.P.)

Bankers

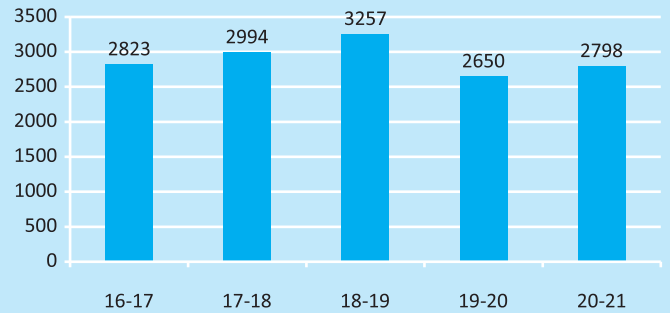
UCO Bank
State Bank of India
Union Bank of India
Axis Bank Ltd.
HDFC Bank Ltd.
IDBI Bank Ltd.
Citibank N.A.
The Hongkong and Shanghai Banking Corporation Limited
DBS Bank India Ltd.
Canara Bank

WORKING RESULTS AT A GLANCE

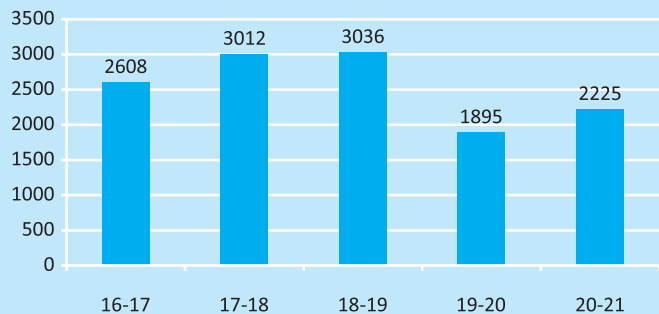
TOTAL INCOME (Mn/Rs.)



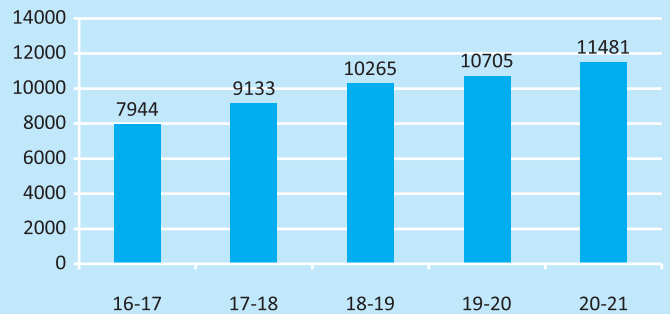
EXPORTS (Mn/Rs.)



GROSS PROFIT (Mn/Rs.)



NET WORTH (Mn/Rs.)



WORKING RESULTS AT A GLANCE

PARTICULARS	UNIT	YEAR ENDING MARCH									
		2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Paid-up Equity Share Capital	Mn/Rs.	224	224	224	224	224	224	224	224	224	224
Reserves & Surplus	Mn/Rs.	11258	10481	10041	8909	7720	6730	5925	5376	4780	4404
Net Worth	Mn/Rs.	11481	10705	10265	9133	7944	6954	6149	5600	5004	4628
Gross Fixed Assets	Mn/Rs.	19139	18673	16907	15355	14803	14159	13699	13312	12770	10745
Total Income - Value - Total	Mn/Rs.	16162	16266	19785	17544	14886	14054	12567	11735	10615	10009
- Export	Mn/Rs.	2798	2650	3257	2994	2823	2737	2301	2257	1818	1846
Profit before depreciation and taxes (PBDT) before OCI	Mn/Rs.	2225	1895	3036	3012	2608	2239	1753	2012	1578	1859
Profit before taxes (PBT) before OCI	Mn/Rs.	1200	864	2092	2108	1709	1311	793	1006	699	1151
Profit after tax (PAT) before OCI	Mn/Rs.	888	730	1384	1389	1181	916	573	697	489	839
Equity Dividend - Amount	Mn/Rs.	134	162	270	270	189	108	94	92	92	91
- Rate	%	60.0	60.0	100.0	100.0	70.0	40.0	35.0	35.0	35.0	35.0

Notes:

1. Reserves & Surplus includes Revaluation Reserve of Rs. 97.32 Million as on 31.3.2021.
2. Gross Fixed Assets are stated at historical cost and include prepayment land leases.
3. Equity dividend represents dividend declared / proposed for the respective financial year and includes dividend distribution tax, as applicable .

DIRECTORS' REPORT

The Directors have pleasure in presenting the 57th Annual Report, along with the audited accounts of the Company, for the year ended 31st March, 2021.

Financial & Operational Performance

In March 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing Government to enforce lock-downs of all economic activities. For the Company, the focus immediately shifted to ensuring the health and well-being of employees and all stakeholders. Post gradual resumption of operations, the focus was on maintaining a safe workplace and ensuring no production stoppages at our customers' end, both in India and abroad. The Company has been able to improve the profitability, even with a marginal reduction in Sales over last year by focused approach to meet customer requirements and implementation of cost optimization measures including effective utilization of resources.

Company's revenues from operations during the year were Rs. 15,966 Million compared to Rs. 16,068 Million in the previous year. Gross Profit [before Other Comprehensive Income (OCI)] for the year, after all interest charges but before depreciation and taxes, were Rs. 2,225 Million compared to Rs. 1,895 Million in the previous year. This was inspite of very low level of activity in the first quarter of the year.

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

(Rs./Million)

Particulars	Financial Year ended			
	Standalone		Consolidated	
	31/03/2021	31/03/2020	31/03/2021	31/03/2020
Revenue from Operations	15,966	16,068	15,966	16,068
Profit/(loss) before Interest, Depreciation & Tax (EBITDA)	2,351	2,018	2,351	2,018
Gross Profit (before OCI)	2,225	1,895	2,225	1,895
Depreciation	1,026	1,030	1,026	1,030
Profit Before Tax (before OCI)	1,200	864	1,200	864
Income Tax (including for earlier years)	312	134	312	134
Net Profit After Tax (before OCI)	888	730	888	730
Dividend including Dividend Distribution Tax	134	325	134	325
Amount transferred to General Reserve	778	158	778	158

Company's exports increased from Rs. 2,650 Million to Rs. 2,798 Million despite uncertainties in markets due to COVID-19. The Company increased its market share, especially in the exports After Market segment.

The Exports are expected to increase in this year, as India is emerging as export hub to Automobile sector. However, global situation of COVID-19 pandemic will be a critical factor for sales in exports market.

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.

The Company continues to sustain its commitment to the highest levels of quality and increased focus on business continuity plan. During the year, the Company took various measures for cost reduction such as affordable automation, interlinking of machines, energy conservation and productivity improvement across products which could help to remain cost competitive to facilitate improvement in market share and margins on a sustainable basis.

During the year, the Company has signed Productivity Linked Wage Agreements with workmen at both Plants inspite of business uncertainties. The Agreements were concluded harmoniously, as in the past.

With a well-equipped Tech Centre and strong support from our Technology Partners, the Company had acquired key businesses for BS-6 models in the last year requiring latest technology and stringent quality requirements. This also resulted in higher market share with the key OEMs in India. During the year, the Company had smooth ramp up of production for BS-6 models, to the satisfaction of all our OEMs.

Company continues to invest in latest technology to stay ahead of competition.

Dividend

The Directors have recommended that interim dividend @ Rs. 6.00 per share for the year 2020-21, already paid to Equity Shareholders, be treated as final dividend.

New projects and Capacity Expansion

The Company has a clear strategy for diversification of its product portfolio and is actively working on the same for continuous growth in sales. The Company is working on identifying suitable products and technology partners to help its entry into the electric mobility segment and other adjacencies.

Change in nature of business

During F.Y. 2020-21, there was no change in nature of Company's business.

Material changes and commitment

The impact of COVID-19 had gradually reduced in 3rd and 4th quarter of the year. However, in view of unfortunate onset of second wave of COVID-19, the markets have got affected adversely during the period from April 1, 2021 till 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. 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 31.03.2021, members of the Audit Committee of the Company are Shri Inderdeep Singh (Chairman), Shri Pradeep Dinodia, Ms. Ferida Chopra and Shri Alok Ranjan.

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.

There was no change in the Policy during the year.

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.

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

As on 31.03.2021, number of permanent employees on rolls of the Company are 4,120.

Related Party Transactions

The Company's contracts/arrangements/transactions with 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. Thus, there are no transactions required to be reported in Form AOC-2. 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 had appointed M/s Ernst & Young and M/s KPMG as its Internal Auditors for 2020-21, in addition to its 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

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a report on Business Responsibility forms part of this Annual Report.

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/reports 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. 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, 2021 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 as well as 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. 303 Million were accepted during the year and deposits amounting to Rs. 20 Million pertaining to 40 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 for last seven years is Rs. 0.59 Million. Unclaimed final dividend amount of F.Y. 2013-14 is due to be transferred to the Investor Education and Protection Fund on 04.09.2021. Amount transferred to the Investor Education and Protection Fund during the year is Rs. 0.19 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	11	14,800
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
Note: 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, 2020, duly audited by M/s Chandra Wadhwa & Co., Cost Accountants, New Delhi, was submitted to the Ministry of Corporate Affairs, Government of India on 5th September, 2020 before the due date of 9th September, 2020.

Details of CSR Activities undertaken by the Company

During the year, Company has spent Rs. 25.44 Million on various CSR activities against the requirement of Rs. 35.56 Million, as per the provisions of the Companies Act, 2013. An amount of Rs. 10.26 Million has been transferred to Unspent CSR Account-2020-21, which would be incurred in following years. 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 2020-21, 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 31.03.2021, Members of the Committee are Shri Pradeep Dinodia (Chairman), Shri Inderdeep Singh, Shri Alok Ranjan, Ms. Meenakshi Dass, Shri Krishnakumar Srinivasan, Shri A. K. Taneja and Shri Luv D. Shriram.

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

The Shareholders, in their meeting held on 11.8.2020, had given their consent through Special Resolution for appointment of Shri Krishnakumar Srinivasan as Managing Director of the Company for a period of five years effective from 11.02.2020 and to assume the office of Managing Director & CEO of the Company w.e.f. 01.04.2021.

In view of Shri Krishnakumar Srinivasan taking over as Managing Director & CEO w.e.f. 1.4.2021, Shri A.K. Taneja relinquished his charge as CEO of the Company from the closing hours of 31.3.2021 and has been re-designated as Managing Director & Chief Mentor w.e.f. 1.4.2021.

The Board had re-designated Shri Hari S. Bhartia as Non-Executive Independent Director of the Company for a period of five years effective from 31.03.2020. This was subsequently approved by Shareholders in their meeting held on 11.8.2020.

The Board had appointed Shri Yukio Tanemura as Non-Executive Director of the Company w.e.f. 27.7.2019, in the casual vacancy caused due to resignation of Shri M. Sekimoto. This was subsequently approved by Shareholders in their meeting held on 11.8.2020 and his office is liable to retire by rotation.

The Board had, in its meeting held on 29.05.2020, appointed Shri Sascha Putz as Alternate Director to Dr. Peter Neu.

Dr. Peter Neu, Non-Executive Director of the Company, had resigned w.e.f. closing hours of 01.02.2021. Consequently, Shri Sascha Putz, Alternate Director to Dr. Peter Neu, also ceased to be Director of the Company.

Pursuant to resignation of Dr. Peter Neu, the Board had, in its meeting held on 30.03.2021, appointed Shri Sascha Putz as Director in the casual vacancy caused due to resignation of Dr. Peter Neu.

Shri R. Srinivasan, Joint Managing Director and Company Secretary, who was also the Compliance Officer, superannuated from the services of the Company w.e.f. closing hours of 31.01.2021.

The Board expressed deep appreciation of the immense contribution of Shri R. Srinivasan to the growth of the Company, spanning about 48 years of his service, and making SPR one of the most respected names in the auto component industry in India and placed on record the services rendered by Shri R. Srinivasan.

Pursuant to superannuation of Shri R. Srinivasan, Shri Naveen Agarwal was designated as Compliance Officer w.e.f. 01.02.2021 and he will continue to remain and act as Alternate Company Secretary of the Company.

Shri Kiyoto Tone, Independent Director, has resigned from the Directorship of the Company to be effective from closing hours of 7.5.2021.

The Board has appointed Shri Shinichi Unno as Independent Director of the Company in the casual vacancy caused due to resignation of Shri Kiyoto Tone, subject to allotment of Director's Identification Number (DIN) by Ministry of Corporate Affairs (MCA). The appointment shall be effective from the date of allotment of DIN by MCA.

Shri Vinod Raheja, Chief Financial Officer (CFO) of the Company, ceased to be in employment of the Company from the closing hours of 30.06.2020. The Board appointed Shri Naveen Agarwal as CFO of the Company w.e.f. 30.12.2020 till the date of joining of Shri Prem Prakash Rathie as CFO. Shri Prem Prakash Rathie joined the Company as CFO w.e.f. 08.01.2021.

Ms. 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'.

The Board appreciated significant contribution of all Directors, who have ceased to be Directors during the year, to the Company and in Board deliberations and the services rendered.

Declarations from Independent Directors

Shri Hari S. Bhartia, Ms. Ferida Chopra, Shri Alok Ranjan, Shri Inderdeep Singh and Shri Kiyoto Tone 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.

In the opinion of the Board, Independent Directors appointed/ re-appointed during the year possess relevant integrity, expertise and experience required to perform their duties. Some of the Independent Directors have cleared the on-line proficiency test being conducted by Indian Institute of Corporate Affairs and the remaining Independent Directors are in the process of appearing in the same.

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 especially during COVID-19.

On behalf of the Board

New Delhi
May 07, 2021

(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 31.03.2021, the Company had 3 Executive and 9 Non-Executive Directors. Out of 9 Non-Executive Directors, 5 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 31.3.2021 (Ref. Note No. 6)	Board Committee Membership in other Indian Public Ltd. Cos. as on 31.3.2021 as (Refer Note No. 7)	
			Board Meetings during Y.E. March 2021	Last AGM		Member	Chairman
Non-Executive Directors:							
Shri Pradeep Dinodia			7	Yes	3	1	5
Shri Hari S. Bhartia		Independent	2	No	3	-	-
Ms. Ferida Chopra		Independent	7	Yes	-	-	-
Ms. Meenakshi Dass	1	Promoter	7	Yes	3	-	-
Dr. Peter Neu	2		2	No	-	-	-
Shri Sascha Putz	3 & 4		-	No	-	-	-
Shri Alok Ranjan		Independent	7	Yes	1	1	-
Shri Inderdeep Singh		Independent	7	Yes	1	-	-
Shri Yukio Tanemura			6	Yes	-	-	-
Shri Kaoru Ito (Alternate to Shri Yukio Tanemura)			-	-	-	-	-
Shri Kiyoto Tone		Independent	7	Yes	-	-	-
Executive Directors:							
Shri A. K. Taneja (Managing Director & CEO)			7	Yes	1	-	-
Shri Krishnakumar Srinivasan (Managing Director)			7	Yes	-	-	-
Shri R. Srinivasan (Jt. Managing Director)	5		6	Yes	-	-	-
Shri Luv D. Shriram (Wholetime Director)		Promoter	7	Yes	1	-	-

Notes:

1. Ms. Meenakshi Dass and Shri Luv D. Shriram are related to each other and are promoters of the Company.
2. Resigned w.e.f. closing hours of 01.02.2021.
3. Appointed as Alternate Director to Dr. Peter Neu w.e.f. 29.05.2020. Consequent to resignation of Dr. Peter Neu, Shri Sascha Putz also ceased to be Director w.e.f. closing hours of 01.02.2021.
4. Appointed as Non-Executive Director in casual vacancy w.e.f. 30.03.2021 caused due to resignation of Dr. Peter Neu.
5. Superannuated from the Company w.e.f. closing hours of 31.01.2021.
6. Directorships in other Companies of Directors exclude Companies formed under Section 8 of the Companies Act, 2013.
7. For calculating Board Committee membership/chairmanship, only Audit Committee and the Stakeholders' Relationship Committee membership/chairmanship of Indian Public Limited Companies has been considered.
8. As on 31.03.2021, there is no Nominee Director on the Board of the Company.

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	DCM Shriram Limited	Independent Director
	Hero Motocorp Limited	Non-Executive Director
Shri Hari S. Bhartia	Jubilant Ingrevia Limited	Co-Chairman & Director
	Jubilant Pharmova Limited	Co-Chairman & Managing Director
	Jubilant Foodworks Limited	Co-Chairman & Director
Shri Alok Ranjan	Suraj Industries Limited	Independent Director
Shri Inderdeep Singh	Deltron Limited (under voluntary liquidation)	Non-Executive Director

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

- | | |
|----------------------------------|-----------------------------------|
| - 29 th May, 2020 | - 30 th December, 2020 |
| - 25 th June, 2020 | - 29 th January, 2021 |
| - 11 th August, 2020 | - 30 th March, 2021 |
| - 30 th October, 2020 | |

A separate meeting of Independent Directors was held on 30th March, 2021 through video conferencing, which was attended by all the Independent Directors, except Shri Hari S. Bhartia.

2.4) Shri Luv D. Shriram and Ms. Meenakshi Dass are related to each other and are Promoters of the Company.
2.5) Shareholding of Non-Executive Director:

Ms. Meenakshi Dass	-33,35,668 Equity shares held jointly as 1 st holder	} (In capacity of Trustee – Shares belong to Deepak Shriram Family Benefit Trust)
	-33,35,668 Equity shares held jointly as 2 nd holder	
	-11,35,860 Equity 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 primarily in Automotive Components' segment.

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

List of Core skills/ expertise/ competence required by the Directors in order to discharge their duties effectively and names of Directors who possess such skills are:

S. No.	Skills	Name(s) of Directors who possesses such skills
1	Technical knowledge of the Industry in which the Company operates	<ul style="list-style-type: none"> - Shri Pradeep Dinodia - Shri Sascha Putz - Shri Yukio Tanemura - Shri Kiyoto Tone - Shri Krishnakumar Srinivasan - Shri A. K. Taneja - Shri Luv D. Shriram - Shri Kaoru Ito
2	Knowledge of finance, law, management, sales, marketing, administration, research and corporate governance	<ul style="list-style-type: none"> - Shri Pradeep Dinodia - Shri Hari S. Bhartia - Ms. Ferida Chopra - Ms. Meenakshi Dass - Shri Sascha Putz - Shri Alok Ranjan - Shri Inderdeep Singh - Shri Yukio Tanemura - Shri Kiyoto Tone - Shri Krishnakumar Srinivasan - Shri A. K. Taneja - Shri Luv D. Shriram - Shri Kaoru Ito

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.

During the year, no Independent Director has resigned.

3.0) The Company has an Audit Committee in line with provisions of Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) 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 31.03.2021, the Audit Committee comprises of four Directors – Shri Inderdeep Singh (Chairman), Ms. Ferida Chopra, Shri Alok Ranjan, all of whom are Independent Directors and Shri Pradeep Dinodia, who is a Non-Executive Director. Shri Naveen Agarwal, Alternate Company Secretary is also the Secretary to the Audit Committee.

3.3) During the year, 7 Meetings of the Audit Committee were held as under :-

- | | |
|-----------------------------------|-----------------------------------|
| - 25 th June, 2020 | - 30 th December, 2020 |
| - 11 th August, 2020 | - 29 th January, 2021 |
| - 30 th October, 2020 | - 5 th March, 2021 |
| - 15 th December, 2020 | |

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

Directors	Attendance
Shri Inderdeep Singh (Chairman)	7
Ms. Ferida Chopra	7
Shri Alok Ranjan	7
Shri Pradeep Dinodia	7
Notes:	
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 11th August, 2020 through Video Conferencing 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, inter alia:

- 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) As on 31.03.2021, it comprises of 4 Directors – Shri Alok Ranjan (Chairman), Shri Inderdeep Singh and Ms. Ferida Chopra, Independent Directors, and Shri Pradeep Dinodia, who is a Non-Executive Director.

4.2) During the year, 6 meetings of Nomination & Remuneration Committee were held as under:

- | | |
|----------------------------------|-----------------------------------|
| - 29 th May, 2020 | - 30 th December, 2020 |
| - 24 th June, 2020 | - 5 th March, 2021 |
| - 30 th October, 2020 | - 30 th March, 2021 |

Attendance at Nomination & Remuneration Committee Meetings was as under:-

Directors	Attendance
Shri Alok Ranjan (Chairman)	6
Ms. Ferida Chopra*	4
Shri Pradeep Dinodia	6
Shri Inderdeep Singh	6
Note:	
*Became Member of the Committee w.e.f. 1.7.2020.	

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
- Knowledge about economy and related movements of the automobile markets
- 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. 1,00,000 for every meeting of the Board & Audit Committee and Rs. 50,000 for other Committees till 25.06.2020. Sitting fee has been revised to Rs. 1,00,000 for every Board/ Committee meeting w.e.f. 26.06.2020.

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 11th August, 2020. The fees and commission paid/ provided to Non-Executive Directors for the year ended 31st March, 2021 is as under:-

(Rs./Million)

Directors	Sitting Fees for Board and Committee meetings paid during the year	Commission
Shri Pradeep Dinodia (Chairman)	2.25	8.12
Shri Hari S. Bhartia	0.20	0.20
Ms. Ferida Chopra	1.90	0.80
Ms. Meenakshi Dass	0.95	0.80
Dr. Peter Neu	0.20	0.20
Shri Sascha Putz	-	-
Shri Alok Ranjan	2.00	0.80
Shri Inderdeep Singh	2.15	0.80
Shri Yukio Tanemura	0.60	0.80
Shri Kaoru Ito (Alternate to Shri Yukio Tanemura)	-	-
Shri Kiyoto Tone	0.70	0.80

5.2) Remuneration paid / provided to Managing Directors and Whole-time Directors for the year ended 31st March, 2021 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 & CEO)	6.00	22.14	1.88	5.62	35.64	1 st April, 2019 to 31 st March, 2022
Shri Krishnakumar Srinivasan (Managing Director)	10.20	22.14	2.25	5.26	39.86	11 th February, 2020 to 10 th February, 2025
Shri R. Srinivasan [#] (Jt. Managing Director)	4.00	15.78	1.25	5.11	26.14	1 st February, 2016 to 31 st January, 2021
Shri Luv D. Shriram (Whole Time Director)	5.95	18.82	0.002	2.97	27.74	5 th May, 2019 to 4 th May, 2024

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 annual profits of the Company before depreciation, donation and taxes.
4. The Company does not have a scheme of stock options.
- *5. Superannuated w.e.f. closing hours of 31.01.2021.
- *6. Aggregate of the Company's contribution to Provident Fund, Superannuation Fund & Gratuity Fund.

6.0) The Company has a "Stakeholders' Relationship Committee". As on 31.03.2021, this Committee comprised of Ms. Ferida Chopra (Chairperson), Independent Director, Shri Pradeep Dinodia, who is a Non-Executive Director, Shri A. K. Taneja (Managing Director & CEO) and Shri Krishnakumar Srinivasan (Managing Director). Shri Naveen Agarwal, Alternate Company Secretary, is also the Compliance Officer.

6.1) No stakeholder's complaint was received during the year 2020-21. No stakeholder's complaint was pending at the beginning/ closing of the financial year 2020-21.

Meeting of Stakeholders' Relationship Committee was held on 5th March, 2021 through video conferencing, which was attended by all members of the Committee.

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
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
2018-19	PHD Chamber of Commerce and Industry, New Delhi	09.07.2019	4:30 p.m.	Following Special Resolutions were passed: <ul style="list-style-type: none"> - Re-appointment of Shri Inderdeep Singh and Shri Kiyoto Tone as Independent Directors for second term of five years - Re-appointment of Shri A.K. Taneja as Managing Director & CEO for three years - Payment of remuneration @0.6% to Chairman and upto 0.4% to all other Non-Executive Directors of net profits in terms of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
2019-20	Due to COVID-19 pandemic, the meeting was held through Video Conferencing/ Other Audio-Visual Means. Deemed venue of the meeting was Registered Office of the Company i.e. 3 rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001	11.08.2020	5:00 p.m.	<ul style="list-style-type: none"> - Appointment of Shri Krishnakumar Srinivasan as MD w.e.f. 11.02.2020 for a period of 5 yrs. and as MD & CEO w.e.f. 01.04.2021 and fixation of his remuneration. - Revision in terms of remuneration of Shri A. K. Taneja, Managing Director & CEO - Revision in terms of remuneration of Shri R. Srinivasan, Joint Managing Director - Revision in terms of remuneration of Shri Luv D. Shriram, Whole-Time Director - Payment of remuneration @0.6% to Chairman and upto 0.4% to all other Non-Executive Directors of net profits in terms of Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

7.1) No Special Resolution was passed during the financial year 2020-21 through Postal Ballot.

- 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 11.08.2020, had voted through remote e-voting and voting at AGM (through e-voting) 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) **57th Annual General Meeting**

The 57th Annual General Meeting of the Company will be held on Tuesday, 6th July, 2021 at 4:00 PM. through Video Conferencing/ Other Audio Visual means (“VC/ OAVM”). Venue (deemed) of the Meeting would be Registered Office of the Company i.e. 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.

(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 30th June, 2021 to 6th July, 2021 (both days inclusive).

(iv) **Date of Dividend Payment**

Dividend declared has already been paid.

(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 2021-22 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 2020-21 (in Rs.)

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

Month	Total Volume (No. of shares)	Company’s share price (INR)		NSE Nifty 50 index	
		High	Low	High	Low
April, 2020	5,031	589.00	432.10	9,889.05	8,055.80
May, 2020	1,017	554.00	484.60	9,598.85	8,806.75
June, 2020	11,507	648.80	508.05	10,553.15	9,544.35
July, 2020	16,959	616.00	542.05	11,341.40	10,299.60
August, 2020	22,478	630.00	557.30	11,794.25	10,882.25
September, 2020	17,135	617.90	501.35	11,618.10	10,790.20
October, 2020	7,420	613.70	495.00	12,025.45	11,347.05
November, 2020	3,628	602.00	515.00	13,145.85	11,557.40
December, 2020	18,274	673.60	553.10	14,024.85	12,962.80
January, 2021	15,523	696.85	575.10	14,753.55	13,596.75
February, 2021	14,979	913.00	666.10	15,431.75	13,661.75
March, 2021	15,891	858.00	725.85	15,336.30	14,264.40

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

(x) **Registrar and Transfer Agents**

M/s Alankit Assignments Ltd., having Registered 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 31.03.2021**

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.	2,044	24	26	7	3	1	6	17	2,128
	Shareholding-%	0.33	0.08	0.17	0.08	0.04	0.02	0.19	99.09	100

(xiii) **Category-wise Distribution of Shareholding as on 31.03.2021:**

S. No.	Category of Shareholders	Equity Shares	
		Nos.	%age of Shares held
1	Indian Promoters	10,584,400	47.30
2	Financial Institution/ Banks/ NBFCs	-	-
3	Insurance Companies	2,318,758	10.36
4	Individuals/ HUFs/ Firms/ Trusts	238,964	1.07
5	Bodies Corporate:		
a.	Foreign	9,167,031	40.97
b.	Indian	50,959	0.23
6	IEPF Account	14,800	0.07
	Total	22,374,912	100

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

Electronic Holding by members comprises 59.0% (previous year – 59.0%) of the paid up equity share capital of the Company as on 31st March, 2021 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.), Industrial Area, Pathredi, District Alwar (Rajasthan) and Industrial Area, Bulandshahr Road, Ghaziabad (U.P.).

Assembly units are located at Gurugram, Pune, Hosur, Becharji (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, E-mail: 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 the year 2020-21, there was no revision in the Credit Ratings obtained by the Company.

10.0) OTHER 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 30.03.2021 has approved revision in payment towards shared usage for office at residence for Chairman w.e.f. 01.04.2021.
 - b) The Internal Auditors of the Company, M/s Ernst & Young and M/s KPMG, report directly to the Audit Committee.
- (vii) The Company has Policy for determining Material Subsidiaries in place. It is available on Company's website www.shrirampistons.com under link "Investors Guide".
- (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 SEBI/ 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. 5.21 Million (excluding GST) 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 off 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 Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members

Shriram Pistons & Rings Ltd.

(CIN L29112DL1963PLC004084)

Third Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001

I have examined the compliance of conditions of corporate governance by Shriram Pistons & Rings Ltd. (**CIN No. L29112DL1963PLC004084**) ("the Company") as stipulated under Regulations 17 to 27 and clauses (b) to (i) of sub regulation (2) of regulation 46 and Para C,D and E of Schedule V to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the financial year ended March 31, 2021.

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

In my opinion and to the best of my information and according to the explanations given to us, I 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 for the year ended on March 31, 2021.

I further report that due to severe outbreak of second wave of COVID-19, I had verified the documents remotely through video conference. I wish to place on record that Company has made available documents and information electronically, which could not be verified physically.

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

Place: New Delhi
April 29, 2021

Sd/-
Richa Sharma
Practicing Company Secretary
ACS Number: 26832
C.P. Number: 9628
UDIN: A026832C000276334

CERTIFICATE

(Pursuant to clause 10 of Part C of Schedule V of LODR)

In Pursuance of sub clause (i) of clause 10 of Part C of Schedule V of The Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015, (LODR) in respect of **M/s Shriram Pistons & Rings Ltd. (CIN No. L29112DL1963PLC004084)**.

I hereby certify that:

On the basis of written representation / declaration received from the directors and taken on record by the Board of Directors, as on March 31, 2021, none of the director on the board of the company has been debarred or disqualified from being appointed or continuing as director of company by the SEBI/Ministry of Corporate Affairs or any such statutory authority.

Place: New Delhi
Date: April 29, 2021

Sd/-
Richa Sharma
Practicing Company Secretary
ACS Number: 26832
C.P. Number: 9628
UDIN: A026832C000276477

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.

All segments of the vehicle market had registered degrowth during 2019-20.

In 2020-21, all segments, except Tractor segment, registered further degrowth, due to ongoing COVID-19 pandemic which further aggravated the general slowdown in the economy being witnessed since 2019-20.

Production of Passenger Vehicles declined by 11% and of two wheelers by 13% over last year in 2020-21. Production of Medium & Heavy Duty Commercial Vehicles declined by 22% and in case of Light Commercial/Small Commercial Vehicles, the production declined by 4%.

Production of Tractors increased by 27%.

The Exports market has also been adversely impacted in 2020-21.

2. Opportunities

The COVID-19 Pandemic started to show receding trend from the second half of 2020-21. However in March & April 2021, there have been concerns due to second wave of COVID-19 pandemic. The Central/ State Governments are taking steps like partial lockdown in some states and are requesting Social organizations & private sector to support their efforts to curtail the spread of COVID.

There is a lot of uncertainty in Automotive Sector in the short term. In medium to long-term, growth prospects remain positive, and the automotive component industry is also expected to grow in line with the growth in automobile production and growth in the aftermarket segment.

The latent demand for personal mobility and public transport remains strong. Going forward, strong rural demand based on normal monsoon and availability of finance will lead to buoyant demand, especially in the Tractor segment. Further, as the economic activity picks up, demand for Medium and Heavy Commercial vehicles will also revive.

The Company is closely working with key OEMs for increasing its market share by providing technology solutions. It is also focusing to improve distribution network in the aftermarket and has presence in every segment of the market including CVs, Cars/SUVs, Two & Three wheelers, Tractors, Off-highway vehicles and Industrial Engines- for OEMs and After Market.

Notwithstanding the above, the auto demand is expected to be modest in the current year because of the ongoing global COVID-19 pandemic and consequent uncertainties.

The Company is working on identifying suitable products and technology partners to help its entry into the electric mobility segment and other adjacencies.

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. However, global situation of COVID-19 Pandemic will be a critical factor for Sales in Exports market.

As in the previous year, the Company is targeting to achieve higher growth rate than industry growth in 2020-21, based on new business of BS-6 models acquired from key OEMs and increased focus on the Aftermarket both in India and Exports.

3. Threats

The first half of year 2020-21 was hit by the unprecedented lockdown due to the ongoing COVID-19 pandemic. This had resulted in significant loss of jobs and industrial output, and the customer sentiment had turned cautious leading to postponement of purchase of vehicles.

The Industry witnessed reduction in customer demand in all segments, except Tractors, attributable to prolonged slowdown bringing economies to halt. Recovery of economy after COVID-19 and managing liquidity are the key challenges ahead. This is likely to impact the growth of industries globally, and eventually impact the profitability of the Company.

The Company took measures to restore and sustain the operations keeping in mind the safety of its employees and stakeholders as paramount and strengthened its liquidity position by tightening control on its current assets and minimizing Capex.

The Company is also taking several concrete and time-bound steps to meet the changing expectations of customers, especially zero defect quality, traceability, digitization and cost reduction measures across the organisation.

Volatile Exchange Rate due to ongoing uncertainty in global economy 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 is encouraging introduction of electric vehicles in the market by ramping up incentives. 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. Further, COVID-19 Pandemic has impacted the required infrastructural work thereby limiting the growth of e-mobility solutions.

Company is closely monitoring e-mobility trends along with the global partners and is working on identifying suitable products and technology partners to help its entry into the electric mobility segment and other adjacencies.

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

Growth of Automobile sector in India in 2021-22 is dependent on management of COVID-19 pandemic along with sustenance in economic activities. However, the long-term prospects for automobile production appear to be good, due to huge latent demand for Cars and 2-wheelers, rapid urbanisation, development of road infrastructure and focus on rural development.

The Vehicle Scrappage policy has been announced by the Government which will help to boost the demand.

However, other economic measures like rationalising the GST rates on automobiles, increase in direct incentives on Exports and signing of bilateral treaties with other countries are needed to boost the demand.

As stated earlier, the Company has already obtained business from OEMs in India for BS-6 models and this will lead to improvement in the market share for the Company.

With support of our Technology Partners, export sales of Company's products to global OEMs are expected to increase in the current year.

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

The medium to long 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 in the next few Years.

6. Risk & Concerns

Huge economic impact of COVID-19, increase in price of automobiles due to new regulations for environment and safety are affecting demand.

Demand from customers for price reduction, increase in raw material/ fuel prices and implication of pandemic on supply chain are the major concerns for the Company. As done in the last year, the Management continues to work on various options to retain the profitability levels.

The Company is taking various steps in a focussed manner to maintain liquidity (Cash positive) and to increase profitability by productivity improvement, rejection reduction and digitization of Business Processes and other Cost reduction measures.

The medium to long term outlook for the automotive sector remains positive, with increasing preference for personal mobility across the globe amidst pandemic.

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 to 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 Management is of the opinion that while risk factors may 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, 2021 were Rs. 15,966 Million.

Net profit after tax (before OCI) of the Company during the year ended 31st March, 2021 was Rs. 888 Million.

Earnings per share was Rs. 39.67 in 2020-21.

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 31.03.2021, number of permanent employees on rolls of the Company are 4,120.

10. Changes in key financial ratios are as under:

S. No.	Ratios	Unit	2019-20	2020-21	%age change
1	Debtors Turnover	Times	5.30	5.59	5.37
2	Inventory Turnover	Times	1.83	2.03	10.5
3	Interest Coverage Ratio	Times	8.36	10.80	29.1
4	Current Ratio	Times	1.92	2.07	7.79
5	Debt Equity Ratio	Times	0.06	0.06	5.71
6	Operating Profit Margin	%	5.89	7.85	33.28
7	Net Profit Margin	%	4.77	5.70	19.50

Return on Net worth of the Company as on 31.03.2021 was 8.50% as compared to 7.15% as on 31.03.2020.

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

RREPORT ON CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNING 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) Replacement of reciprocating compressors, with energy efficient latest generation screw compressors.
- ii) Replacement of previous generation belt driven blowers, with latest version of energy efficient belt less direct coupled blowers.
- iii) Reduction in Compressed Air leakages by maintenance of pneumatic cylinders, pipes, fittings and valves.
- iv) Reduction in distribution losses by optimization of cable length.

At Pathredi:

- i) Reduction in power losses by optimization of distribution losses through transformer, line and capacitor panel losses reduction
- ii) Using thyristor control in GCF furnaces, chlorination & holding furnaces for heating control
- iii) Optimization of compressor energy through optimization of air usage through boosters elimination, using blowers for air agitation.
- iv) Auto operated holding furnace covers & BLDC fans

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

Steps have been initiated for purchase of solar power at some of its plants to replace 15% of consumption of conventional sources of energy.

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. 4.94 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) Regular virtual meetings with key Technical persons at Collaborators for transfer of technology and latest production processes as per Collaborators' practice.
- iii) Regular virtual interactions of key R&D personnel of Collaborators with OEMs for sharing latest technology developments, new designs etc.
- iv) ON-SITE support of resident Engineers of Collaborator.

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

- 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) Satisfactory commercialization of 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	Salt Core Manufacturing	2017-18	Yes	-
2	Design Algorithm and Templates for Diesel OCG & Gasoline Lite KS Pistons	2017-18	Yes	-
3	Low friction Piston Skirt Coating (OBEL)	2017-18	Yes	-
4	High Horse Power (HHP) Piston	2018-19	No	Project shelved by OEM
5	Light weight 2-W Piston	2018-19	Yes	-
6	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	Yes	-
4	Technology for Inlaid/ Semi-inlaid coating time reduction	2019-20	Yes	-
Engine Valves:				
1	FEA Simulation	2017-18	Under implementation	-

4. Expenditure on R & D:-

- Capital/Intangible : Rs. 0.10 Million
- Recurring : Rs. 165.85 Million
- Total : Rs. 165.95 Million
- Total R&D expenditure as percentage of total income: 1.03%

C. Foreign Exchange Earnings & Outgo

1. Exports:-

- i) Exports continue to remain focus area for the Company. The Company made exports worth Rs. 2,798 Million in the year as compared to Rs. 2,650 Million in the previous year. This is inspite of uncertainty in global economies and impact of COVID-19.
- 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) Company is targeting to achieve export levels higher than achieved in 2018-19. This will however be determined by the global situation of COVID-19 pandemic.

- 2. **Foreign Exchange earned** - **Rs. 2,718.11 Million**
- Foreign Exchange utilized** - **Rs. 1,426.07 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	12,243,193	B. Com(H), LLB, ACMA, ACS	42	Jun-96	60	0.00002	Dy. General Manager, Jay Engineering Works Ltd.
Jenender Anand	Executive Director	11,790,838	B.Sc.(PCM), PGDM (Marketing)	32	Jun-16	52	-	Vice President, Relaxo Footwears Ltd.
Poonam Bharti	Dy. Executive Director & Chief HR Officer	8,769,644	B.Sc., Masters in HR & IR	24	Mar-18	50	-	Global HR Head, Ranbaxy/ Sun Pharma
Atul K Khanapurkar	Dy. Executive Director	8,315,005	B.E. (Electronics)	35	Mar-19	56	-	Sr. General Manager, Bosch Ltd.
Devendra Mishra	Executive Director	12,286,933	B.E., PGPM	33	Jul-11	56	-	VP-Manufacturing, National Engineering Industries
Vinod Raheja#	Dy. Executive Director and CFO	3,164,743	B.Com., CA	28	Feb-15	52	-	Vice President-JCB India Limited
Luv D. Shriram*	Wholetime Director	27,744,614	B.Com	28	May-14	49	29.8 [§]	Managing Director, Shriram Veritech Solutions Pvt. Ltd.
Arun Kumar Shukla	Dy. Executive Director	9,519,199	B. Tech	34	Aug-09	56	-	Vice President - Operations, Uniparts India Ltd.
Krishnakumar Srinivasan*	Managing Director	39,855,401	B.E. (Mech.), MBA, Diploma in Exports	34	Feb-20	55	-	President and Director, Europe and Strategic Business, Bharat Forge Ltd.
R. Srinivasan**	Joint Managing Director & Company Secretary	26,135,220	B.Com(H), LLB, FCMA, FCS, AMP (Harvard)	48	Feb-74	69	0.01	ET, Usha Sales Pvt. Ltd
A.K. Taneja*	Managing Director & CEO	35,638,126	B.Tech	49	Apr-78	70	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) # Employed for part of the year.
- (vi) [§] Shri Luv D. Shriram (First named shareholder) and Ms. Meenakshi Dass (Second named shareholder) jointly hold 14.9% shares of the Company on behalf of Deepak Shriram Family Benefit Trust.
Ms. 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.
Shri Luv D. Shriram is a relative of Ms. Meenakshi Dass, who is a Non-Executive Director of the Company.
- (vii) 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	25.08
Shri Hari S. Bhartia	0.97
Ms. Ferida Chopra	6.53
Ms. Meenakshi Dass	4.23
Dr. Peter Neu*	-
Shri Sascha Putz*	-
Shri Alok Ranjan	6.77
Shri Inderdeep Singh	7.14
Shri Yukio Tanemura	3.39
Shri Kiyoto Tone	3.63
Shri A. K. Taneja	86.20
Shri Krishnakumar Srinivasan	96.41
Shri R. Srinivasan*	-
Shri Luv D. Shriram	67.11
*Note: Employed for part of the year in 2020-21. Hence, their ratio of remuneration to median remuneration is not comparable and therefore not stated.	

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	44.55
Shri Hari S. Bhartia	33.33
Ms. Ferida Chopra	86.59
Ms. Meenakshi Dass	52.57
Shri Ravinder Narain*	-
Dr. Peter Neu*	-
Shri Ralf Buschbeck*	-
Shri C.Y. Pal*	-
Shri Alok Ranjan	93.50
Shri M. Sekimoto*	-
Shri Noritada Okano*	-
Shri Inderdeep Singh	73.84
Shri Yukio Tanemura	366.67
Shri Kiyoto Tone	67.22
Shri A. K. Taneja	14.38
Shri Krishnakumar Srinivasan*	-
Shri R. Srinivasan*	-
Shri Luv D. Shriram	7.43
Shri Vinod Raheja*	-
Shri Prem Prakash Rathi*	-
Shri Naveen Agarwal	7.42
*Note: Employed for part of the year in 2019-20 or 2020-21. Hence, their percentage increase in remuneration is not comparable and therefore not stated.	

4. Percentage increase in the median remuneration of employees in the financial year: 6.59
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:
- Average Percentile Increase in the Salaries of Employees: 3.05%
 - Average Percentile Increase in Managerial Remuneration: 7.43%

ANNEXURE - V TO DIRECTORS' REPORT

REPORT ON CSR ACTIVITIES UNDERTAKEN BY THE COMPANY IN 2020-21

1. Brief outline on CSR Policy of the Company

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 disadvantaged background or persons who are differently abled have priority over others.

2. Composition of CSR Committee as on 31.3.2021:

S. No.	Name of Director	Designation/ Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Shri Pradeep Dinodia	Chairman (Non-Executive Director)	2	2
2	Shri Inderdeep Singh	Independent Director	2	2
3	Shri K.K. Srinivasan*	Managing Director & CEO	2	1
4	Shri A.K. Taneja	Managing Director & Chief Mentor	2	2
5	Ms. Meenakshi Dass	Non-Executive Director	2	2
6	Shri Luv D. Shriram	Whole-Time Director	2	1

* Became Member of the Committee w.e.f. 01.07.2020.

- | | |
|--|---|
| 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company | https://shrirampistons.com/investors-guide-2/ |
| 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report). | Not Applicable as the average CSR obligations in the three immediately preceding financial years was less than Rs.100 Mn. |
| 5. Details of the amount available for set off in pursuance of sub-rule (3) and rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any. | NIL |
| 6. Average net profit of the Company as per Section 135(5) | Rs.1778 Mn. |
| 7. (a) Two percent of average net profit of the Company as per section 135(5) | Rs.35.56 Mn. |
| (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. | NIL |
| (c) Amount required to be set off for the financial year, if any | NIL |
| (d) Total CSR obligation for the financial year (7a+7b-7c) | Rs.35.56 Mn. |
| 8. (a) CSR amount spent or unspent for the financial year: | |

Total Amount Spent for the Financial Year (in Rs./Mn)	Amount Unspent (in Rs./Mn)				
	Total Amount transferred to Unspent CSR Account as per Section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to Section 135(5)		
	Amount (in Rs./Mn)	Date of transfer	Name of the Fund	Amount	Date of transfer
25.44	10.26	29.04.2021	-	-	-

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No.)	Location of the project		Project duration (years)	Amount allocated for the project (in Rs./Mn)	Amount spent in the current financial year (in Rs./Mn)	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs./Mn)	Mode of Implementation – Direct (Yes/No.)	Mode of Implementation – Through Implementing Agency	
				State	District						Name	CSR Registration number
1.	Adoption of Village Kunheda	(x)	Local area	UP	Ghaziabad	4	24.81	2.34	3.94	Yes	None	-
2.	Making of New Class Room Block in Tijara School	(ii)	Local area	Rajasthan	Alwar	2	6.82	0.50	6.32	Yes	None	-
TOTAL							31.63	2.84	10.26			

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII of the Act	Local Area (Yes/No.)	Location of the project		Amount spent for the project (in Rs./Mn)	Mode of Implementation- Direct (Yes/No.)	Mode of Implementation – Through implementing agency	
				State	District			Name	CSR Registration number
1.	School Facilities Augmentation/ Vocational Training	(ii) & (iii)	Local Area	UP, Rajasthan	Ghaziabad, Alwar	6.10	Direct	-	-
2.	Hospital service Augmentation	(i)	Local Area	UP	Ghaziabad	0.50	Direct	-	-
3.	Support to Orphanage	(iii)	Local Area	Delhi	Central Delhi	1.20	Direct	-	-
4.	Dispensary at Bhiwadi	(i)	Local Area	Rajasthan	Alwar	2.75	-	Lala Charat Ram Smarak Nidhi	CSR00000833
5.	Other Dispensaries & Medical expenses	(i)	Local Area	UP, Rajasthan	Ghaziabad, Alwar	8.28	Direct	-	-
6.	Building of Toilets	(i)	Local Area	Rajasthan	Alwar	0.16	Direct	-	-
7.	Provision for Drinking Water	(i)	Local Area	Rajasthan	Alwar	0.80	Direct	-	-
8.	Development of Park/ other areas	(iv)	Local Area	Rajasthan	Alwar	0.68	Direct	-	-
9.	Rain Water Harvesting	(iv)	Local Area	Rajasthan	Alwar	0.10	Direct	-	-
10.	COVID-19 related reliefs	(i) & (xii)	Local Area	Rajasthan	Alwar	0.54	Direct	-	-
11.	Rural Development Project	(x)	Local Area	Rajasthan	Alwar	1.49	Direct	-	-
TOTAL						22.60			

- (d) Amount spent in Administrative Overheads Nil
- (e) Amount spent on Impact Assessment, if applicable Nil
- (f) Total amount spent for the Financial Year Rs. 35.70 Mn.
(8b+8c+8d+8e)
- (g) Excess amount for set off, if any

Sl. No.	Particulars	Amount (in Rs/Mn)
(i)	Two percent of average net profit of the Company as per section 135(5)	35.56
(ii)	Total amount spent for the Financial Year	35.70*
(iii)	Excess amount spent for the financial year (ii)-(i)	0.14
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any.	-
(v)	Amount available for set off in succeeding financial years ((iii)-(iv))	0.14
*Includes Rs.10.26 Mn. on "ongoing Projects" transferred to "Unspent CSR A/c"		

9. (a) Details of Unspent CSR amount for the preceding three financial years : NIL
- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No	Project ID	Name of the Project	Financial Year in which the project was commenced	Project duration	Total amount allocated for the project (in Rs/Mn)	Amount spent on the project in the reporting Financial Year (in Rs/Mn)	Cumulative amount spent at the end of reporting Financial Year (in Rs/Mn)	Status of the project – Completed/ Ongoing
1.	RD2	Adoption of Village Kunheda, Ghaziabad	2018-19	4 Years	24.81	2.34	20.87	Ongoing

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset wise details):
- (a) Date of creation or acquisition of the capital asset(s) NIL
- (b) Amount of CSR spent for creation or acquisition of capital asset NIL
- (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc. NIL
- (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset). NIL
11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) NOT APPLICABLE

New Delhi
May 07, 2021

(Krishnakumar Srinivasan)
Managing Director & CEO
DIN: 00692717

(Pradeep Dinodia)
Chairman - CSR Committee
DIN: 00027995

ANNEXURE -VI TO DIRECTORS' REPORT

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31st MARCH, 2021

[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, 2021 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, 2021 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: Not applicable
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 (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with Client;
Not Applicable as the Company is not registered as Registrar to 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

I 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 their view of the Compliance mechanism established by the Company and on the basis of compliance reports issued by the Company Secretary and Managing Director & CEO based on the updates 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 Company has requested the directors in the beginning of the financial year for submission of declaration under section 184 of Companies Act, 2013, however, few of the directors, due to pandemic situation issued it slightly later than the scheduled time which were duly taken up in the subsequent board meeting.

I further report that due to severe outbreak of second wave of COVID-19, I had verified the documents remotely through video conference. I wish to place on record that Company has made available documents and information electronically, which could not be verified physically.

I further report that during the audit period, there was no event which had bearing on the Company's affairs in pursuance of the above referred Laws, Rules, Regulations, Guidelines, Standards etc.

As informed, the Company has responded appropriately to notices received from various statutory/ regulatory authorities.

Sd/-

Richa Sharma

Practicing Company Secretary

ACS Number: 26832

C.P. Number: 9628

UDIN: A026832C000266588

New Delhi

April 29, 2021

To,
The Members,
Shriram Pistons & Rings Limited
(CIN L29112DL1963PLC004084)
Third Floor, Himalaya House,
23 Kasturba Gandhi Marg, New Delhi-110001
My 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 my audit and documents made available to us.

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

Wherever required, I 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. My 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.

Sd/-

Richa Sharma

Practicing Company Secretary
ACS Number: 26832
C.P. Number: 9628
UDIN: A026832C000266588
New Delhi
April 29, 2021

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 Regulation 26 of 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, 2021.

New Delhi
April 29, 2021

(KRISHNAKUMAR SRINIVASAN)
MANAGING DIRECTOR & CEO
DIN: 00692717

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 2020 to 31st March, 2021.
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. 18,397
8. Total assets : Rs. 5,44,136
9. Total Liabilities : Rs. 5,44,136
10. Investments : NIL
11. Total Income : Rs. 32,445
12. Profit before taxation : Rs. 2,339
13. Provision for taxation : Rs. 948
14. Profit after taxation : Rs. 1,391
15. Proposed Dividend : NIL
16. % of shareholding : 100%

-
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

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

BUSINESS RESPONSIBILITY REPORT

{Pursuant to Regulation 34 (2)(f) of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015}

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1	Corporate Identity Number (CIN) of the Company:	L29112DL1963PLC004084	
2	Name of the Company:	Shriram Pistons and Rings Limited	
3	Registered address:	3 rd Floor, Himalaya House, 23, Kasturba Gandhi Marg, New Delhi-110001	
4	Website:	www.shrirampistons.com	
5	E-mail id:	compliance.officer@shrirampistons.com	
6	Financial Year reported:	1 st April, 2020 to 31 st March, 2021	
7	Sector(s) that the Company is engaged in (industrial activity code-wise):	Name and Description of main products	NIC Code of the Product
		Pistons, Piston Pins, Piston Rings, Engine Valves and Cylinder Liners	2811
8	List three key products that the Company manufactures (as in balance sheet):	i) Pistons ii) Pistons Rings iii) Engine Valves	
9	Total number of locations where business activity is undertaken by the Company:		
	a) Number of International Locations (Provide details of major 5):	Not applicable	
	b) Number of National Locations:	- Registered/ Head Office is at New Delhi. - Company's plants are located at: i) Industrial Area, Meerut Road, Ghaziabad (U.P.) ii) Industrial Area, Pathredi, District Alwar (Rajasthan) iii) Industrial Area, Bulandshahr Road, Ghaziabad (U.P.) - Assembly units are located at Gurugram, Pune, Hosur, Becharji (Gujarat) and Sahibabad	
10	Markets served by the Company – Local/State/ National/International:	National and International	

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1	Paid up Capital (INR):	223.75 Million
2	Total Turnover (Revenue from Operations in INR):	15,966 Million
3	Total profit after taxes (before Other Comprehensive Income) (INR):	888 Million
4	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):	The Company has spent Rs. 25.44 Million in FY 2020-21 which is 2.9% of profit after tax (before Other Comprehensive Income) for FY 2020-21 and the amount of Rs. 10.26 Million (1.2% of profit after tax (before Other Comprehensive Income)) has been transferred to Unspent CSR Account-2020-21, which would be incurred in following years.
5	List of activities in which expenditure in 4 above has been incurred:	Education, Health Care, Sanitation and Environment preservation. Details are given in Annexure-V to Directors' Report.

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies?
Yes.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent Company?
No. Our Subsidiary Company, M/s SPR International Auto Exports Limited, has not commenced its operations.
3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]
No.

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

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

1. DIN : 00124814
2. Name : Shri A.K. Taneja
3. Designation : Managing Director & CEO

(b) Details of the BR head

No.	Particulars	Details
1	DIN	00124814
2	Name	Shri A.K. Taneja
3	Designation	Managing Director & CEO
4	Telephone number	011-46451100
5	e-mail id	ashok.taneja@shrirampistons.com

List of Principles

- Principle 1 :** Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
- Principle 2 :** Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
- Principle 3 :** Businesses should promote the wellbeing of all employees
- Principle 4 :** Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
- Principle 5 :** Businesses should respect and promote human rights
- Principle 6 :** Business should respect, protect, and make efforts to restore the environment
- Principle 7 :** Businesses when engaged in influencing public and regulatory policy, should do so in a responsible manner
- Principle 8 :** Businesses should support inclusive growth and equitable development
- Principle 9 :** Businesses should engage with and provide value to their customers and consumers in a responsible manner

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

(a) Details of compliance (Reply in Y/N)

No.	Questions	Read with Note	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for....	1,2,3,4	Y ^{1,2}	Y ¹	Y ¹	Y ¹	Y ^{1,3}	Y ¹	NA	Y ^{1,4}	Y ¹
2	Has the policy being formulated in consultation with the relevant stakeholders?	5	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national/ international standards? If yes, specify. (50 words)	5	Y	Y	Y	Y	Y	Y	NA	Y	Y

No.	Questions	Read with Note	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?		Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?		Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?		Company's Code of Conduct, Whistle Blower Policy and CSR Policy are given at the weblink: https://shrirampistons.com/investors-guide-2/ Suppliers' code of conduct is given at the weblink: https://www.shrirampistons.com/pdf/Suppliers-code-of-conduct.pdf								
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	6	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the Company have in-house structure to implement the policy/ policies?		Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?		Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	7	N	N	N	N	N	N	NA	N	N

Notes:

1. It forms part of Code of Conduct of the Company.
2. It forms part of the Whistle Blower policy of the Company.
3. It forms part of Suppliers' Code of Conduct, signed by the Managing Director.
4. It forms part of Corporate Social Responsibility policy.
5. All policies have been formulated by the management and the Board keeping in view generally acceptable code in established and well managed companies across the Industry. The policies are materially in compliance with all mandatory/ applicable laws, rules, regulations, guidelines and standards.
6. The policies being on Company's website are in public domain and accordingly are deemed to notify all stakeholders.
7. Being reviewed and monitored internally

(b) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The Company has not understood the Principles	-	-	-	-	-	-	-	-	-
2	The Company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	-	-	-	-	-	-	-	-	-
3	The Company does not have financial or manpower resources available for the task	-	-	-	-	-	-	-	-	-

S. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	It is planned to be done within next 6 months	-	-	-	-	-	-	-	-	-
5	It is planned to be done within the next 1 year	-	-	-	-	-	-	-	-	-
6	Any other reason (please specify)	<p>For Principle 7:</p> <p>The Company does not have a separate policy on policy advocacy. For advocacy on policies related to the automobile industry, the Company works with industry associations such as ACMA, CII, FICCI etc.</p>								

3. Governance related to BR

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

Assessment is an ongoing exercise and is an integral part of corporate functions and reviews happening monthly, quarterly and yearly based on the types of reviews.

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

The Business Responsibility Report forms part of the Annual Report. It is available on Company's website viz. www.shrirampistons.com under "Investors' Guide".

SECTION E: PRINCIPLE-WISE PERFORMANCE

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

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

The Company's Code of Conduct addresses subjects like integrity, ethical standards, regulatory compliance, conflict of interest etc. All employees sign a Code of Conduct at the time of joining the Company. In addition, the Board and Senior Management Personnel sign the Code of Conduct every year. The Company also has in place a Whistle Blower Policy. The Company also has Code of Conduct for Suppliers.

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

During the year, no complaint was received under Whistle Blower Policy and no complaint was received from any Shareholder/ Investor of the Company.

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

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

- The Company has rolled out products confirming to BS-6 emission norms, which will help in reducing CO₂ emissions.
- The Company endeavours to reduce energy consumption by efficient planning & usage of available equipment/ infrastructure and resources and by taking substantive energy conservation measures all across the Plants by using LED lights, reduction in air leakages and optimization of compressor usage.
- Company has implemented Zero Liquid Discharge initiative where in we are re-circulating treated water in our production processes, comfort cooling and toilets flushing by operation of R.O.Plant, Ultra and Active Carbon filtration.

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

- (a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

During the year, the Company has taken measures as given above to reduce its power & water consumption and reduce CO₂ emissions. The Company has also taken measures to recycle Hydraulic Oil & Cutting Oil. However, quantification of the same is difficult.

- (b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?

The products are supplied to OEMs/ Aftermarket for end consumption by individual users. The Company continues to strive to reduce its energy consumption.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes. Company has well established set of procedures for selection and evaluation of suppliers. All direct material suppliers and ancillaries are required to sign/follow Suppliers' Code of Conduct, Confidentiality & Non-disclosure agreement and Quality & Purchase Agreement. Company has a dedicated supplier upgradation division which works on continuous up-gradation of critical suppliers. Periodic process audit of suppliers is also conducted. The Company encourages and is using returnable packaging in the form of reusable cardboard boxes and returnable plastic bins with several OEMs. In our opinion, Company's sourcing is sustainable.

Process of most of the regularly sourced inputs is sustainable. However, in case of single source items, which are limited, alternate sourcing plan is regularly monitored to avoid any disruption in production. The percentage of non-sustainable sourced inputs is quite low and difficult to measure.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes. Company is procuring goods and services from local and small producers, including communities surrounding our place of work. Overall policy guideline is to source goods and services at competitive terms, covering quality, cost and delivery.

During development of these suppliers, we provide them technical support through our engineering team in establishment of process and quality systems at their end.

We have dedicated supplier up-gradation division which works with ancillaries and small suppliers for their up-gradation in line with MACE VSA system. Further, Ancillaries/small suppliers are supported through assistance in selection and finalization of equipment, impart training of their workers and supervisors and support them in establishing their work process & continuous improvement. It is our endeavour to continuously upgrade ancillaries/small suppliers to bring them at par with technology/customer requirements.

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

Yes. Company has a mechanism to recycle waste generated during manufacturing process for Aluminium Pistons and Cast Iron Rings. Company carries out in-house drying and melting of aluminium chips. However, we do not get used products from users or customers for recycling. We are also recycling some of used tooling items by re-shaping them into other sizes. In addition, we are also recycling ETP discharge water.

Principle 3: Businesses should promote the wellbeing of all employees

1. Please indicate the Total number of employees (Other than temporary/contractual/casual employees) - 4,120
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis - 5,399
3. Please indicate the Number of permanent women employees – 56
4. Please indicate the Number of permanent employees with disabilities – 11
5. Do you have an employee association that is recognized by management?

Yes. The Company has independent labour union at its manufacturing plants as per the statutory requirements, which are recognized by the Management.

6. What percentage of your permanent employees is members of this recognized employee association?

All permanent workmen are members of the Company's recognized employees' Association.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?

S. No.	Particulars	%age of employees who have been provided training
1	Permanent Employees	96
2	Permanent Women Employees	100
3	Casual/Temporary/Contractual Employees	89
4	Employees with Disabilities	100

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

- Has the Company mapped its internal and external stakeholders? Yes/No
Yes. The Company has identified and engaged with stakeholders group internally and externally including customers, suppliers, employees, local community and society etc.
- Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes, the Company has identified the following sections:
 - Local Community
 - People from disadvantageous background or persons who are differently abled.
- Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.
The Company undertakes many CSR initiatives, the details of which are given in Annexure-V of Directors' Report. Besides this, the Company has engaged around 23 differently abled persons (including contractual workmen) working in different departments.

Principle 5: Businesses should respect and promote human rights

- Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?
As a socially responsible organisation, the Company is committed to protect and safeguard human values. This forms part of Company's Code of Conduct and Suppliers' Code of Conduct. The Company does not have Joint Ventures.
- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the Management?
No Complaint has been received by the Company in 2020-21.

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

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.
The Company extends this principle to direct material suppliers and ancillaries also through our Suppliers' Code of Conduct.
- Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Yes. The Company has taken various initiatives to conserve energy and to protect environment. Details have been provided in Annexure-III and V to Directors' Report which is also available on Company's website viz. www.shrirampistons.com under "Investor's Guide".

In addition, we are using environmental friendly refrigerent gas in all new installation of Air Conditioners and chillers.

These have positive impact on environment. However, impact of these initiatives on climate change and global warming is difficult to be assessed.

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

Yes. The Company has team of experts who identify, assess potential environmental risk through HIRA technique (Hazard Identification and Risk Assessment). Company is an ISO 14001 (Environmental Management System Standard) and ISO 45001 (Occupational Health and Safety Management System Standard) certified by DNV-GL, Delhi. Currently, there are no potential concerns.

The Company regularly demands/audit its ancillaries to meet applicable environmental related compliances as required to avoid any potential risk to environment.

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

Yes, Zero Liquid Discharge, Scrubber in stacks, Stack monitoring, Ambient air quality check are some of the activities going on. Environmental audit is done and compliance reports are submitted on timely basis.

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

Energy efficiency measures have been taken, as given in point 1 of Principle 2. Moreover, the Company has initiated necessary steps to convert 15% of its power usage at some of its plants to solar power.

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

Yes.

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

Nil

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

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

- (a) Automotive Components Manufacturers Association of India (ACMA)
- (b) Confederation of Indian Industry (CII)
- (c) Federation of Indian Chamber of Commerce and Industry (FICCI)
- (d) PHD Chamber of Commerce & Industry
- (e) The Associated Chambers of Commerce and Industry of India (ASSOCHAM)

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

The Company participates actively in committees set up by ACMA on various subjects related to future regulations, policies and their implementation plans etc. Similarly, the Company engages with various policy makers for framing new regulations and policies. The Company's engagement covers broad areas like emissions, safety, vehicle scrappage, trade, R&D and inclusive development policies.

Principle 8: Businesses should support inclusive growth and equitable development

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

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

The Company takes up CSR projects and programs in the following areas:- a) Education b) Health Care c) Sanitation d) Environment preservation. Projects aimed at persons from disadvantageous background or persons who are differently abled are given priority.

Details are given in CSR Report as per Annexure-V of the Directors' Report.
2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

Such activities are being done by the Company in-house. However, few programs/ projects are taken up through external NGO.
3. Have you done any impact assessment of your initiative?

Yes. We have been getting Impact Assessment done of our various CSR projects/initiatives through professional agency. Every year we are getting Impact Assessment done for some of our projects/initiatives.

The results of these impact Assessments have been encouraging. This process will continue in coming years as well. CSR Initiatives taken by the Company in the field of education, healthcare and sanitation have had positive impact in the lives of people who have derived benefit out of these initiatives.

However, during the last year ending March, 2021, we could not get Impact Assessment done for any of our CSR projects/ activities due to COVID-19 pandemic.
4. What is your Company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken.

Details are given in Annexure- V of Directors' Report.
5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

We make attempts to ensure that projects continue and sustain within communities beyond our interactions.

We are involving community from project identification till its implementation and smooth running thereof with due interaction with the beneficiaries and their Parents, Panchayats, Nagar Palika, Government Authorities.

The feedback from the stakeholders are analyzed and various actions are prioritized.

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

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

There are no pending complaints against the Company as on the end of financial year.
2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

Yes, apart from the mandated declarations, additional details are furnished on the packaging/ inside the packing box relating to the products/ fitment etc. and their usage.
3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No.
4. Did your Company carry out any consumer survey/ consumer satisfaction trends?

Yes.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SHRIRAM PISTONS & RINGS LIMITED

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of **Shriram Pistons & Rings Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2021, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing 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 Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules 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 standalone financial statements.

Key Audit Matters

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

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>(a) Revenue recognition with respect to cut-off: Revenue</p> <p>Revenue from contracts with customers for the period ended March 31, 2021 is Rs. 15965.95 Million.</p> <p>Revenue from sale of products is recognized upon transfer of control to the customers. There is risk of cut-off in which revenue transactions occurring close to and after the year-end could be recorded in the financial year ending March 31, 2021. This is considered as a key audit matter.</p> <p>(Refer to Note 20 to the standalone financial statements)</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We have assessed the Company's accounting policy relating to revenue recognition. We have compared the policy with the Accounting Standards on "Revenue Recognition" We understood the processes and evaluated the design and implementation of the Company's controls We tested the operating effectiveness of the Company's controls over the recording of sales close to the year end. We selected samples for detailed testing. We obtained the understanding of the terms of sales and tested the documentation including proof of delivery of the goods, underlying contracts and agreements.

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 and 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 Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone 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 standalone 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 standalone 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

1. As required by Section 143(3) of the Act, based on our audit 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 relevant books of account.
 - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - 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 financial statements. Refer Note 37 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses. Refer Note 44 to the standalone 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. Refer Note 45 to the standalone financial statements.
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. 15125N)

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 21087104AAAADD1505)

Place: New Delhi
Date : May 07, 2021

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, 2021 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, 2021, 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. 15125N)

Place: Gurugram
Date : May 07, 2021

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 21087104AAAADD1505)

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 “Right of use assets” in the financial statements, whose title deeds have been pledged as security for loans, are held in the name of Company. In respect of one immovable property of land that have been taken on lease and disclosed as “Right of use assets” in the financial statements, the lease agreements is in the name of the Company, where the Company is the lessee in the agreement.
- (ii) As explained to us, all 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 Services Tax, cess and other material statutory dues applicable to it to the appropriate authorities. Also, refer to the note 38 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 other material statutory dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Customs Duty, Excise duty which have not been deposited as on March 31, 2021. Details of dues of Income-tax, Sales Tax, Service Tax, Value Added Tax which have not been deposited as on March 31, 2021 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)
The Income-tax Act, 1961	Income-tax	Appellate authority up to Commissioners' level	2003-04, 2004-05, 2015-16, 2016-17 & 2017-18	54.58	0.00
The Finance Act, 1994	Service Tax	Commissioner (Appeal)	2015-16, 2016-17, 2017-18	0.91	0.91
		Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-13, 2013-14, 2014-15 & 2015-16	16.75	16.24
The Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	18.35	16.26
		Appellate Tribunal	2005-06, 2006-07, 2012-13, 2013-14 & 2014-15	2001.83	1900.14
Sales Tax Laws	Sales Tax/ Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2007-08, 2008-09, 2011-12, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	612.59	539.72
		Appellate Tribunal	2009-10, 2010-11, 2011-12 & 2012-13	3.18	1.15

* 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)
The 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) and the term loans have been applied for the purposes for which those are raised.
- (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 also refer note 32 to the standalone financial statements.
- (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)

Place: New Delhi
Date: May 07, 2021

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 21087104AAAADD1505)

Standalone Balance Sheet as at March 31, 2021

			Rs. million
	Note	As at	As at
	No.	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	6,135.43	6,440.36
b) Capital work-in-progress		57.52	191.63
c) Goodwill	4	14.85	14.85
d) Other Intangible assets	4	233.86	266.63
e) Right of use assets	4	641.51	692.19
f) Intangible assets under development		19.01	-
g) Financial assets			
(i) Investments	5	0.50	0.50
(ii) Other financial assets	6	0.80	3.73
h) Other non-current assets	8	710.64	761.25
		7,814.12	8,371.14
Current assets			
a) Inventories	9	2,742.16	2,907.81
b) Financial assets			
(i) Investments	5	344.08	606.77
(ii) Trade receivables	10	3,232.77	2,393.09
(iii) Cash and cash equivalents	11	301.89	246.76
(iv) Other bank balances other than (iii) above	11	2,245.11	712.03
(v) Other financial assets	6	35.46	25.57
c) Current tax assets (net)	7	1.69	27.15
d) Other current assets	8	322.46	292.26
		9,225.62	7,211.44
TOTAL ASSETS		17,039.74	15,582.58
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	223.75	223.75
b) Other equity		11,257.72	10,481.30
		11,481.47	10,705.05
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	484.97	423.03
(ii) Lease liabilities	34	201.10	236.20
b) Provisions	14	215.65	316.75
c) Deferred tax liabilities (net)	16	253.22	201.62
d) Other non-current liabilities	15	1.91	0.68
		1,156.85	1,178.28
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	508.37	449.14
(ii) Lease liabilities	34	48.04	44.95
(iii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		118.42	53.09
- Total outstanding dues of creditors other than micro and small enterprises		2,765.89	2,256.07
(iv) Other financial liabilities	19	438.43	435.30
b) Other Current Liabilities	15	461.16	381.75
c) Provisions	14	61.11	78.95
		4,401.42	3,699.25
TOTAL EQUITY AND LIABILITIES		17,039.74	15,582.58

See accompanying notes to the standalone financial statements

1-48

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner
(Membership no. 087104)

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

Standalone Statement of Profit and Loss for the year ended March 31, 2021

		Rs. million	
	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Revenue from operations	20	15,965.95	16,067.73
II Other income	21	195.80	198.39
III Total income (I+II)		16,161.75	16,266.12
IV Expenses			
Cost of materials consumed	22	5,057.38	4,882.65
Purchase of stock-in-trade		637.10	558.79
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	23	27.63	405.12
Employee benefit expenses	24	3,357.14	3,437.14
Finance costs	25	125.62	123.79
Depreciation and amortisation expense	26	1,025.58	1,030.43
Other expenses	27	4,731.54	4,964.05
Total expenses		14,961.99	15,401.97
V Profit before tax (III-IV)		1,199.76	864.15
VI Tax expense:			
i) Current tax - Current year	16	271.12	263.48
- Previous year		(2.67)	-
ii) Deferred tax - Current year	16	43.80	(30.88)
- Previous year	16	-	(98.80)
		312.25	133.80
VII Profit for the year (V-VI)		887.51	730.35
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		32.49	54.41
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.18)	(13.70)
B (i) Items that will be reclassified to profit or loss			
a) Fair value change of cash flow hedge		(1.53)	(7.12)
(ii) Income tax relating to items that will be reclassified to profit or loss		0.39	1.79
Total other comprehensive income		23.17	35.38
Total Comprehensive income (VII+VIII)		910.68	765.73
Earnings per share (of Rs. 10/- each)	29		
Basic (Rs)		39.67	32.64
Diluted (Rs)		39.67	32.64
See accompanying notes to the standalone financial statements	1-48		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner
(Membership no. 087104)

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

Standalone Cash flow statement for the year ended March 31, 2021

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating Activities		
Profit for the year	887.51	730.35
Adjustments for :		
Tax expenses recognised in statement of profit and loss	312.25	133.80
Depreciation/amortisation	1,025.58	1,030.43
Finance costs	125.62	123.79
Bad debts/advances written off	13.26	1.47
Provision for doubtful debts (net)	(4.67)	26.44
Interest income	(91.46)	(60.42)
Net gain on sale/ fair valuation of current investment	(11.89)	(28.31)
Unrealised exchange rate variation (net)	(21.98)	(18.90)
Profit/loss on sale / retirement of property, plant and equipment	1.28	(0.19)
Fair value change in Cash flow hedges (net of tax)	(1.14)	(5.33)
Remeasurement of post employment defined benefit plans (net of tax)	24.31	40.71
Operating profit before working capital changes	2,258.67	1,973.84
Adjustments for:		
Inventories	165.65	563.55
Trade receivables	(845.60)	1,166.75
Loans and other financial assets (current and non current)	8.01	96.29
Other assets (current and non current)	(24.28)	(74.80)
Trade payables	593.52	(413.24)
Other financial liabilities (current and non current)	122.24	(2.81)
Other Liabilities and Provisions (current and non current)	(136.60)	(3.72)
Cash Generated from operations	2,141.61	3,305.86
Income tax paid	(242.99)	(338.20)
Net cash from operating activities	(A) 1,898.62	2,967.66
B. Cash Flow from Investing Activities		
Interest received	73.58	51.08
Sale of tangible assets	8.22	19.06
Purchase of tangible assets	(444.09)	(1,680.24)
Purchase of intangible assets	(16.43)	(45.16)
Purchase of Current Investment	(5,732.32)	(13,523.46)
Proceeds from sale of Current Investment	6,006.89	13,000.08
Increase/(Decrease) in margin money with banks	0.31	38.20
Increase / (Decrease) in Deposits more than 12 months	2.62	(2.62)
Net cash (used) in investing activities	(B) (101.22)	(2,143.06)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash Flow from Financing Activities		
Payment of lease liability	(67.75)	(56.88)
Interest on lease liability	(24.67)	(18.93)
Interest paid	(124.70)	(117.03)
Dividend on preference share	-	(6.06)
Dividend and dividend distribution tax	(134.25)	(324.94)
Issue / redemption of preference shares	-	(288.58)
Repayment of long term borrowings	-	(325.00)
Proceeds from deposits	303.41	238.33
Payment of deposits	(231.54)	(208.23)
Net cash from/(used) in financing activities	(C) (279.50)	(1,107.32)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C) 1,517.90	(282.72)
Cash and cash equivalents at the beginning of the year	531.96	814.68
Cash and cash equivalents at the end of the year	2,049.86	531.96
Components of cash and cash equivalents		
Cash in hand	1.14	0.85
Balances with banks		
- current accounts	66.33	42.67
- Other bank balances	2,479.53	915.27
Working Capital loan from banks (Secured / Unsecured)	(497.14)	(426.83)
	2,049.86	531.96

Note:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7.

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner
(Membership no. 087104)

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

Standalone Statement of Change in Equity as at March 31, 2021

(a) Fully paid up equity shares

(face value of Rs 10/- each)

	Nos of shares in Million	Rs. million
Balance as at March 31, 2020	22.37	223.75
Changes during the year	-	-
Balance as at March 31, 2021 (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 March 31, 2019	100.00	97.68	1,300.00	8,537.00	10,034.68	6.17	10,040.85
Profit for the year		(0.35)	730.35		730.00	-	730.00
Transfer to Preference Shares redemption reserve	288.58		(288.58)				
Dividends (including corporate dividend tax)			(324.94)		(324.94)	-	(324.94)
Other comprehensive income for the year, net of tax			40.72		40.72	(5.33)	35.39
Transfer to General reserve			(157.55)	157.55	-	-	-
Balance as at March 31, 2020	388.58	97.33	1,300.00	8,694.55	10,480.46	0.84	10,481.30
Profit for the year		(0.01)	887.51		887.50	-	887.50
Dividends (including corporate dividend tax)			(134.25)		(134.25)	-	(134.25)
Other comprehensive income for the year, net of tax			24.31	-	24.31	(1.14)	23.17
Transfer to General reserve			(777.57)	777.57	-	-	-
Balance as at March 31, 2021	388.58	97.32	1,300.00	9,472.12	11,258.02	(0.30)	11,257.72

* 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**
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Whole - Time Director
DIN: 00051065

Place : New Delhi
Date : May 07, 2021

Notes to the standalone financial statements for the year ended March 31, 2021

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 7' 2021.

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 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 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, 2021

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

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 assets 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.

2.5.4 Intangible assets under development

All development costs incurred in respect of new model development projects are capitalised under Intangible Assets Under Development. Once the new model is commercialised, the costs accumulated in Intangible Assets Under Development are classified as Intangible Assets corresponding to the new model development project.

Notes to the standalone financial statements for the year ended March 31, 2021

2.5.5. Leases

Lessee Accounting

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee. Right of use asset are amortise over the lease term.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

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 equipment 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 Companies Act, 2013 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 of use Assets - enabling assets	- fifteen years
Right of use Assets under leases	- over the lease period
Trademarks acquired on acquisition	- ten years
Customer Contracts acquired on acquisition	- ten years

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

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis except for Furniture, Fixtures and Equipments where full year's depreciation is computed in the year of acquisition and no depreciation is provided in the year of sale.

Notes to the standalone financial statements for the year ended March 31, 2021

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

All 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.

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).

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 no 40.

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.

Notes to the standalone financial statements for the year ended March 31, 2021

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 no 43

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.

Notes to the standalone financial statements for the year ended March 31, 2021

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.

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.

Notes to the standalone financial statements for the year ended March 31, 2021

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.

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. Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized..

The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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.

2.14. 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.

Notes to the standalone financial statements for the year ended March 31, 2021

2.15. 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.

2.16. Impairment of assets

The carrying values of Property, plant and equipment and Intangible assets or cash generating units are reviewed at each Balance sheet date 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.

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2.17. 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.

2.18. 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.

Notes to the standalone financial statements for the year ended March 31, 2021

3. Property, plant & equipment

	Rs. million						
Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2020							
Gross carrying amount							
Opening gross carrying amount	1,419.35	7,269.07	47.31	143.14	141.42	111.45	9,131.74
Additions	174.73	1,280.04	8.65	25.37	28.28	23.69	1,540.76
Disposals	-	18.88	1.75	27.84	9.77	3.84	62.08
Closing gross carrying amount as at March 31, 2020	1,594.08	8,530.23	54.21	140.67	159.93	131.30	10,610.42
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	228.79	2,846.86	31.17	38.82	94.16	48.80	3,288.60
Depreciation charged during the year	62.45	763.54	9.99	32.43	28.72	29.98	927.11
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	12.73	0.86	21.55	7.08	3.43	45.65
Closing accumulated depreciation and impairment as at March 31, 2020	291.24	3,597.67	40.30	49.70	115.80	75.35	4,170.06
Net carrying amount as at March 31, 2020	1,302.84	4,932.56	13.91	90.97	44.13	55.95	6,440.36
Year ended 31 March 2021							
Gross carrying amount							
Opening gross carrying amount	1,594.08	8,530.23	54.21	140.67	159.93	131.30	10,610.42
Additions	29.13	571.85	4.46	2.73	33.37	12.18	653.72
Disposals	0.43	29.95	2.82	9.87	11.56	-	54.63
Closing gross carrying amount as at March 31, 2021	1,622.78	9,072.13	55.85	133.53	181.74	143.48	11,209.51
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	291.24	3,597.67	40.30	49.70	115.80	75.35	4,170.06
Depreciation charged during the year	66.00	768.86	6.46	27.34	29.10	27.95	925.71
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	6.27	2.11	4.37	8.94	0.00	21.69
Closing accumulated depreciation and impairment as at March 31, 2021	357.24	4,360.26	44.65	72.67	135.96	103.30	5,074.08
Net carrying amount as at March 31, 2021	1,265.54	4,711.87	11.20	60.86	45.78	40.18	6,135.43

The above assets are pledged as security against borrowings, refer note no. 17.

Notes to the standalone financial statements for the year ended March 31, 2021

4. Intangible assets

Rs. million									
Particulars	Other intangible assets								Grand Total
	Good-will	Right of use assets - leases (refer note 34)	Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trade-marks	Sub total	
Year ended 31 March 2020									
Gross carrying amount									
Opening gross carrying amount	14.85	-	64.07	62.59	48.16	114.36	103.78	392.96	407.81
Additions	-	-	7.73	-	37.43	-	-	45.16	45.16
Recognition of Right of use on adoption of Ind AS 116 (refer note 34)	-	319.11	-	-	-	-	-	-	319.11
Reclassification to Right of use on adoption of Ind AS 116 (refer note 34)	-	429.04	-	-	-	-	-	-	429.04
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2020	14.85	748.15	71.80	62.59	85.59	114.36	103.78	438.12	1,201.12
Accumulated amortization and impairment									
Opening accumlated depreciation and impairment	-	-	49.21	52.28	0.83	11.43	10.38	124.13	124.13
Depreciation charged during the year	-	55.96	15.77	8.91	0.86	11.44	10.38	47.36	103.32
Impairment Loss	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment as at March 31, 2020	-	55.96	64.98	61.19	1.69	22.87	20.76	171.49	227.45
Net carrying amount as at March 31, 2020	14.85	692.19	6.82	1.40	83.90	91.49	83.02	266.63	973.67
Year ended 31 March 2021									
Gross carrying amount									
Opening gross carrying amount	14.85	748.15	71.80	62.59	85.59	114.36	103.78	438.12	1,201.12
Additions	-	14.06	2.36	-	-	-	-	2.36	16.42
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2021	14.85	762.21	74.16	62.59	85.59	114.36	103.78	440.48	1,217.54
Accumulated amortization and impairment									
Opening accumlated depreciation and impairment	-	55.96	64.98	61.19	1.69	22.87	20.76	171.49	227.45
Depreciation charged during the year	-	64.74	3.46	1.39	8.46	11.44	10.38	35.13	99.87
Impairment Loss	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment as at March 31, 2021	-	120.70	68.44	62.58	10.15	34.31	31.14	206.62	327.32
Net carrying amount as at March 31, 2021	14.85	641.51	5.72	0.01	75.44	80.05	72.64	233.86	890.22

Notes to the standalone financial statements for the year ended March 31, 2021

Goodwill represents goodwill arising on amalgamation of Shriram Automotive Product Limited. 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 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 calculations are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

5. Investments

	As at March 31, 2021	Rs. million As at March 31, 2020
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		
- 40653 units (Previous year: Nil) of Axis Overnight Fund Direct Growth	44.23	-
- 37957 units (Previous year: Nil) of SBI Overnight Fund Regular Growth	125.99	-
- Nil units (Previous year: 96496) of HDFC overnight fund direct Growth	-	286.52
- 61703 units (Previous year: 117130) of UTI overnight fund direct Growth	173.86	320.25
	344.08	606.77
Aggregate value of unquoted investments	344.58	607.27

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

	Rs. million			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Bank Deposit more than 12 months	-	-	-	2.62
Interest accrued on deposits	34.61	-	23.20	-
Derivative instrument (refer note 40)	0.85	-	2.37	-
Deposit with banks held as margin money	-	0.80	-	1.11
	35.46	0.80	25.57	3.73

7. Tax assets/ (liabilities) net

	As at March 31, 2021	Rs. million As at March 31, 2020
Advance income tax	272.81	290.63
less: Provision for income tax	(271.12)	(263.48)
Net	1.69	27.15

Notes to the standalone financial statements for the year ended March 31, 2021

8. Other assets

(Unsecured, considered good unless stated otherwise)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Capital advances	-	273.34	-	344.43
Advances other than capital advances				
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	103.47	-	82.33	-
Doubtful	9.57	-	10.52	-
	113.04	-	92.85	-
Provision for doubtful advances	(9.57)	-	(10.52)	-
	103.47	-	82.33	-
Export incentive receivable	28.44	98.84	75.42	50.85
Unsecured, considered good	(0.87)	-	(2.69)	-
Provision for doubtful	27.57	98.84	72.73	50.85
Balance with government authorities				
- Goods and service tax	63.62	-	54.87	-
Prepaid expenses	78.77	-	66.16	-
Security deposits	4.99	160.54	3.16	188.09
Other assets	47.99	177.92	16.84	177.88
Unsecured, considered good	(3.95)	-	(3.83)	-
Provision for doubtful	191.42	338.46	137.20	365.97
	322.46	710.64	292.26	761.25

9. Inventories

(valued at lower of cost or net realisable value)

	As at March 31, 2021	As at March 31, 2020
Raw material and components	577.00	663.92
(includes in transit Rs. 14.83 million (previous year: Rs. 17.87 million))		
Work-in-progress	871.04	854.28
(includes in transit Rs. 3.63 million (previous year: Rs. 2.32 million))		
Finished goods	897.02	912.88
(includes in transit Rs. 59.00 million (previous year: Rs.48.0 million))		
Stock- in - trade	36.80	65.32
(includes in transit Rs. 3.19 million (previous year: Rs.5.13))		
Stores and spares	312.60	345.84
(includes in transit Rs. 4.78 million (previous year: Rs 1.34 million))		
Loose tools	47.70	65.57
	2,742.16	2,907.81

The inventories are hypothecated as security against borrowings, refer note no 17

Notes to the standalone financial statements for the year ended March 31, 2021

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Current		
Considered good*	3,232.77	2,393.09
Credit impaired	49.14	51.17
	<u>3,281.91</u>	<u>2,444.26</u>
Impairment of trade receivables	(49.14)	(51.17)
	<u>3,232.77</u>	<u>2,393.09</u>

* 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, 2021		As at March 31, 2020	
		Current	Non current	Current	Non current
i)	Cash and cash equivalents				
	Cash on hand	1.14	-	0.85	-
	Balances with banks				
-	Deposits with banks , with original maturity less than 3 months	234.42		203.24	
-	current accounts	66.33	-	42.67	-
		301.89	-	246.76	-
ii)	Other bank balances				
-	Unclaimed dividend account	0.59	-	0.57	-
-	Deposits with banks , with original maturity more than 3 months	2,120.27	0.00	595.54	2.62
-	Deposits with banks held as margin money	124.25	0.80	115.92	1.11
		2,245.11	0.80	712.03	3.73
		2,547.00	0.80	958.79	3.73
Less : Amounts disclosed under other financial assets (refer note 6)		-	(0.80)	-	(3.73)
		2,547.00	-	958.79	-

Notes to the standalone financial statements for the year ended March 31, 2021

12. Equity share capital

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
52,500,000 (previous year 52,500,000) equity shares of Rs. 10 each	525.00	525.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	825.00	825.00
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

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 equity shares outstanding at the beginning and at the end of reporting year

	As at March 31, 2021		As at March 31, 2020	
	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 equity shareholders holding more than 5% shares in the Company

	As at March 31, 2021		As at March 31, 2020	
	No. in million	% shareholding	No. in million	% shareholding
<u>Equity shares of Rs. 10 each fully paid</u>				
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	1.14	5.08	1.15	5.12

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

Notes to the standalone financial statements for the year ended March 31, 2021

13. Borrowings

(At amortised cost)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Unsecured				
Deposits	221.06	339.21	175.37	339.09
Deposits from related parties (refer note 32)	1.44	145.76	25.21	83.94
	222.50	484.97	200.58	423.03
Less : Current maturities of long term debt (refer note 19)	(222.50)	-	(200.58)	-
	-	484.97	-	423.03

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, 2021 (Rs. million)	As at March 31, 2020 (Rs. million)	As at March 31, 2021 As at March 31, 2020
34.03	46.36	2 8.50-9.50 8.50-10.0
673.44	577.25	3
707.47	623.61	

14. Provisions

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Provision for employee benefits	61.11	215.65	78.95	316.75
	61.11	215.65	78.95	316.75

15. Other liabilities

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Security deposits	123.84	1.91	124.34	0.68
Advances from customers	103.34	-	121.38	-
Statutory dues	196.88	-	108.70	-
Others	37.10	-	27.33	-
	461.16	1.91	381.75	0.68

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, 2021

16. a) Deferred tax liability (net)

	Rs. million	
	As at	As at
	March 31, 2021	March 31, 2020
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	350.96	375.19
Unrealised Income on Mutual Fund	0.02	0.22
	350.98	375.41
Deferred tax assets		
Expenses deductible on payment basis	92.57	159.61
Provision for doubtful debts/advances	15.99	17.17
Deferred tax assets on other comprehensive income		
Fair value change in Cash flow hedges	4.94	4.56
Remeasurment of post employment defined benefit plans	(15.74)	(7.55)
	97.76	173.79
Net deferred tax liability	253.22	201.62

b) Reconciliation of tax expenses and accounting profit

	Rs. million	
	As at	As at
	March 31, 2021	March 31, 2020
Profit before tax from continuing operation	1199.76	864.15
Income tax expenses calculated at current tax rate	302.00	217.49
Add : a) Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	8.99	10.47
(ii) Donation under section 80G	0.25	1.51
(iii) Interest to MSMED parties	0.00	0.06
(iv) Interest on Income Tax	2.14	-
(v) Amortisation of land	1.54	1.54
(vi) Preference Dividend	-	1.53
(vii) Effect of change in income tax rate*	-	(98.80)
b) Income tax of previous year	(2.67)	-
Income tax expenses recognised in statement of profit & loss	312.25	133.80

Note: *The Company elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 in previous year as introduced by the Taxation Laws (amendment) Bill, 2019. Accordingly, the Company has recognized the tax provision for the year ended March 31, 2020 and re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. The full impact of this change has been recognized in the Statement of Profit and Loss. Tax expense for the year ended March 31, 2020 is based on effective revised tax rate which includes onetime net credit of Rs. 98.80 millions on account of re-measurement of deferred tax assets/ liabilities pertaining to previous year.

Notes to the standalone financial statements for the year ended March 31, 2021

17. Short term borrowings

(At amortised cost)

	Rs. million	
	As at	As at
	March 31, 2021	March 31, 2020
<u>Secured</u>		
Working capital loans from banks repayable on demand#	247.14	176.83
<u>Unsecured</u>		
Working capital loans from banks	250.00	250.00
Deposits*	10.83	20.94
Deposits from related parties (refer note 32)*	0.40	1.37
	508.37	449.14

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.

18. Trade payables

(At amortised cost)

	Rs. million	
	As at	As at
	March 31, 2021	March 31, 2020
- Total outstanding dues of micro and small enterprises (refer note 36)	118.42	53.09
- Total outstanding dues of creditors other than micro and small enterprises	2,765.89	2,256.07
	2,884.31	2,309.16

Trade payable includes Rs. 41.11 million (previous year: Rs. 65.61 million) due to related parties (refer note 32)

19. Other financial liabilities

(At amortised cost)

	Rs. million	
	As at	As at
	March 31, 2021	March 31, 2020
Current maturities of long term borrowing (refer note 13)	222.50	200.58
Interest accrued but not due on borrowings	55.59	54.68
Unclaimed dividends*	0.59	0.57
Unclaimed matured deposits and interest accrued thereon*	25.48	26.43
Capital creditors	134.27	153.04
	438.43	435.30

*Not due for transfer to investor education and protection fund

Notes to the standalone financial statements for the year ended March 31, 2021

20. Revenue from operations

	Rs. million	Rs. million
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	15,716.35	15,777.93
Other operating revenues		
- sale of scrap	141.87	163.81
- export benefits*	104.71	117.41
- others	3.02	8.58
	15,965.95	16,067.73

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

	Rs. million	Rs. million
	As at March 31, 2021	As at March 31, 2020
Merchandise Exports from India Scheme (MEIS)	46.40	73.60
Remission of Duties and Taxes on Export Products (RoDTEP)	15.32	-
Duty draw backs	42.99	43.81
	104.71	117.41

21. Other income

	Rs. million	Rs. million
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
- Bank deposits	84.98	41.99
- Others	6.48	18.44
Net gain on sale/fair valuation of current investment	11.89	28.31
Liabilities no longer required written back	-	1.19
Profit on disposal of property, plant and equipment	-	0.19
Foreign exchange gain (net)	72.66	93.88
Provision for doubtful debts and advances written back (net)	4.67	-
Other non-operating income	15.12	14.39
	195.80	198.39

22. Cost of material consumed

	Rs. million	Rs. million
	Year ended March 31, 2021	Year ended March 31, 2020
Cost of raw material and components consumed	4,745.56	4,574.94
Cost of packing material consumed	311.82	307.71
	5,057.38	4,882.65

Notes to the standalone financial statements for the year ended March 31, 2021

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

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Work-in-progress	871.04	854.28
Finished goods	897.02	912.88
Stock-in-trade	36.80	65.33
	1,804.86	1,832.49
Inventories at the beginning of the year		
Work-in-progress	854.28	1,001.70
Finished goods	912.88	1,156.51
Stock-in-trade	65.33	79.40
	1,832.49	2,237.61
	27.63	405.12

24. Employee benefits expense

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	2,856.72	2,919.11
Contribution to provident and other funds	262.52	279.63
Staff welfare expenses	237.90	238.40
	3,357.14	3,437.14

25. Finance costs

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	87.18	97.29
Interest expense on lease liabilities (refer note 34)	24.67	18.93
Interest expense on income tax	8.51	-
Dividend on preference shares*	-	6.06
Other borrowing costs	5.26	1.51
	125.62	123.79

*The Company had issued 28,85,760, 4.2% fully paid up non-participating, redeemable, non-convertible cumulative Preference Shares on 30th March 2019, 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 shares were redeemable at par on expiry of 5 years from the date of allotment with an option to Company to redeem the shares at par on expiry of 6 months from the date of allotment or 30th June 2019 whichever is later. The Company has exercised the option and redeemed the preference shares in cash on 1st October 2019.

Dividend of nil (previous year : Rs 2.1) per share on pro-rata basis from the date of allotment i.e 30th March 2019 has been paid. The amount of nil (previous year: Rs 6.06 million) includes dividend distribution tax of nil (previous year: Rs 1.24 million)

Notes to the standalone financial statements for the year ended March 31, 2021

26. Depreciation and amortisation expense

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
- Depreciation on Property , Plant and Equipment (refer note 3)	925.71	927.11
- Depreciation on Right of use assets (refer note 4)	64.74	55.96
- Amortisation of Intangible Assets (refer note 4)	35.13	47.36
	1,025.58	1,030.43

27. Other expenses

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	1,419.42	1,431.05
Power and fuel	1,076.64	1,156.85
Job work charges	412.11	394.48
Freight expenses	336.41	250.16
Royalty	273.40	278.11
Rent (refer note 34)	19.55	33.18
Rates and taxes	8.94	6.56
Insurance	33.03	21.33
Repair and maintenance		
-Plant and machinery	120.10	123.42
-Buildings	74.54	91.87
-Others	27.40	27.81
Auditor's remuneration (refer note 28)	5.20	4.43
Directors' fees	10.95	6.45
Provision for doubtful debts and advances (net)	-	26.44
Loss on sale / retirement of fixed assets (net)	1.28	-
Bad debts and advances written off	13.26	1.47
Corporate social responsibilities expenses (refer note 46)	35.70	41.61
Travelling expenses	8.57	103.60
Legal and professional expenses	72.13	100.04
Miscellaneous expenses*	782.91	865.19
	4,731.54	4,964.05

*Miscellaneous expense includes political contribution amounting to nil (previous year : Rs 5.0 million) through purchase of Electoral Bond.

Notes to the standalone financial statements for the year ended March 31, 2021

28. Payment to auditor

(excluding goods and service tax, as applicable)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
- Audit fee	3.05	2.46
- Limited review	1.20	1.20
- Other services	0.58	0.47
- Reimbursement of expenses	0.37	0.30
	5.20	4.43

29. Earnings per share (EPS)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity shareholders (Rs. million)	887.51	730.35
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
- Basic (Rs.)	39.67	32.64
- Diluted (Rs.)	39.67	32.64

30. 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, 2021	Year ended March 31, 2020
Capital expenditure	0.10	8.63
Revenue expenditure	165.85	177.90
	165.95	186.53

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

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	56.30	56.55
Salaries and wages	80.68	77.44
Contribution to provident and other funds	7.33	6.41
Staff welfare expenses	2.21	1.27
Power and fuel	2.78	7.62
Repair and maintenance		
- Plant and Machinery	11.70	9.87
- Buildings	0.10	0.59
Loss on sale/retirement of fixed assets (net)	0.03	0.43
Travelling expenses	-	2.60
Miscellaneous expenses	4.72	15.12
	165.85	177.90

Notes to the standalone financial statements for the year ended March 31, 2021

31. 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, 2021	Year ended March 31, 2020
Employers' contribution to Provident fund	153.59	165.22
Employers' contribution to Superannuation fund	25.80	24.36
Employers' contribution to State insurance fund	25.76	30.21
	205.15	219.79

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, 2021	Year ended March 31, 2020
Amount recognized in statement of Profit & Loss A/c		
Current service cost	74.82	75.60
Net Interest cost on defined benefit/ liability	1.79	5.35
Total expense recognised in the Statement of Profit and Loss	76.61	80.95
Actual contribution and benefit payments for the year		
Actual benefit payments	(55.02)	(48.41)
Actual contributions	100.00	70.00
	44.98	21.59
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1,066.44	1,008.65
Fair value of plan assets	1,095.04	981.36
Funded status [Surplus / (Deficit)]	28.60	(27.29)
Net asset / (liability) recognised in the Balance Sheet	28.60	(27.29)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	1,008.65	961.90
Current service cost	74.82	75.60
Interest cost	66.02	72.78
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)		
- Changes in Demographic assumptions	-	0.53
- Changes in Financial assumptions	18.74	2.91
- Acquisition adjustment	-	-
- Experience Variance	(46.77)	(56.66)
Benefits paid	(55.02)	(48.41)
Present value of DBO at the end of the year	1066.44	1008.65

Notes to the standalone financial statements for the year ended March 31, 2021

Particulars	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	981.36	891.16
Expected return on plan assets	64.23	67.42
Contributions	100.00	70.00
- Acquisition adjustment	-	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	4.46	1.19
Benefits paid	(55.01)	(48.41)
Plan assets at the end of the year	1,095.04	981.36
Actual return on plan assets	68.69	68.62
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	0.00	0.53
- Changes in Financial assumptions	18.75	2.91
- Experience Variance	(46.77)	(56.66)
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(4.46)	(1.19)
	(32.48)	(54.41)

Actuarial assumptions for Gratuity	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.35%	6.55%
Expected return on plan assets	7.00%	7.70%
Salary escalation	10.00%	10.00%
Attrition	5 /30 %, p.a.	5 /30 %, p.a.
Mortality table used	IAL 2012-14	IAL 2012-14

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

Sensitivity Analysis for significant actuarial assumptions		Rs. million	
		Year ended March 31, 2021	Year ended March 31, 2020
Particulars		Impact on Liability	
		Increase	Decrease
Discount Rate	+100 basis points		88.58
	-100 basis points	102.17	98.32
Salary Growth Rate	+100 basis points	97.59	94.09
	-100 basis points		86.56
Attrition Rate	+100 basis points		45.26
	-100 basis points	62.63	58.49
Mortality Rate	+100 basis points		0.65
	-100 basis points	0.65	0.59

Notes to the standalone financial statements for the year ended March 31, 2021

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 illiquid 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.

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 48.59 million (Rs 103.77 million) Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

Notes to the standalone financial statements for the year ended March 31, 2021

iii) Compensated Absences

	Rs. million
	Year ended 31 March, 2021
	Year ended 31 March, 2020
Present value of DBO	269.09
Funded status [Surplus / (Deficit)]	(269.09)
	387.39
	(387.39)

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.

32. 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 Key management personnel

SPR International Auto Exports Limited

Shri Pradeep Dinodia, Chairman
Shri Hari S. Bhartia, Director
Smt Meenakshi Dass, Director
Shri Inderdeep Singh, Director
Shri A.K Taneja, Managing Director & Chief Mentor
Shri Krishnakumar Srinivasan, Managing Director & CEO
Shri Peter Neu, Director upto 01.02.2021
Shri R. Srinivasan, Jt. Managing Director & Company Secretary upto 31.01.2021
Shri Luv D. Shriram, Whole Time Director
Smt. Ferida Chopra, Director
Shri Alok Ranjan, Director
Shri Yukio Tanemura, Director
Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura
Shri Kiyoto Tone, Director
Shri Sascha Putz, Alternate Director to Dr. Peter Neu w.e.f. 29.05.2020 to 01.02.2021, w.e.f 30.03.2021 onwards appointed as Non Executive director.

Close members of the family of key management personnel

Shri A.K Taneja

Smt. Anita Taneja

Shri Krishnakumar Srinivasan

Smt. Sumati Krishnakumar

Shri R. Srinivasan

Smt. Usha Srinivasan
Smt. R. Vijayalakshmi
Shri. R. Ramaswamy

Shri Luv D. Shriram

Smt. Meenakshi Dass
Shri Kush D. Shriram
Smt Nandishi Shriram
Smt. Arati Shriram

Notes to the standalone financial statements for the year ended March 31, 2021

Entity over which , Key management personnel and their Close members of the family has significant influence or control

Shriram Veritech Solutions Pvt. Ltd.
S.R. Dinodia & Co. LLP
Manisha Commercial Pvt. Ltd
Deepak C. Shriram & Sons HUF
Sera Com Pvt. Ltd.
Sarva Commercial Pvt. Ltd.
Shabnam Commercial Pvt. Ltd.
Pradeep Dinodia HUF
Luv Arati and Associates (AOP)
Deepak Shriram Family Benefit Trust
NAK Benefit Trust

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

B. Related party transactions

(i) Transactions during the year ended 31st March 2021 with 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration										
Short-term employees benefit	121.41	84.37	-	-	-	-	-	-	121.41	84.37
Post- employment benefit	5.38	3.60	-	-	-	-	-	-	5.38	3.60
Other long-term employees benefit	2.58	-	-	-	-	-	-	-	2.58	-
Commission to Directors	13.54	9.96	-	-	-	-	-	-	13.54	9.96
Legal Expenses	-	-	-	-	0.90	0.90	-	-	0.90	0.90
Rent	1.43	0.20	4.25	1.09	4.63	6.96	-	-	10.31	8.25
Interest on deposits	2.60	2.37	1.80	3.49	5.70	1.74	-	-	10.10	7.60
Directors sitting fees	10.75	6.45	-	-	-	-	-	-	10.75	6.45
Dividend paid	6.82	13.75	0.03	1.25	36.67	190.03	-	-	43.51	205.03
Contribution Paid	-	-	-	-	-	-	150.75	124.46	150.75	124.46
Deposits taken during the year	28.46	-	16.71	10.50	42.00	50.00	-	-	87.16	60.50
Deposits paid during the year	24.18	-	2.40	10.93	-	-	-	-	26.59	10.93
Purchase of material / stores	-	-	-	-	10.17	8.38	-	-	10.17	8.38
Redemption of Preference Share	-	0.00*	-	57.73	-	230.85	-	-	-	288.58

* Rs 0.0048 million

Notes to the standalone financial statements for the year ended March 31, 2021

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deposits accepted	28.46	24.18	27.14	36.34	92.00	50.00	-	-	147.60	110.52
Interest accrued but not due	1.25	-	1.08	3.69	0.10	-	-	-	2.44	3.69
Amount payable/ (recoverable)	40.98	64.99	-	0.31	0.13	0.30	(15.59)	40.59	25.52	106.19

- Note : i) The deposit from related parties have been accepted on same rate of interest as applicable for other parties.
ii) The amount outstanding from related parties are unsecured and will be settled in cash.
iii) No guarantees have been given or received in respect of related parties.

33. 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, 2021, 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, 2017-18 & 2018-19	54.58	0.00	54.58
Finance Act, 1994	Service Tax	Commissioner (Appeal)	2015-16, 2016-17, 2017-18	0.91	0.91	0.00
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-13, 2013-14, 2014-15, & 2015-16	16.75	16.24	0.51
Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	18.35	16.26	2.08
		Appellate Tribunal	2005-06, 2006-07, 2012-13, 2013-14 & 2014-15	2,001.83	1,900.14	101.69
Sales Tax Laws	Sales Tax / Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2007-08, 2008-09, 2011-12, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	612.59	539.72	72.87
		Appellate Tribunal	2009-10, 2010-11, 2011-12 & 2012-13	3.18	1.15	2.03

* 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, 2021

- 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.

34. Leases :

The Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The changes in the carrying value of right of use assets for the year ended March 31, 2021 are as follows:

Particulars	Rs. In millions	
	Right of Use Asset	
	Land	Buildings
Balance as of April 1, 2020	422.93	269.26
Additions	-	14.06
Amortisation of Right of use Asset	6.12	58.62
Balance as of March 31, 2021	416.81	224.70

The break-up of current and non-current lease liabilities in respect of buildings is as follows:

	Year ended March 31, 2021	Rs. million Year ended March 31, 2020
Current	48.04	44.95
Non-current	201.10	236.20
Total	249.14	281.15

The movement in lease liabilities in respect of buildings during is as follows:

	Year ended March 31, 2021	Rs. million Year ended March 31, 2020
Balance at the beginning	281.15	-
Additions	14.07	319.11
Finance cost accrued during the period	24.67	18.93
Payment of lease liabilities	(67.75)	(56.89)
Rent concession	(3.00)	-
Balance at the end	249.14	281.15

The details of contractual maturities of lease liabilities on an undiscounted basis:

	Year ended March 31, 2021	Rs. million Year ended March 31, 2020
Less than one year	68.46	68.45
One to five years	194.64	221.84
More than five years	54.26	77.68
Total	317.36	367.97

The Company does not face a significant liquidity risk with regard to its lease liabilities to meet the obligations related to lease liabilities as and when they fall due.

Notes to the standalone financial statements for the year ended March 31, 2021

35. 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	Rs. million
	Year ended March 31, 2021	Year ended March 31, 2020
Domestic Sale	12,917.93	13,128.32
Export Sale	2,798.42	2,649.61
	15,716.35	15,777.93

Revenue from one customer amounts to Rs 1588.12 million (previous year Rs 1748.73 million). No other single customer represents 10% or more to the Company revenue for financial year ended March 31, 2021 and March 31, 2020.

36. 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	Rs. million
	Year ended March 31, 2021	Year ended March 31, 2020
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	118.42	53.09
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	6.95	8.15
- Interest actually paid under section 16 of MSMED	-	-
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	0.01	0.02
- Interest remaining unpaid as at the end of the year	0.01	0.02
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.01	0.02

37. Contingent liabilities

	Rs. million	Rs. million
	As at March 31, 2021	As at March 31, 2020
i) Disputed		
- Sales tax	2635.94	565.92
- Service tax	17.66	15.74
- Income tax	1.43	1.43

Notes to the standalone financial statements for the year ended March 31, 2021

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
- Employees' State Insurance	28.83	28.83
- Labour laws	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	0.00	25.00
iii) Bills discounted from banks	25.08	19.23
iv) Claims not acknowledged as debts	198.36	173.93

- 38.** In view of Supreme Court Judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952, the Company has made compliance w.e.f March 2019 onwards. In respect of retrospective application of this judgement, the Company will continue to assess the impact of further developments and deal with it appropriately accordingly.

39. Commitments

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	209.12	265.55

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. 8846.58 Millions (previous Rs. 9276.75 Millions). Customs duty saved against outstanding export obligations is Rs. 68.76 million (previous year Rs. 134.77 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.

40. Fair Value Measurement

- i) The carrying value and fair value of financial instruments by categories as of March 31, 2021 are as under:

	(Rs. million)		
Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) / other comprehensive incomes (FVTOCI)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	344.08	344.08	344.08
Derivatives instruments*			
- Forward contracts	0.85	0.85	0.85
Total	344.93	344.93	344.93

Notes to the standalone financial statements for the year ended March 31, 2021

The carrying value and fair value of financial instruments by categories as of March 31, 2020 are as under:

(Rs. million)

Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) / other comprehensive incomes (FVTOCI)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	606.77	606.77	606.77
Derivatives instruments*			
- Forward contracts	2.37	2.37	2.37
Total	609.14	609.14	609.14

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

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, 2021

(Rs. million)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	344.08		344.08	
Foreign currency forward contracts	0.85		0.85	
Total financial assets	344.93	-	344.93	-

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, 2021

Fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020

(Rs. million)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	606.77		606.77	
Foreign currency forward contracts	2.37		2.37	
Total financial assets	609.14	-	609.14	-

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

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

(Rs. million)

Particulars	As at March 31, 2021		As at March 31, 2020	
	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	3,232.77	3,232.77	2,393.09	2,393.09
Cash and cash equivalent	2,547.00	2,547.00	958.79	958.79
Bank Deposits	-	-	2.62	2.62
Interest accrued on bank deposit	34.61	34.61	23.20	23.20
Margin money	0.80	0.80	1.11	1.11
Financial liabilities				
Borrowings*	1,271.43	1,271.43	1,127.43	1,127.43
Trade payables	2,884.31	2,884.31	2,309.16	2,309.16
Lease Liabilities	249.14	249.14	281.15	281.15
Unclaimed dividends	0.59	0.59	0.57	0.57
Unclaimed matured deposits and interest accrued thereon	25.48	25.48	26.43	26.43
Capital creditors	134.27	134.27	153.04	153.04

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.

41. Capital management

The Company's objective for managing capital is as under;

- Ensure Company's ability to continue as a going concern
- Maintain a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.
- Maintain an optimal capital structure.
- 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.

Notes to the standalone financial statements for the year ended March 31, 2021

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.

42. 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, 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 mainly viz. foreign currency risk, interest rate 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 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 0.84% (previous year : 0.69%) 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, 2021			As at March 31, 2020		
		Total	Hedged	Net	Total	Hedged	Net
Trade Receivables	USD	6.72	1.89	4.83	2.88	0.18	2.70
	EUR	2.26	1.25	1.01	3.28	1.00	2.28
	JPY	6.54	0.03	6.51	2.92	0.00	2.92
	GBP	0.24	0.30	-	0.09	0.10	-
Trade Payables	USD	2.94	0.50	2.44	0.61		0.61
	EUR	0.45	0.07	0.38	0.20		0.20
	JPY	312.61	250.00	62.61	373.68	142.69	230.99
	GBP	0.00		0.00	0.00		0.00
	CNY			0.00	0.30		0.30

Notes to the standalone financial statements for the year ended March 31, 2021

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.

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, 2021	Year ended March 31, 2020
Balance at beginning of the year	68.19	41.76
Add: Provided during the year	13.27	29.68
Less: Reversal of provision	(4.67)	(1.78)
Less: Amount written off	(13.26)	(1.47)
Balance at the end of the year	63.53	68.19

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 facilities, 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.

43. 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.

Notes to the standalone financial statements for the year ended March 31, 2021

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, 2021	As at March 31, 2020
Not later than one month	USD	0.69	0.18
	EUR	0.50	1.00
	JPY	50.03	100.00
	GBP	0.10	0.10
Later than one month and not later than three months	USD	1.70	
	EUR	0.75	
	JPY	100.00	42.69
	GBP	0.20	
Later than three month and not later than one Year	JPY	100.00	
	EUR	0.07	

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) Reconciliation of cash flow hedge reserve are as under:

(Rs. million)

Particulars	As at March 31, 2021	As at March 31, 2020
Assets /(liability)		
Balance at the beginning of the year	0.84	6.17
Gain / (Loss) recognised in other comprehensive income during the year	(1.53)	(7.12)
Tax impact on above	0.39	1.79
Balance at the end of the year	(0.30)	0.84

44. The Company does not have any long term contracts including derivative contracts for which there are any material foreseeable losses.
45. 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.

Notes to the standalone financial statements for the year ended March 31, 2021

46. Expenditure on corporate social responsibility (CSR)

(Rs. million)

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
(a) Gross amount required to be spent	35.56	41.34
(b) Amount spent for the purposes other than Construction/acquisition of assets in the Company	35.70*	41.61

*Includes Rs.10.26 Mn on “ongoing Projects” transferred to “Unspent CSR A/c” on April 29, 2021.

47. The Code on Social Security, 2020 (‘Code’) relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

48. Estimation of Uncertainties relating to the pandemic from COVID 19:

The Company has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amount of all assets and liabilities as at March 31’ 2021. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the company as at the date of approval of these Financial Statements has used internal and external sources on the expected future performance of the company. The company expects the carrying amount of these asset/liabilities will be recovered/ settled and subsequent liquidity is available to fund the business operations. The impact of COVID 19 on the Company’s Financial Statements may differ from that estimated at the date of approval of these Financial Statements and would be recognized prospectively.

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

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, 2021, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity, for the year ended on that date, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the 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 2021, consolidated profit, consolidated total comprehensive income, consolidated cash flows and their 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.

Sr. No.	Key Audit Matter	Auditor's Response
1.	<p>(a) Revenue recognition with respect to cut-off: Revenue</p> <p>Revenue from contracts with customers for the period ended March 31, 2021 is Rs. 15965.95 Million.</p> <p>Revenue from sale of products is recognized upon transfer of control to the customers. There is risk of cut-off in which revenue transactions occurring close to and after the year-end could be recorded in the financial year ending March 31, 2021. This is considered as a key audit matter.</p> <p>(Refer to Note 20 to the consolidated financial statements)</p>	<p>Principal audit procedures performed:</p> <ul style="list-style-type: none"> We have assessed the Company's accounting policy relating to revenue recognition. We have compared the policy with the Accounting Standards on "Revenue Recognition" We understood the processes and evaluated the design and implementation of the Company's controls We tested the operating effectiveness of the Company's controls over the recording of sales close to the year end. We selected samples for detailed testing. We obtained the understanding of the terms of sales and tested the documentation including proof of delivery of the goods, underlying contracts and agreements.

Information Other than the 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 and 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of 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 entity included in the consolidated financial statements of which we are the independent auditor. For the other entity included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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 of the Holding Company, 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 of viz., SPR International Auto Exports Limited whose financial statements reflect total assets of Rs. 5.44 Lacs as at 31st March 2021 and total revenue of Rs. 0.32 Lacs and net cash inflows amounting to Rs. 0.04 Lacs for the year ended on that date, in the consolidated financial statements. These financial statements have been audited by other auditor whose report has been furnished to us by the management, and our opinion 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 report of the other auditor.

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 report of the other auditor.

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, 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 financial statements.

- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books, 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 financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2021 taken on record by the Board of Directors of the Company and the report of the statutory auditor of its subsidiary company, none of the directors of the Group companies is disqualified as on 31st March 2021 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls 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 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 Parent/ Holding 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 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 financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. Refer Note 37 to the consolidated financial statements.
 - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts. Refer Note 44 to the consolidated 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 45 to the consolidated financial statements.

Place: New Delhi
Date: May 07, 2021

For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm’s Registration No.015125N)
Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 21087104AAAAD8254)

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, 2021, 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, 2021, 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 solely on the corresponding report of the auditor of such company incorporated in India.

Our opinion is not modified in respect of the above matters.

Place: New Delhi
Date: May 07, 2021

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

Jitendra Agarwal
(Partner)
(Membership No. 087104)
(UDIN: 21087104AAAADE8254)

Consolidated Balance Sheet as at March 31, 2021

		Rs. million	
	Note No.	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
a) Property, plant and equipment	3	6,135.43	6,440.36
b) Capital work-in-progress		57.52	191.63
c) Goodwill	4	14.85	14.85
d) Other Intangible assets	4	233.86	266.63
e) Right of use assets	4	641.51	692.19
f) Intangible assets under development		19.01	-
g) Financial assets			
(i) Other financial assets	6	0.80	3.73
h) Other non-current assets	8	710.64	761.25
		7,813.62	8,370.64
Current assets			
a) Inventories	9	2,742.16	2,907.81
b) Financial assets			
(i) Investments	5	344.08	606.77
(ii) Trade receivables	10	3,232.77	2,393.09
(iii) Cash and cash equivalents	11	301.90	246.77
(iv) Other bank balances other than (iii) above	11	2,245.63	712.54
(v) Other financial assets	6	35.46	25.59
c) Current tax assets (net)	7	1.69	27.15
d) Other current assets	8	322.46	292.26
		9,226.15	7,211.98
TOTAL ASSETS		17,039.77	15,582.62
EQUITY AND LIABILITIES			
Equity			
a) Equity share capital	12	223.75	223.75
b) Other equity		11,257.74	10,481.32
		11,481.49	10,705.07
Liabilities			
Non-current liabilities			
a) Financial liabilities			
(i) Borrowings	13	484.97	423.03
(ii) Lease liabilities	34	201.10	236.20
b) Provisions	14	215.65	316.75
c) Deferred tax liabilities (net)	16	253.22	201.62
d) Other non-current liabilities	15	1.91	0.68
		1,156.85	1,178.28
Current liabilities			
a) Financial liabilities			
(i) Borrowings	17	508.37	449.14
(ii) Lease liabilities	34	48.04	44.95
(iii) Trade payables	18		
- Total outstanding dues of micro and small enterprises		118.42	53.09
- Total outstanding dues of creditors other than micro and small enterprises		2,765.89	2,256.07
(iv) Other financial liabilities	19	438.43	435.30
b) Other Current Liabilities	15	461.17	381.77
c) Provisions	14	61.11	78.95
		4,401.43	3,699.27
TOTAL EQUITY AND LIABILITIES		17,039.77	15,582.62

See accompanying notes to the consolidated financial statements

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In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner
(Membership no. 087104)

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

		Rs. million	
	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I Revenue from operations	20	15,965.95	16,067.73
II Other income	21	195.83	198.43
III Total income (I+II)		16,161.78	16,266.16
IV Expenses			
Cost of materials consumed	22	5,057.38	4,882.65
Purchase of stock-in-trade		637.10	558.79
(Increase) / Decrease in inventories of finished goods, work-in-progress and stock-in-trade	23	27.63	405.12
Employee benefit expenses	24	3,357.14	3,437.14
Finance costs	25	125.62	123.79
Depreciation and amortisation expense	26	1,025.58	1,030.43
Other expenses	27	4,731.57	4,964.07
Total expenses		14,962.02	15,401.99
V Profit before tax (III-IV)		1,199.76	864.17
VI Tax expense:			
i) Current tax - Current year	16	271.12	263.48
- Previous year		(2.67)	-
ii) Deferred tax - Current year	16	43.80	(30.88)
- Previous year	16	-	(98.80)
		312.25	133.80
VII Profit for the year (V-VI)		887.51	730.37
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		32.49	54.41
(ii) Income tax relating to items that will not be reclassified to profit or loss		(8.18)	(13.70)
B (i) Items that will be reclassified to profit or loss			
a) Fair value change of cash flow hedge		(1.53)	(7.12)
(ii) Income tax relating to items that will be reclassified to profit or loss		0.39	1.79
Total other comprehensive income		23.17	35.38
Total Comprehensive income (VII+VIII)		910.68	765.75
Earnings per share (of Rs. 10/- each)	29		
Basic (Rs)		39.67	32.64
Diluted (Rs)		39.67	32.64
See accompanying notes to the consolidated financial statements	1-49		

In terms of our report attached
For **Deloitte Haskins & Sells**
Chartered Accountants
(Firm's Registration No. 015125N)

For and on behalf of the Board of Directors

Jitendra Agarwal
Partner
(Membership no. 087104)

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi
Date : May 07, 2021

Consolidated Cash flow statement for the year ended March 31, 2021

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from Operating Activities		
Profit for the year	887.51	730.37
Adjustments for :		
Tax expenses recognised in statement of profit and loss	312.25	133.80
Depreciation/amortisation	1,025.58	1,030.43
Finance costs	125.62	123.79
Bad debts/advances written off	13.26	1.47
Provision for doubtful debts (net)	(4.67)	26.44
Interest income	(91.49)	(60.46)
Net gain on sale/ fair valuation of current investment	(11.89)	(28.31)
Unrealised exchange rate variation (net)	(21.98)	(18.90)
Profit/loss on sale / retirement of property, plant and equipment	1.28	(0.19)
Fair value change in Cash flow hedges (net of tax)	(1.14)	(5.33)
Remeasurement of post employment defined benefit plans (net of tax)	24.31	40.71
Operating profit before working capital changes	2,258.64	1,973.82
Adjustments for:		
Inventories	165.65	563.55
Trade receivables	(845.60)	1,166.75
Loans and other financial assets (current and non current)	8.01	96.29
Other assets (current and non current)	(24.28)	(74.80)
Trade payables	593.52	(413.24)
Other financial liabilities (current and non current)	122.24	(2.78)
Other Liabilities and Provisions (current and non current)	(136.60)	(3.72)
Cash Generated from operations	2,141.58	3,305.87
Income tax paid	(242.99)	(338.20)
Net cash from operating activities (A)	1,898.59	2,967.67
B. Cash Flow from Investing Activities		
Interest received	73.61	51.08
Sale of tangible assets	8.22	19.06
Payment for cash consideration under amalgamation	-	-
Purchase of tangible assets	(444.09)	(1,680.24)
Purchase of intangible assets	(16.43)	(45.16)
Purchase of Current Investement	(5,732.32)	(13,523.46)
Proceeds from sale of Current Investement	6,006.89	13,000.08
Increase/(Decrease) in margin money with banks	0.31	38.20
Increase / (Decrease) in Deposits more than 12 months	2.62	(2.62)
Net cash (used) in investing activities (B)	(101.19)	(2,143.06)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
C. Cash Flow from Financing Activities		
Payment of lease liability	(67.75)	(56.88)
Interest on lease liability	(24.67)	(18.93)
Interest paid	(124.69)	(117.03)
Dividend on preference share	-	(6.06)
Dividend and dividend distribution tax	(134.25)	(324.94)
Issue/redemption of preference shares	-	(288.58)
Repayment of long term borrowings	-	(325.00)
Proceeds from deposits	303.41	238.33
Payment of deposits	(231.54)	(208.23)
Net cash from/(used) in financing activities	(C)	(1,107.32)
Net Increase/(Decrease) in cash and cash equivalents	(A+B+C)	(282.71)
Cash and cash equivalents at the beginning of the year	532.48	815.19
Cash and cash equivalents at the end of the year	2,050.39	532.48
Components of cash and cash equivalents		
Cash in hand	1.14	0.85
Balances with banks		
- current accounts	66.34	42.68
- Other bank balances	2,480.05	915.78
Working Capital loan from banks (Secured / Unsecured)	(497.14)	(426.83)
	2,050.39	532.48

Note:

- The Cash Flow Statement has been prepared under the indirect method as set out in Indian Accounting Standard (Ind AS) 7.

In terms of our report attached
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For and on behalf of the Board of Directors

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Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

Consolidated Statement of Change in Equity as at March 31, 2021

(a) Fully paid up equity shares

(face value of Rs 10/- each)

	Nos of shares in Million	Rs. million
Balance as at March 31, 2020	22.37	223.75
Changes during the year	-	-
Balance as at March 31, 2021 (refer note 12)	22.37	223.75

(b) Other Equity

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 March 31, 2019	100.00	97.68	1,300.00	8,537.00	10,034.68	6.17	0,040.85
Profit for the year		(0.35)	730.37		730.02	-	730.02
Transfer to Preference Shares redemption reserve	288.58		(288.58)				
Dividends (including corporate dividend tax)			(324.94)		(324.94)	-	(324.94)
Other comprehensive income for the year, net of tax			40.72		40.72	(5.33)	35.39
Transfer to General reserve			(157.57)	157.57	-	-	-
Balance as at March 31, 2020	388.58	97.33	1,300.00	8,694.57	10,480.48	0.84	10,481.32
Profit for the year		(0.01)	887.51		887.50	-	887.50
Dividends (including corporate dividend tax)			(134.25)		(134.25)	-	(134.25)
Other comprehensive income for the year, net of tax			24.31	-	24.31	(1.14)	23.17
Transfer to General reserve			(777.57)	777.57	-	-	-
Balance as at March 31, 2021	388.58	97.32	1,300.00	9,472.14	11,258.04	(0.30)	11,257.74

* 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**
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Whole - Time Director
DIN: 00051065

Place : New Delhi
Date : May 07, 2021

Notes to the consolidated financial statements for the year ended March 31, 2021

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 issuance by the Company's Board of Directors on May 7' 2021.

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 financial statements

The Consolidated 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 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 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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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

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 assets 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.

2.5.4 Intangible assets under development

All development costs incurred in respect of new model development projects are capitalised under Intangible Assets Under Development. Once the new model is commercialised, the costs accumulated in Intangible Assets Under Development are classified as Intangible Assets corresponding to the new model development project.

Notes to the consolidated financial statements for the year ended March 31, 2021

2.5.5. Leases

Lessee Accounting

1. Lease liability is initially recognised and measured at an amount equal to the present value of minimum lease payments during the lease term that are not yet paid.
2. Right of use asset is recognised and measured at cost, consisting of initial measurement of lease liability plus any lease payments made to the lessor at or before the commencement date less any lease incentives received, initial estimate of the restoration costs and any initial direct costs incurred by the lessee. Right of use asset are amortise over the lease term.
3. The lease liability is measured in subsequent periods using the effective interest rate method. The right-of-use asset is depreciated in accordance with the requirements in Ind AS 16, Property, Plant and equipment.
4. Recognition and measurement exemption is available for low-value assets and short term leases. Assets of low value include IT equipment or office furniture. No monetary threshold has been defined for low-value assets. Short-term leases are defined as leases with a lease term of 12 months or less.

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.

Depreciation on tangible property, plant and equipment has been provided as per the useful life prescribed in Schedule II to the Companies Act, 2013 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 of use Assets - enabling assets	- fifteen years
Right of use Assets under leases	- over the lease period
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.

Depreciation on assets acquired/sold/discarded during the year is charged on pro-rata basis except for Furniture, Fixtures and Equipments where full year's depreciation is computed in the year of acquisition and no depreciation is provided in the year of sale.

Notes to the consolidated financial statements for the year ended March 31, 2021

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

All 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.

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).

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 no 40.

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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.

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 no 43

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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.

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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. Taxes on income

Income tax expense comprises current and deferred income tax. Income tax expense is recognized in net profit in the Statement of Profit and Loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in other comprehensive income. Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date and are expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect of changes in tax rates on deferred income tax assets and liabilities is recognized as income or expense in the period that includes the enactment or the substantive enactment date. A deferred income tax asset is recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilized..

The Group offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

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.

2.14. 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.

Notes to the consolidated financial statements for the year ended March 31, 2021

2.15. 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.

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.

2.16. Impairment of assets

The carrying values of Property, plant and equipments and Intangible assets or cash generating units are reviewed at each Balance sheet date 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.

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost. Loss allowance for trade receivables with no significant financing component is measured at an amount equal to lifetime expected credit loss.

2.17. 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.

2.18. 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.

Notes to the consolidated financial statements for the year ended March 31, 2021

3. Property, plant & equipment

	Rs. million						
Particulars	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Dies	Total
Year ended 31 March 2020							
Gross carrying amount							
Opening gross carrying amount	1,419.35	7,269.07	47.31	143.14	141.42	111.45	9,131.74
Additions	174.73	1,280.04	8.65	25.37	28.28	23.69	1,540.76
Disposals	-	18.88	1.75	27.84	9.77	3.84	62.08
Closing gross carrying amount as at March 31, 2020	1,594.08	8,530.23	54.21	140.67	159.93	131.30	10,610.42
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	228.79	2,846.86	31.17	38.82	94.16	48.80	3,288.60
Depreciation charged during the year	62.45	763.54	9.99	32.43	28.72	29.98	927.11
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	12.73	0.86	21.55	7.08	3.43	45.65
Closing accumulated depreciation and impairment as at March 31, 2020	291.24	3,597.67	40.30	49.70	115.80	75.35	4,170.06
Net carrying amount as at March 31, 2020	1,302.84	4,932.56	13.91	90.97	44.13	55.95	6,440.36
Year ended 31 March 2021							
Gross carrying amount							
Opening gross carrying amount	1,594.08	8,530.23	54.21	140.67	159.93	131.30	10,610.42
Additions	29.13	571.85	4.46	2.73	33.37	12.18	653.72
Disposals	0.43	29.95	2.82	9.87	11.56	-	54.63
Closing gross carrying amount as at March 31, 2021	1,622.78	9,072.13	55.85	133.53	181.74	143.48	11,209.51
Accumulated depreciation and impairment							
Opening accumulated depreciation and impairment	291.24	3,597.67	40.30	49.70	115.80	75.35	4,170.06
Depreciation charged during the year	66.00	768.86	6.46	27.34	29.10	27.95	925.71
Impairment Loss	-	-	-	-	-	-	-
Disposals	-	6.27	2.11	4.37	8.94	0.00	21.69
Closing accumulated depreciation and impairment as at March 31, 2021	357.24	4,360.26	44.65	72.67	135.96	103.30	5,074.08
Net carrying amount as at March 31, 2021	1,265.54	4,711.87	11.20	60.86	45.78	40.18	6,135.43

The above assets are pledged as security against borrowings, refer note no. 17.

Notes to the consolidated financial statements for the year ended March 31, 2021

4. Intangible assets

									Rs. million
Particulars	Good-will	Right of use assets - leases (refer note 34)	Other intangible assets					Grand Total	
			Computer software	Product design and development	Right of use assets - enabling assets	Customer contracts	Trade-marks		Sub total
Year ended 31 March 2020									
Gross carrying amount									
Opening gross carrying amount	14.85	-	64.07	62.59	48.16	114.36	103.78	392.96	407.81
Additions	-	-	7.73	-	37.43	-	-	45.16	45.16
Recognition of Right of use on adoption of Ind AS 116 (refer note 34)	-	319.11	-	-	-	-	-	-	319.11
Reclassification to Right of use on adoption of Ind AS 116 (refer note 34)	-	429.04	-	-	-	-	-	-	429.04
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2020	14.85	748.15	71.80	62.59	85.59	114.36	103.78	438.12	1,201.12
Accumulated amortization and impairment									
Opening accumlulated depreciation and impairment	-	-	49.21	52.28	0.83	11.43	10.38	124.13	124.13
Depreciation charged during the year	-	55.96	15.77	8.91	0.86	11.44	10.38	47.36	103.32
Impairment Loss	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and impairment as at March 31, 2020	-	55.96	64.98	61.19	1.69	22.87	20.76	171.49	227.45
Net carrying amount as at March 31, 2020	14.85	692.19	6.82	1.40	83.90	91.49	83.02	266.63	973.67
Year ended 31 March 2021									
Gross carrying amount									
Opening gross carrying amount	14.85	748.15	71.80	62.59	85.59	114.36	103.78	438.12	1,201.12
Additions	-	14.06	2.36	-	-	-	-	2.36	16.42
Disposals	-	-	-	-	-	-	-	-	-
Closing gross carrying amount as at March 31, 2021	14.85	762.21	74.16	62.59	85.59	114.36	103.78	440.48	1,217.54
Accumulated amortization and impairment									
Opening accumlulated depreciation and impairment	-	55.96	64.98	61.19	1.69	22.87	20.76	171.49	227.45
Depreciation charged during the year	-	64.74	3.46	1.39	8.46	11.44	10.38	35.13	99.87
Impairment Loss	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
Closing accumulated depreciation and Impairment as at March 31, 2021	-	120.70	68.44	62.58	10.15	34.31	31.14	206.62	327.32
Net carrying amount as at March 31, 2021	14.85	641.51	5.72	0.01	75.44	80.05	72.64	233.86	890.22

Notes to the consolidated financial statements for the year ended March 31, 2021

Goodwill represents goodwill arising on amalgamation of Shriram Automotive Product Limited. 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 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 calculations are based on financial forecasts. Cash flow projections take into account past experience and represent management's best estimate about future developments.

5. Investments

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
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		
- 40653 units (Previous year: Nil) of Axis Overnight Fund Direct Growth	44.23	-
- 37957 units (Previous year: Nil) of SBI Overnight Fund Regular Growth	125.99	-
- Nil units (Previous year: 96496) of HDFC overnight fund direct Growth	-	286.52
- 61703 units (Previous year: 117130) of UTI overnight fund direct Growth	173.86	320.25
	344.08	606.77
Aggregate value of unquoted investments	344.08	606.77

6. Other Financial Assets

(At amortised cost excluding derivative instrument)

	Rs. million			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Bank Deposit more than 12 months	-	-	-	2.62
Interest accrued on deposits	34.61	-	23.22	-
Derivative instrument (refer note 40)	0.85	-	2.37	-
Deposit with banks held as margin money	-	0.80	-	1.11
	35.46	0.80	25.59	3.73

7. Tax assets/ (liabilities) net

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Advance income tax	272.81	290.63
less: Provision for income tax	(271.12)	(263.48)
Net	1.69	27.15

Notes to the consolidated financial statements for the year ended March 31, 2021

8. Other assets

(Unsecured, considered good unless stated otherwise)

	Rs. million			
	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Capital advances	-	273.34	-	344.43
Advances other than capital advances				
Advances recoverable in cash or in kind or for value to be received Unsecured, considered good	103.47	-	82.33	-
Doubtful	9.57		10.52	
	113.04	-	92.85	-
Provision for doubtful advances	(9.57)	-	(10.52)	-
	103.47	-	83.33	-
Export incentive receivable	28.44	98.84	75.42	50.85
Unsecured, considered good				
Provision for doubtful	(0.87)	-	(2.69)	-
	27.57	98.84	72.73	50.85
Balance with government authorities				
- Goods and service tax	63.62	-	54.87	-
Prepaid expenses	78.77	-	66.16	-
Security deposits	4.99	160.54	3.16	188.09
Other assets	47.99	177.92	16.84	177.88
Unsecured, considered good				
Provision for doubtful	(3.95)	-	(3.83)	-
	191.42	338.46	137.20	365.97
	322.46	710.64	292.26	761.25

9. Inventories

(valued at lower of cost or net realisable value)

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Raw material and components (includes in transit Rs. 14.83 million (previous year: Rs. 17.87 million))	577.00	663.92
Work-in-progress (includes in transit Rs. 3.63 million (previous year: Rs. 2.32 million))	871.04	854.28
Finished goods (includes in transit Rs. 59.00 million (previous year: Rs.48.0 million))	897.02	912.88
Stock- in - trade (includes in transit Rs. 3.19 million (previous year: Rs.5.13))	36.80	65.32
Stores and spares (includes in transit Rs. 4.78 million (previous year: Rs 1.34 million))	312.60	345.84
Loose tools	47.70	65.57
	2,742.16	2,907.81

The inventories are hypothecated as security against borrowings, refer note no 17

Notes to the consolidated financial statements for the year ended March 31, 2021

10. Trade receivables

(Unsecured, considered good unless stated otherwise)

(At amortised cost)

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Current		
Considered good*	3,232.77	2,393.09
Credit impaired	49.14	51.17
	3,281.91	2,444.26
Impairment of trade receivables	(49.14)	(51.17)
	3,232.77	2,393.09

* 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, 2021		As at March 31, 2020
	Current	Non current	Current Non current
i) Cash and cash equivalents			
Cash on hand	1.14	-	0.85 -
Balances with banks			
- Deposits with banks , with original maturity less than 3 months	234.42		203.24
- current accounts	66.34	-	42.68 -
	301.90	-	246.77 -
ii) Other bank balances			
- Unclaimed dividend account	0.59	-	0.57 -
- Deposits with banks , with original maturity more than 3 months	2,120.79	0.00	596.05 2.63
- Deposits with banks held as margin money	124.25	0.80	115.92 1.11
	2,245.63	0.80	712.54 3.74
	2,547.53	0.80	959.31 3.74
Less : Amounts disclosed under other financial assets (refer note 6)	-	(0.80)	- (3.74)
	2,547.53	-	959.31 -

Notes to the consolidated financial statements for the year ended March 31, 2021

12. Equity share capital

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Authorised Shares		
52,500,000 (previous year 52,500,000) equity shares of Rs. 10 each	525.00	525.00
3,000,000 (previous year 3,000,000) preference shares of Rs. 100 each	300.00	300.00
	825.00	825.00
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

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 equity shares outstanding at the beginning and at the end of reporting year

	As at March 31, 2021		As at March 31, 2020	
	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 equity shareholders holding more than 5% shares in the Parent Company

	As at March 31, 2021		As at March 31, 2020	
	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	1.14	5.08	1.15	5.12

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

Notes to the consolidated financial statements for the year ended March 31, 2021

13. Borrowings

(At amortised cost)

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Unsecured				
Deposits	221.06	339.21	175.37	339.09
Deposits from related parties (refer note 32)	1.44	145.76	25.21	83.94
	222.50	484.97	200.58	423.03
Less : Current maturities of long term debt (refer note 19)	(222.50)	-	(200.58)	-
	-	484.97	-	423.03

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, 2021 (Rs. million)	As at March 31, 2020 (Rs. million)		As at March 31, 2021	As at March 31, 2020
34.03	46.36	2	8.50-9.50	8.50-10.0
673.44	577.25	3		
707.47	623.61			

14. Provisions

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Provision for employee benefits	61.11	215.65	78.95	316.75
	61.11	215.65	78.95	316.75

15. Other liabilities

	As at March 31, 2021		As at March 31, 2020	
	Current	Non current	Current	Non current
Security deposits	123.84	1.91	124.34	0.68
Advances from customers	103.34	-	121.38	-
Statutory dues	196.88	-	108.70	-
Others	37.11	-	27.35	-
	461.17	1.91	381.77	0.68

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, 2021

16. a) Deferred tax liability (net)

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Deferred tax liability		
Impact of difference between tax depreciation and depreciation/ amortisation charged in books	350.96	375.19
Unrealised Income on Mutual Fund	0.02	0.22
	350.98	375.41
Deferred tax assets		
Expenses deductible on payment basis	92.57	159.61
Provision for doubtful debts/advances	15.99	17.17
Deferred tax assets on other comprehensive income		
Fair value change in Cash flow hedges	4.94	4.56
Remeasurment of post employment defined benefit plans	(15.74)	(7.55)
	97.76	173.79
Net deferred tax liability	253.22	201.62

b) Reconciliation of tax expenses and accounting profit

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Profit before tax from continuing operation	1199.76	864.17
Income tax expenses calculated at current tax rate	302.00	217.49
Add : a) Tax Effect of expenses that are not deductible in determining taxable profit.		
(i) Corporate Social Responsibility Expenditure	8.99	10.47
(ii) Donation under section 80G	0.25	1.51
(iii) Interest to MSMED parties	0.00	0.06
(iv) Interest on Income Tax	2.14	-
(v) Amortisation of land	1.54	1.54
(vi) Preference Dividend	-	1.53
(vii) Effect of change in income tax rate*	-	(98.80)
b) Income tax of previous year	(2.67)	-
Income tax expenses recognised in statement of profit & loss	312.25	133.80

Note: *The Group elected to exercise the option permitted under section 115BAA of the Income Tax Act 1961 in previous year as introduced by the Taxation Laws (amendment) Bill, 2019. Accordingly, the Group has recognized the tax provision for the year ended March 31, 2020 and re-measured the deferred tax assets/liabilities on the basis of the rates prescribed in that section. The full impact of this change has been recognized in the Statement of Profit and Loss. Tax expense for the year ended March 31, 2020 is based on effective revised tax rate which includes onetime net credit of Rs. 98.80 millions on account of re-measurement of deferred tax assets/ liabilities pertaining to previous year.

Notes to the consolidated financial statements for the year ended March 31, 2021

17. Short term borrowings

(At amortised cost)

	Rs. million
	As at
	March 31, 2021
	As at
	March 31, 2020
Secured	
Working capital loans from banks repayable on demand#	247.14
Unsecured	
Working capital loans from banks	250.00
Deposits*	10.83
Deposits from related parties (refer note 32)*	0.40
	508.37
	449.14

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

18. Trade payables

(At amortised cost)

	Rs. million
	As at
	March 31, 2021
	As at
	March 31, 2020
- Total outstanding dues of micro and small enterprises (refer note 36)	118.42
- Total outstanding dues of creditors other than micro and small enterprises	2,765.89
	2,884.31
	2,309.16

Trade payable includes Rs. 41.11 million (previous year: Rs. 65.61 million) due to related parties (refer note 32)

19. Other financial liabilities

(At amortised cost)

	Rs. million
	As at
	March 31, 2021
	As at
	March 31, 2020
Current maturities of long term borrowing (refer note 13)	222.50
Interest accrued but not due on borrowings	55.59
Unclaimed dividends*	0.59
Unclaimed matured deposits and interest accrued thereon*	25.48
Capital creditors	134.27
	438.43
	435.30

*Not due for transfer to investor education and protection fund

Notes to the consolidated financial statements for the year ended March 31, 2021

20. Revenue from operations

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Sale of products	15,716.35	15,777.93
Other operating revenues		
- sale of scrap	141.87	163.81
- export benefits*	104.71	117.41
- others	3.02	8.58
	15,965.95	16,067.73

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

	Rs. million	
	As at March 31, 2021	As at March 31, 2020
Merchandise Exports from India Scheme (MEIS)	46.40	73.60
Remission of Duties and Taxes on Export Products (RoDTEP)	15.32	-
Duty draw backs	42.99	43.81
	104.71	117.41

21. Other income

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest income		
- Bank deposits	85.01	42.03
- Others	6.48	18.44
Net gain on sale/fair valuation of current investment	11.89	28.31
Liabilities no longer required written back	-	1.19
Profit on disposal of property, plant and equipment	-	0.19
Foreign exchange gain (net)	72.66	93.88
Provision for doubtful debts and advances written back (net)	4.67	-
Other non-operating income	15.12	14.39
	195.83	198.43

22. Cost of material consumed

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Cost of raw material and components consumed	4,745.56	4,574.94
Cost of packing material consumed	311.82	307.71
	5,057.38	4,882.65

Notes to the consolidated financial statements for the year ended March 31, 2021

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

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Inventories at the end of the year		
Work-in-progress	871.04	854.28
Finished goods	897.02	912.88
Stock-in-trade	36.80	65.33
	1,804.86	1,832.49
Inventories at the beginning of the year		
Work-in-progress	854.28	1,001.70
Finished goods	912.88	1,156.51
Stock-in-trade	65.33	79.40
	1,832.49	2,237.61
	27.63	405.12

24. Employee benefits expense

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	2,856.72	2,919.11
Contribution to provident and other funds	262.52	279.63
Staff welfare expenses	237.90	238.40
	3,357.14	3,437.14

25. Finance costs

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense	87.18	97.29
Interest expense on lease liabilities (refer note 34)	24.67	18.93
Interest expense on income tax	8.51	-
Dividend on preference shares*	-	6.06
Other borrowing costs	5.26	1.51
	125.62	123.79

* The Group had issued 28,85,760, 4.2% fully paid up non-participating, redeemable, non-convertible cumulative Preference Shares on 30th March 2019, 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 shares were redeemable at par on expiry of 5 years from the date of allotment with an option to Group to redeem the shares at par on expiry of 6 months from the date of allotment or 30th June 2019 whichever is later. The Group has exercised the option and redeemed the preference shares in cash on 1st October 2019.

Dividend of nil (previous year : Rs 2.1) per share on pro-rata basis from the date of allotment i.e 30th March 2019 has been paid. The amount of nil (previous year: Rs 6.06 million) includes dividend distribution tax of nil (previous year: Rs 1.24 million) .

Notes to the consolidated financial statements for the year ended March 31, 2021

26. Depreciation and amortisation expense

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
- Depreciation on Property , Plant and Equipment (refer note 3)	925.71	927.11
- Depreciation on Right of use assets (refer note 4)	64.74	55.96
- Amortisation of Intangible Assets (refer note 4)	35.13	47.36
	1,025.58	1,030.43

27. Other expenses

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	1,419.42	1,431.05
Power and fuel	1,076.64	1,156.85
Job work charges	412.11	394.48
Freight expenses	336.41	250.16
Royalty	273.40	278.11
Rent (refer note 34)	19.55	33.18
Rates and taxes	8.94	6.56
Insurance	33.03	21.33
Repair and maintenance		
-Plant and machinery	120.10	123.42
-Buildings	74.54	91.87
-Others	27.40	27.81
Auditor's remuneration (refer note 28)	5.21	4.44
Directors' fees	10.95	6.45
Provision for doubtful debts and advances (net)	-	26.44
Loss on sale / retirement of fixed assets (net)	1.28	-
Bad debts and advances written off	13.26	1.47
Corporate social responsibilities expenses (refer note 46)	35.70	41.61
Travelling expenses	8.57	103.60
Legal and professional expenses	72.15	100.05
Miscellaneous expenses*	782.91	865.19
	4,731.57	4,964.07

*Miscellaneous expense includes political contribution amounting to nil (previous year : Rs 5.0 million) through purchase of Electoral Bond.

Notes to the consolidated financial statements for the year ended March 31, 2021

28. Payment to auditor

(excluding goods and service tax, as applicable)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
As auditor:		
- Audit fee	3.06	2.47
- Limited review	1.20	1.20
- Other services	0.58	0.47
- Reimbursement of expenses	0.37	0.30
	5.21	4.44

29. Earnings per share (EPS)

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Profit attributable to equity shareholders (Rs. million)	887.51	730.37
Weighted average number of equity shares (Nos. million)	22.37	22.37
Earning per share		
- Basic (Rs.)	39.67	32.64
- Diluted (Rs.)	39.67	32.64

30. 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, 2021	Year ended March 31, 2020
Capital expenditure	0.10	8.63
Revenue expenditure	165.85	177.90
	165.95	186.53

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

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Stores and spares consumed	56.30	56.55
Salaries and wages	80.68	77.44
Contribution to provident and other funds	7.33	6.41
Staff welfare expenses	2.21	1.27
Power and fuel	2.78	7.62
Repair and maintenance		
- Plant and Machinery	11.70	9.87
- Buildings	0.10	0.59
Loss on sale/retirement of fixed assets (net)	0.03	0.43
Travelling expenses	-	2.60
Miscellaneous expenses	4.72	15.12
	165.85	177.90

Notes to the consolidated financial statements for the year ended March 31, 2021

31. 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, 2021	Year ended March 31, 2020
Employers' contribution to Provident fund	153.59	165.22
Employers' contribution to Superannuation fund	25.80	24.36
Employers' contribution to State insurance fund	25.76	30.21
	205.15	219.79

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, 2021	Year ended March 31, 2020
Amount recognized in statement of Profit & Loss A/c		
Current service cost	74.82	75.60
Net Interest cost on defined benefit/ liability	1.79	5.35
Total expense recognised in the Statement of Profit and Loss	76.61	80.95
Actual contribution and benefit payments for the year		
Actual benefit payments	(55.02)	(48.41)
Actual contributions	100.00	70.00
	44.98	21.59
Net asset / (liability) recognised in the Balance Sheet		
Present value of defined benefit obligation	1,066.44	1,008.65
Fair value of plan assets	1,095.04	981.36
Funded status [Surplus / (Deficit)]	28.60	(27.29)
Net asset / (liability) recognised in the Balance Sheet	28.60	(27.29)
Change in defined benefit obligations (DBO) during the year		
Present value of defined benefit obligations at beginning of the year	1,008.65	961.90
Current service cost	74.82	75.60
Interest cost	66.02	72.78
Remeasurement of defined benefit obligations (Actuarial (gains)/losses)		
- Changes in Demographic assumptions	-	0.53
- Changes in Financial assumptions	18.74	2.91
- Acquisition adjustment	-	-
- Experience Variance	(46.77)	(56.66)
Benefits paid	(55.02)	(48.41)
Present value of DBO at the end of the year	1066.44	1008.65

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Change in fair value of plan assets during the year		
Plan assets at beginning of the year	981.36	891.16
Expected return on plan assets	64.23	67.42
Contributions	100.00	70.00
- Acquisition adjustment	-	-
Actuarial gain / (loss)	-	-
Return on Plan assets excluding amount recognised in net interest expenses	4.46	1.19
Benefits paid	(55.01)	(48.41)
Plan assets at the end of the year	1,095.04	981.36
Actual return on plan assets	68.69	68.62
Amount recognised in other comprehensive income		
Actuarial (Gains)/ Losses		
- Changes in Demographic assumptions	0.00	0.53
- Changes in Financial assumptions	18.75	2.91
- Experience Variance	(46.77)	(56.66)
(Return)/loss on plan assets, excluding amount recognized in net interest expense	(4.46)	(1.19)
	(32.48)	(54.41)

Actuarial assumptions for Gratuity	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Discount rate	6.35%	6.55%
Expected return on plan assets	7.00%	7.70%
Salary escalation	10.00%	10.00%
Attrition	5 /30 %, p.a.	5 /30 %, p.a.
Mortality table used	IAL 2012-14	IAL 2012-14

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

Sensitivity Analysis for significant actuarial assumptions		Rs. million			
		Year ended March 31, 2021		Year ended March 31, 2020	
Particulars		Impact on Liability		Impact on Liability	
		Increase	Decrease	Increase	Decrease
Discount Rate	+100 basis points		88.58		84.99
	-100 basis points	102.17		98.32	
Salary Growth Rate	+100 basis points	97.59		94.09	
	-100 basis points		86.56		83.21
Attrition Rate	+100 basis points		45.26		42.69
	-100 basis points	62.63		58.49	
Mortality Rate	+100 basis points		0.65	0.60	
	-100 basis points	0.65			0.59

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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 liquid 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.

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 Co. 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 48.59 million (Rs 103.77 million) Maturity profile of the defined benefit obligation based on weighted average duration is 10 Years.

iii) Compensated Absences

	Year ended March 31, 2021	Rs. million Year ended March 31, 2020
Present value of DBO	269.09	387.39
Funded status [Surplus / (Deficit)]	(269.09)	(387.39)

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

32. Related party disclosure

As per Indian Accounting Standard – 24 the Group'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 Inderdeep Singh, Director
 Shri A.K Taneja, Managing Director & Chief Mentor
 Shri Krishnakumar Srinivasan, Managing Director & CEO
 Shri Peter Neu, Director upto 01.02.2021
 Shri R. Srinivasan, Jt. Managing Director & Company Secretary upto 31.01.2021
 Shri Luv D. Shriram, Whole Time Director
 Smt. Ferida Chopra, Director
 Shri Alok Ranjan, Director
 Shri Yukio Tanemura, Director
 Shri Kaoru Ito, Alternate Director to Shri Yukio Tanemura
 Shri Kiyoto Tone, Director
 Shri Sascha Putz, Alternate Director to Dr. Peter Neu w.e.f. 29.05.2020 to 01.02.2021, w.e.f 30.03.2021 onwards appointed as Non Executive director.

Close members of the family of key management personnel

Shri A.K Taneja

Smt. Anita Taneja

Shri Krishnakumar Srinivasan

Smt. Sumati Krishnakumar

Shri R. Srinivasan

Smt. Usha Srinivasan
 Smt. R. Vijayalakshmi
 Shri. R. Ramaswamy

Shri Luv D. Shriram

Smt. Meenakshi Dass
 Shri Kush D. Shriram
 Smt Nandishi Shriram
 Smt. Arati Shriram

Entity over which , Key management personnel and their Close members of the family has significant influence or control

Shriram Veritech Solutions Pvt. Ltd.
 S.R. Dinodia & Co. LLP
 Manisha Commercial Pvt. Ltd
 Deepak C. Shriram & Sons HUF
 Sera Com Pvt. Ltd.
 Sarva Commercial Pvt. Ltd.
 Shabnam Commercial Pvt. Ltd.
 Pradeep Dinodia HUF
 Luv Arati and Associates (AOP)
 Deepak Shriram Family Benefit Trust
 NAK Benefit Trust

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, 2021

B. Related party transactions

(i) Transactions during the year ended 31st March 2021 with 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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Remuneration										
Short-term employees benefit	121.41	84.37	-	-	-	-	-	-	121.41	84.37
Post-employment benefit	5.38	3.60	-	-	-	-	-	-	5.38	3.60
Other long-term employees benefit	2.58	-	-	-	-	-	-	-	2.58	-
Commission to Directors	13.54	9.96	-	-	-	-	-	-	13.54	9.96
Legal Expenses	-	-	-	-	0.90	0.90	-	-	0.90	0.90
Rent	1.43	0.20	4.25	1.09	4.63	6.96	-	-	10.31	8.25
Interest on deposits	2.60	2.37	1.80	3.49	5.70	1.74	-	-	10.10	7.60
Directors sitting fees	10.75	6.45	-	-	-	-	-	-	10.75	6.45
Dividend paid	6.82	13.75	0.03	1.25	36.67	190.03	-	-	43.51	205.03
Contribution Paid	-	-	-	-	-	-	150.75	124.46	150.75	124.46
Deposits taken during the year	28.46	-	16.71	10.50	42.00	50.00	-	-	87.16	60.50
Deposits paid during the year	24.18	-	2.40	10.93	-	-	-	-	26.59	10.93
Purchase of material / stores	-	-	-	-	10.17	8.38	-	-	10.17	8.38
Redemption of Preference Share	-	0.00*	-	57.73	-	230.85	-	-	-	288.58

*Rs 0.0048 million

(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, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Deposits accepted	28.46	24.18	27.14	36.34	92.00	50.00	-	-	147.60	110.52
Interest accrued but not due	1.25	-	1.08	3.69	0.10	-	-	-	2.44	3.69
Amount payable/ (recoverable)	40.98	64.99	-	0.31	0.13	0.30	(15.59)	40.59	25.52	106.19

- Note : i) The deposit from related parties have been accepted on same rate of interest as applicable for other parties.
ii) The amount outstanding from related parties are unsecured and will be settled in cash.
iii) No guarantees have been given or received in respect of related parties.

Notes to the consolidated financial statements for the year ended March 31, 2021

33. 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, 2021, 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, 2017-18 & 2018-19	54.58	0.00	54.58
Finance Act, 1994	Service Tax	Commissioner (Appeal)	2015-16, 2016-17, 2017-18	0.91	0.91	0.00
Finance Act, 1994	Service Tax	Custom, Excise & Service Tax Appellate Tribunal (CESTAT)	2012-13, 2013-14, 2014-15, & 2015-16	16.75	16.24	0.51
Central Sales Tax Act, 1956	Sales Tax	Appellate authority up to Commissioners' level	2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	18.35	16.26	2.08
		Appellate Tribunal	2005-06, 2006-07, 2012-13, 2013-14 & 2014-15	2,001.83	1,900.14	101.69
Sales Tax Laws	Sales Tax/ Value Added Tax/ Entry Tax	Appellate authority up to Commissioners' level	2007-08, 2008-09, 2011-12, 2013-14, 2014-15, 2015-16, 2016-17 & 2017-18	612.59	539.72	72.87
		Appellate Tribunal	2009-10, 2010-11, 2011-12 & 2012-13	3.18	1.15	2.03

*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.

34. Leases :

The Group recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the Right of Use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the lessee's incremental borrowing rate at the date of initial application.

The changes in the carrying value of right of use assets for the year ended March 31, 2021 are as follows:

Particulars	Rs. In millions	
	Right of Use Asset	
	Land	Buildings
Balance as of April 1, 2020	422.93	269.26
Additions	-	14.06
Amortisation of Right of use Asset	6.12	58.62
Balance as of March 31, 2021	416.81	224.70

Notes to the consolidated financial statements for the year ended March 31, 2021

The break-up of current and non-current lease liabilities in respect of buildings is as follows:

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Current	48.04	44.95
Non-current	201.10	236.20
Total	249.14	281.15

The movement in lease liabilities in respect of buildings during is as follows:

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Balance at the beginning	281.15	-
Additions	14.07	319.11
Finance cost accrued during the period	24.67	18.93
Payment of lease liabilities	(67.75)	(56.89)
Rent concession	(3.00)	-
Balance at the end	249.14	281.15

The details of contractual maturities of lease liabilities on an undiscounted basis:

	Rs. million	
	Year ended March 31, 2021	Year ended March 31, 2020
Less than one year	68.46	68.45
One to five years	194.64	221.84
More than five years	54.26	77.68
Total	317.36	367.97

The Group does not face a significant liquidity risk with regard to its lease liabilities to meet the obligations related to lease liabilities as and when they fall due.

35. 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 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, 2021	Year ended March 31, 2020
Domestic Sale	12,917.93	13,128.32
Export Sale	2,798.42	2,649.61
	15,716.35	15,777.93

Revenue from one customer amounts to Rs 1588.12 million (previous year Rs 1748.73 million). No other single customer represents 10% or more to the Group revenue for financial year ended March 31, 2021 and March 31, 2020.

Notes to the consolidated financial statements for the year ended March 31, 2021

36. 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.

	Year ended March 31, 2021	Year ended March 31, 2020
Amount remaining unpaid to suppliers under MSMED as at the end of year		
- Principal amount	118.42	53.09
- Interest due thereon	-	-
Amount of payments made to suppliers beyond the appointed day during the year		
- Principal amount	6.95	8.15
- Interest actually paid under section 16 of MSMED	-	-
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	0.01	0.02
- Interest remaining unpaid as at the end of the year	0.01	0.02
Interest remaining disallowable as deductible expenditure under the Income-tax Act, 1961	0.01	0.02

37. Contingent liabilities

	As at March 31, 2021	Rs. million As at March 31, 2020
i) Disputed		
- Sales tax	2635.94	565.92
- Service tax	17.66	15.74
- Income tax	1.43	1.43
- Employees' State Insurance	28.83	28.83
- Labour laws	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	0.00	25.00
iii) Bills discounted from banks	25.08	19.23
iv) Claims not acknowledged as debts	198.36	173.93

38. In view of Supreme Court Judgement dated February 28, 2019 clarifying the definition of 'basic wages' under Employees' Provident Fund and Miscellaneous Provisions Act 1952, the Company has made compliance w.e.f March 2019 onwards. In respect of retrospective application of this judgement, the Group will continue to assess the impact of further developments and deal with it appropriately accordingly.

Notes to the consolidated financial statements for the year ended March 31, 2021

39. Commitments

	Rs. million
	As at
	March 31, 2021
	As at
	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	209.12
	265.55

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. 8846.58 Millions (previous Rs. 9276.75 Millions). Customs duty saved against outstanding export obligations is Rs. 68.76 million (previous year Rs. 134.77 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.

40. Fair Value Measurement

i) The carrying value and fair value of financial instruments by categories as of March 31, 2021 are as under:

(Rs. million)			
Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) / other comprehensive incomes (FVTOCI)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	344.08	344.08	344.08
Derivatives instruments*			
- Forward contracts	0.85	0.85	0.85
Total	344.93	344.93	344.93

The carrying value and fair value of financial instruments by categories as of March 31, 2020 are as under:

(Rs. million)			
Particulars	Financial assets/ (financial liabilities) at fair value through profit or loss (FVTPL) / other comprehensive incomes (FVTOCI)	Total carrying value	Total fair value
Financial assets/(financial liabilities)			
Investment in mutual fund	606.77	606.77	606.77
Derivatives instruments*			
- Forward contracts	2.37	2.37	2.37
Total	609.14	609.14	609.14

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

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.

Notes to the consolidated financial statements for the year ended March 31, 2021

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, 2021

(Rs. million)

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	344.08		344.08	
Foreign currency forward contracts	0.85		0.85	
Total financial assets	344.93	-	344.93	-

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, 2020

(Rs. million)

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period/year using		
		Level 1	Level 2	Level 3
Financial assets				
Investment in mutual fund	606.77		606.77	
Foreign currency forward contracts	2.37		2.37	
Total financial assets	609.14	-	609.14	-

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

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

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Trade and other receivables	3,232.77	3,232.77	2,393.09	2,393.09
Cash and cash equivalent	2,547.53	2,547.53	959.31	959.31
Bank Deposits	-	-	2.62	2.62
Interest accrued on bank deposit	34.61	34.61	23.22	23.22
Margin money	0.80	0.80	1.11	1.11
Financial liabilities				
Borrowings*	1,271.43	1,271.43	1,127.43	1,127.43
Trade payables	2,884.31	2,884.31	2,309.16	2,309.16
Lease Liabilities	249.14	249.14	281.15	281.15

Notes to the consolidated financial statements for the year ended March 31, 2021

Particulars	As at March 31, 2021		As at March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Unclaimed dividends	0.59	0.59	0.57	0.57
Unclaimed matured deposits and interest accrued thereon	25.48	25.48	26.43	26.43
Capital creditors	134.27	134.27	153.04	153.04

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.

41. Capital management

The Group's objective for managing capital is as under;

- Ensure Group's ability to continue as a going concern
- Maintain a strong credit rating and debt equity ratio in order to support business and maximize the shareholders' value.
- Maintain an optimal capital structure.
- 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:

- Compliance of financial covenants under the borrowing facilities.
- 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.

42. 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, 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 mainly viz. foreign currency risk, interest rate 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 contracts to mitigate the risk of changes in exchange rates on foreign currency exposures. The exchange rate between the rupee and

Notes to the consolidated financial statements for the year ended March 31, 2021

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 0.84% (previous year : 0.69%) on Company's operating margins.

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

(Foreign currency million)

Particulars	Currency	As at March 31, 2021			As at March 31, 2020		
		Total	Hedged	Net	Total	Hedged	Net
Trade Receivables	USD	6.72	1.89	4.83	2.88	0.18	2.70
	EUR	2.26	1.25	1.01	3.28	1.00	2.28
	JPY	6.54	0.03	6.51	2.92	0.00	2.92
	GBP	0.24	0.30	-	0.09	0.10	-
Trade Payables	USD	2.94	0.50	2.44	0.61		0.61
	EUR	0.45	0.07	0.38	0.20		0.20
	JPY	312.61	250.00	62.61	373.68	142.69	230.99
	GBP	0.00		0.00	0.00		0.00
	CNY			0.00	0.30		0.30

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.

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, 2021	Year ended March 31, 2020
Balance at beginning of the year	68.19	41.76
Add: Provided during the year	13.27	29.68
Less: Reversal of provision	(4.67)	(1.78)
Less: Amount written off	(13.26)	(1.47)
Balance at the end of the year	63.53	68.19

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

Notes to the consolidated financial statements for the year ended March 31, 2021

management framework. The Group manages liquidity risk by maintaining adequate reserves, banking facilities, and reserve borrowing facilities, 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.

43. 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, 2021	As at March 31, 2020
Not later than one month	USD	0.69	0.18
	EUR	0.50	1.00
	JPY	50.03	100.00
	GBP	0.10	0.10
Later than one month and not later than three months	USD	1.70	
	EUR	0.75	
	JPY	100.00	42.69
	GBP	0.20	
Later than three month and not later than one Year	JPY	100.00	
	EUR	0.07	

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) Reconciliation of cash flow hedge reserve are as under:

(Rs. million)		
Particulars	As at March 31, 2021	As at March 31, 2020
Assets /(liability)		
Balance at the beginning of the year	0.84	6.17
Gain / (Loss) recognised in other comprehensive income during the year	(1.53)	(7.12)
Tax impact on above	0.39	1.79
Balance at the end of the year	(0.30)	0.84

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

45. 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.

Notes to the consolidated financial statements for the year ended March 31, 2021

46. Expenditure on corporate social responsibility (CSR)

(Rs. million)

Particulars	As at March 31, 2021	As at March 31, 2020
(a) Gross amount required to be spent	35.56	41.34
(b) Amount spent for the purposes other than Construction/acquisition of assets in the Company	35.70*	41.61

*Includes Rs.10.26 Mn on "ongoing Projects" transferred to "Unspent CSR A/c" on April 29, 2021.

47. Estimation of Uncertainties relating to the pandemic from COVID 19:

The Group has considered the possible effects that may result from the pandemic relating to COVID 19 on the carrying amount of all assets and liabilities as at March 31' 2021. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Group as at the date of approval of these Financial Statements has used internal and external sources on the expected future performance of the Group. The Group expects the carrying amount of these asset/liabilities will be recovered/ settled and subsequent liquidity is available to fund the business operations. The impact of COVID 19 on the Group's Financial Statements may differ from that estimated at the date of approval of these Financial Statements and would be recognized prospectively.

48. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

49. 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 minus total liabilities		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	11,481.49	100.00	910.68
Subsidiary				
SPR International Auto Exports Ltd	0.00	0.52	0.00	0.00

For and on behalf of the Board of Directors

Pradeep Dinodia
Chairman
DIN: 00027995

Inderdeep Singh
Director
DIN: 00173538

Prem Prakash Rathi
Dy. Executive Director & CFO

Naveen Agarwal
Executive Director &
Alternate Company Secretary

Krishnakumar Srinivasan
Managing Director & CEO
DIN: 00692717

Luv D. Shriram
Whole - Time Director
DIN: 00051065

Place : New Delhi

Date : May 07, 2021

[illegible]



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from **Cummins**



Award for Gold in Excellence in
New Product Design & Development
from **ACMA**



Award for Gold in Excellence in
HR (Human Resource)
from **ACMA**



Award for Gold in Excellence in
HSE (Health, Safety & Environment)
from **ACMA**

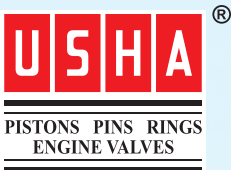


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SHRIRAM PISTONS & RINGS LTD.



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.

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Website: www.shrirampistons.com
E-mail: compliance.officer@shrirampistons.com
CIN: L29112DL1963PLC004084, PAN: AAACS0229G



NOTICE

The 57th Annual General Meeting of the Company will be held on Tuesday, 6th July, 2021 at 4:00 P.M. Indian Standard Time ("IST") through Video Conferencing/Other Audio-Visual Means ("VC/ OAVM") 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, 2021 and the Report of Directors' and Auditors' thereon.
2. To declare dividend on Equity Shares.
3. To appoint a Director in place of Ms. Meenakshi Dass (DIN 00524865), who retires by rotation and being eligible, offers herself for re-appointment.
4. To appoint a Director in place of Shri Pradeep Dinodia (DIN 00027995), who retires by rotation and being eligible, offers himself for re-appointment.
5. 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, 2022 be paid remuneration of Rs. 290 Thousand plus applicable taxes."

6. To consider and, if thought fit, to pass, with or without modification(s), the following resolution, as an **Ordinary Resolution**: -

"RESOLVED THAT pursuant to provisions of Section 161 and other applicable provisions of the Companies Act, 2013 ("Act") and the rules made there under, as amended from time to time, Shri Sascha Putz (DIN: 08645364) who was appointed as Director of the Company in the casual vacancy, caused consequent to resignation of Dr. Peter Neu, w.e.f. 30th March, 2021 by the Board of Directors and who holds office upto the date of this Annual General Meeting in terms of Section 161 and other applicable provisions of the Act and the rules made there under, as amended from time to time and pursuant to the recommendation of the Nomination & Remuneration Committee and the Board of Directors, and being eligible, offer himself for appointment, and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying her intention to propose Shri Sascha Putz's candidature for the Office of the Director, be and is hereby appointed as a Non-Executive Non Independent Director of the Company, whose office is liable to retire by rotation".

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 Section 149, 150, 152, 161 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 Shinichi Unno (DIN 09189521), 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 pursuant to the recommendation of the Nomination & Remuneration Committee & the Board of Directors, who is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160(1) of the Act from a Member signifying his intention to propose Shri Shinichi Unno's candidature for the Office of Independent Director, be and is hereby appointed as an Independent Director of the Company, w.e.f. 31.05.2021 upto 28.07.2024, in the casual vacancy caused due to resignation of Shri Kiyoto Tone".

8. 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 Section 197, 198 and Rules made there under and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, consent of the Members of the Company be and is hereby accorded, that payment of a sum not exceeding 1% of annual profits of the Company before depreciation, donation and taxes be paid to some or any of the Directors of the Company, other than the Executive Directors for whole or proportionately for a part of each of its financial years from 1st April 2021 to 31st March 2025”.

RESOLVED FURTHER THAT pursuant to Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, consent of the Members of the Company be and is hereby accorded that out of the above 1% profit Commission, 0.6% of the profit commission be paid to the Chairman and upto 0.4% of the profit commission be paid to all other Non-Executive Directors of the Company for Financial Year 2021-22, in such manner as may be determined by the Board.”

By the Order of the Board,
For Shriram Pistons & Rings Ltd.

Sd/-

(Naveen Agarwal)

Alternate Company Secretary

Membership No.: A-10343

3rd Floor, Himalaya House,

23, K.G. Marg, New Delhi-110001

New Delhi
June 2, 2021

NOTES TO NOTICE OF MEETING

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“the Act”) setting out material facts concerning the business under Item Nos. 5 to 8 of the accompanying Notice, is annexed hereto. The Board of Directors of the Company, through circular resolution dated 02.06.2021 considered that the special business under Item Nos. 5 to 8, being considered unavoidable, be transacted at the 57th AGM of the Company.
2. The relevant details of persons seeking appointment/re-appointment relating to item Nos. 3, 4, 6 and 7 of the Notice are annexed.
3. General Instructions for accessing and participating in the **57th AGM through VC/OAVM and voting through electronic means including remote e-voting: -**
 - i) In view of the outbreak of the COVID-19 pandemic, social distancing norms to be followed and continuing restriction on movement of persons at several places in the Country and pursuant to General Circular Nos. 14/2020, 17/2020, 20/2020 and 2/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January, 2021 respectively, issued by the Ministry of Corporate Affairs (“MCA Circulars”) and Circular Nos. SEBI/HO/CFD/CMD1/CIR/P/2020/79 and SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated 12th May 2020 and 15th January, 2021 respectively issued by the Securities and Exchange Board of India (“SEBI Circulars”) and in compliance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), the 57th AGM of the Company is being conducted through VC/OAVM, which does not require physical presence of members at a common venue. The deemed venue for the 57th AGM shall be the Registered Office of the Company i.e. 3rd Floor, Himalaya House, 23 Kasturba Gandhi Marg, New Delhi-110001.
 - ii) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.
 - iii) Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended), Regulation 44 of Listing Regulations and MCA’s Circulars, the Company is providing facility of remote e-voting to its Members in respect of the businesses to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-voting Agency. The facility of casting votes by a member using remote e-voting as well as the e-voting on the date of the AGM will be provided by CDSL.
 - iv) Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination & Remuneration Committee and Stakeholders’ Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
 - v) The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
 - vi) A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a member of the Company. Since the AGM is being held in accordance with the above circulars through VC/OAVM, the facility for appointment of proxies by the members will not be available. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members may be appointed for the purpose of voting through remote e-voting or for participation and voting in the meeting held through VC/OAVM.
 - vii) In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at www.shrirampistons.com under Investors’ Guide. The Notice can also be accessed from the website of National Stock Exchange of India Limited at www.nseindia.com. The AGM Notice is also disseminated on the website of CDSL (agency for providing the facility for Remote e-voting and e-voting during the AGM) i.e. www.evotingindia.com.

- viii) The AGM is being convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular Nos. 14/2020, 17/2020, 20/2020 and 2/2021 dated 8th April 2020, 13th April 2020, 5th May 2020 and 13th January, 2021 respectively.

4. INTRUCTIONS FOR SHAREHOLDRES FOR REMOTE E-VOTING ARE AS UNDER:

- i) Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the Shareholders.

In order to increase the efficiency of the voting process, SEBI vide Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, has decided to enable e-voting to all the demat account holders, **by way of a single login credential**, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- ii) In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 Individual Shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and e-mail id in their demat accounts in order to access e-voting facility.

- iii) Pursuant to above SEBI Circular, Login method for e-voting and joining virtual meetings **for Individual Shareholders holding securities in Demat mode** is given below:

Type of Shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility can login through their existing user id and password. Option will be made available to reach e-voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-voting Menu. On clicking the e-voting menu, the user will be able to see his/her holdings along with links of the respective e-voting service provider i.e. CDSL/NSDL/KARVY/LINK INTIME, as per information provided by Issuer / Company. Additionally, CDSL is providing links to e-voting Service Providers, so that the user can visit the e-voting service providers' site directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration</p> <p>4) Alternatively, the user can directly access e-voting page by providing Demat Account Number and PAN from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & e-mail as recorded in the Demat Account. After successful authentication, user will be provided links for the respective ESP where the e-voting is in progress.</p>

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-voting services. Click on “Access to e-voting under e-voting services and you will be able to see e-voting page. Click on company name or e-voting service provider name and you will be re-directed to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for “IDeAS” Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3) Alternatively, you can directly access e-voting page https://www.evoting.nsdl.com/ and click on “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-voting page. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-voting facility. After Successful login, you will be able to see e-voting option. Once you click on e-voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting feature. Click on company name or e-voting service provider name and you will be redirected to e-voting service provider website for casting your vote during the remote e-voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at above mentioned websites.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

iv) Login method for e-voting and joining virtual meeting for **Shareholders holding shares in physical form and Shareholders other than individuals viz. institutions/corporate Shareholders.**

- a) The Shareholders should log on to the e-voting website www.evotingindia.com.
- b) Click on “Shareholders” Tab.
- c) Now enter your User ID
 - i. For CDSL: 16 digits beneficiary ID,
 - ii. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - iii. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- d) Next enter the Image Verification as displayed and Click on Login.
- e) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- f) If you are a first-time user follow the steps given below:

For Shareholders holding shares in physical form and Shareholders other than individuals viz. institutions/corporate Shareholders	
PAN	<ul style="list-style-type: none"> Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for shareholders holding shares in physical or demat form). 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 (given with 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.
Date of Birth (DOB) OR Dividend Bank Details	<ul style="list-style-type: none"> 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.

- g) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- h) After entering these details appropriately, click on “SUBMIT” tab.
- i) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, Shareholders holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login 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, provided 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.
- j) For Shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

- k) Click on the Electronic Voting Sequence Number (EVSN) (given with this notice) for Shriram Pistons and Rings Limited.
- l) 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. Shareholders 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).
- m) Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.
- n) 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.
- o) Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- p) You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- q) Additional instructions for **Non – Individual Shareholders and Custodians for Remote Voting**
 - i. Non-Individual Shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the “Corporates” module.
 - ii. 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.
 - iii. After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - iv. The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - v. A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the Scrutinizer to verify the same.
 - vi. Alternatively, Non-Individual Shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; compliance.officer@shrirampistons.com, if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the Scrutinizer to verify the same.

5. PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL ADDRESSES ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES FOR OBTAINING LOGIN CREDENTIALS FOR E-VOTING FOR THE RESOLUTIONS PROPOSED IN THIS NOTICE:

In compliance with the circulars issued by MCA and SEBI, the Annual Report of 2020-21, the notice of 57th AGM and instructions for e-voting are being sent only through electronic mode to those Shareholders whose e-mail addresses are registered with the Company/Depository Participant(s).

All Shareholders (holding shares in demat or physical form) who have not updated their e-mail id with the Depository Participant/ Company are requested to update it at the earliest enabling the Company to send Notice of 57th AGM to be held on 06.07.2021 and Annual Report for the year 2020-21. **The process for updation of e-mail id is as under: -**

A. For Shareholders holding shares in demat form:

- 1. Please contact your Depository Participant with whom you are maintaining demat account and follow the process as advised by them, or
- 2. You may provide the following documents by sending e-mail to the Company at [**compliance.officer@shrirampistons.com**](mailto:compliance.officer@shrirampistons.com):

- i) Demat account details (CDSL-16 digit beneficiary ID or NSDL-16 digit DPID + CLID)
- ii) Name of Shareholder
- iii) Self-attested scanned copy of Client master or copy of Consolidated Account statement
- iv) Self-attested scanned copy of PAN card
- v) Self-attested scanned copy of Aadhar Card

B. Shareholders holding shares in physical form may provide the following documents by sending e-mail to the Company at **compliance.officer@shrirampistons.com**:

- i) Folio Number
- ii) Name of Shareholder
- iii) Scanned copy of the share certificate (front and back)
- iv) Self-attested scanned copy of PAN card
- v) Self-attested scanned copy of Aadhar Card

The Company shall co-ordinate with CDSL and provide the login credentials to the above mentioned Shareholders.

6. INSTRUCTIONS FOR SHAREHOLDERS ATTENDING AGM THROUGH VC/OAVM ARE AS UNDER:

- i) Shareholders will be provided with a facility to attend the AGM through VC/OAVM through the CDSL e-voting system. Shareholders may access the same at <https://www.evotingindia.com> under Shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in Shareholder/members login where the EVSN of Company will be displayed.
- ii) Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
- iii) Further, Shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- v) Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at compliance.officer@shrirampistons.com. The Shareholders who do not wish to speak during the AGM but have queries may send their queries in advance **2 days prior to meeting** mentioning their name, demat account number/folio number, email id, mobile number at compliance.officer@shrirampistons.com. These queries will be replied to by the Company suitably.

The Company reserves the right to limit the number of Members asking questions depending on the availability of time at the AGM.

- vi) Those Shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.

7. INSTRUCTIONS FOR SHAREHOLDERS FOR E-VOTING DURING THE AGM ARE AS UNDER:-

- i) The procedure for e-voting on the day of the AGM is same as the instructions mentioned above for Remote e-voting.
- ii) Only those Shareholders, who are present in the AGM through VC/OAVM and have not cast their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting system available during AGM.
- iii) If any Votes are cast by the Shareholders through the e-voting available during the AGM and if the same Shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such

Shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the Shareholders attending the meeting.

- iv) Shareholders who have voted through Remote e-voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
- v) If you have any queries or issues regarding attending AGM & e-voting from the e-voting System, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com or contact Mr. Nitin Kunder (022- 23058738) or Mr. Mehboob Lakhani (022-23058543) or Mr. Rakesh Dalvi (022-23058542).
- vi) All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Manager, Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

8. GENERAL GUIDELINES:

- i) Remote e-voting facility shall remain open from Saturday, 03.07.2021 (10:00 AM) to Monday, 05.07.2021 (5:00 PM) during which the Members holding shares as on cut-off date (either in demat or in physical form) may cast their vote(s). No voting will be allowed beyond 5:00 PM on Monday, 05.07.2021. The e-voting module shall be disabled by CDSL for voting thereafter. A member will not be allowed to vote again on any resolution on which vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the **cut-off date i.e. as on 29.06.2021**.
- ii) Right of voting shall be given to Members holding shares as on cut-off date (i.e. 29.06.2021). 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. 29.06.2021 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) has been appointed as the Scrutinizer to the remote e-voting process and voting to be conducted at the meeting. He 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 08.07.2021 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) User manual for electronic voting is available at www.cdslindia.com.
- x) Pursuant to Finance Act, 2020, dividend income will be taxable in the hands of the Shareholders w.e.f. 1st April 2020 and the Company is required to deduct tax at source ("TDS") from dividend paid to the Members at prescribed rates in the Income Tax Act, 1961 ("the IT Act"). In general, to enable compliance with TDS requirements, Members are requested to complete and / or update their Residential Status, PAN, Category as per the IT Act with their Depository Participants or in case shares are held in physical form, with the Company by sending email to the Company's email address at compliance.officer@shrirampistons.com.
- xi) Members who have not updated their Bank Account details with the Company/ Depository Participant are requested to do so at the earliest, enabling Company to remit the future dividends directly in their Bank Account.

Members holding shares in demat form may get their Bank Account details updated with the Depository Participant with whom they are maintaining demat account and Shareholders holding Shares in physical form may download ECS Mandate form from Company's website viz. www.shrirampistons.com under "Investors' Guide" or may write to Company at compliance.officer@shrirampistons.com for getting ECS mandate form on their e-mail.

9. CLOSURE OF REGISTER OF MEMBERS & DIVIDEND

The Board has recommended that interim dividend of Rs. 6 per equity share, already paid to Equity Shareholders, be treated as final dividend for the year ended March 2021.

The Register of Members and the Share Transfer Books of the Company will remain closed from 30.06.2021 to 06.07.2021 (both days inclusive).

10. UNPAID/UNCLAIMED DIVIDEND

Pursuant to the provisions of Section 124 of the Companies Act, 2013, the Company is required 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 2012-13 to the Fund. Unclaimed final dividend for the financial year 2013-14 is becoming due to be transferred to the Fund on **04.09.2021**.

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 who have not yet encashed their final dividend warrant(s) for the financial year 2013-14 and thereafter may write to the Company immediately.

Till date, the Company has also transferred 14,800 Nos. Equity Shares, pertaining to 11 Members, in respect of which dividends have not been claimed by the Shareholders for a period of seven consecutive years to the Demat Account of the Investor Education and Protection Fund (IEPF) Authority.

11. RE- APPOINTMENT OF DIRECTORS:

At the ensuing Annual General Meeting, Ms. 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. 5

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. 290 Thousand plus applicable taxes for the Financial Year ending March 31, 2022.

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 Members of the Company.

Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year ending March 31, 2022.

None of the Directors or Key Managerial Personnel (KMP) or their relatives are interested in the Resolution at Item No. 5 of the Notice.

The Board recommends to the Shareholders, the payment of remuneration of Rs. 290 Thousand plus applicable taxes to Cost Auditors for the Financial Year ending March 31, 2022.

The remuneration of the Cost Auditors is for Shareholders' approval.

ITEM NO. 6

Based on the recommendation of the Nomination & Remuneration Committee, the Board, in its meeting of 30.03.2021, had appointed Shri Sascha Putz as Director in the casual vacancy w.e.f. 30.03.2021, caused pursuant to resignation of Dr. Peter Neu.

Shri Sascha Putz was Alternate Director to Dr. Peter Neu and has long and varied experience. In addition, he has considerable exposure to international operations and has proven record in general management.

Shri Sascha Putz has given (i) 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 (ii) 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.

A notice under Section 160(1) of Companies Act, 2013 has been received from a Member signifying her intention to propose Shri Sascha Putz's appointment as a Non-Executive Non- Independent Director.

The Board recommends to the Shareholders, the appointment of Shri Sascha Putz as a Non-Executive Non- Independent Director w.e.f. 30.03.2021.

In compliance with the provisions of Section 161 of the Companies Act, the appointment of Shri Sascha Putz as Non-Executive Non- Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

None of the Directors or Key Managerial Personnel (KMP) or their relatives, except Shri Sascha Putz and his relatives, are concerned or interested in the Resolution at Item No. 6 of the Notice.

The appointment of Shri Sascha Putz as Non-Executive Non- Independent Director of the Company, whose office is liable to retire by rotation, is for Shareholders' approval.

ITEM NO. 7

Shri Shinichi Unno was appointed by Board of Directors as Non-Executive Independent Director in the casual vacancy caused consequent to resignation of Shri Kiyoto Tone, subject to allotment of Director's Identification Number (DIN) by Ministry of Corporate Affairs (MCA). The appointment shall be effective from the date of allotment of DIN by MCA.

Shri Shinichi Unno holds Bachelor's degree in Metallurgical Engineering from Tokai University. He is having over 31 years of long and varied experience. In addition, he has considerable exposure to international operations and proven record in general management.

The matter regarding appointment of Shri Shinichi Unno as Non-Executive Independent Director was placed before the Nomination & Remuneration Committee, and based on their recommendation, the Board, in its meeting of 07.05.2021, approved his appointment as Non-Executive Independent Director, subject to allotment of Director's Identification Number (DIN) by Ministry of Corporate Affairs (MCA). MCA has, on 31.05.2021, allotted DIN to Shri Shinichi Unno. Therefore, his appointment shall be effective from 31.05.2021 upto July 28, 2024 (i.e. upto the term of appointment of Shri Kiyoto Tone as approved by Shareholders in their meeting held on July 07, 2019).

He is a Non-Executive Independent Director of the Company and is considered as an Independent Director as defined under section 149(6) of the Companies Act, 2013 and rules framed thereunder.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act"), an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Shri Shinichi Unno is being appointed as Non-Executive Independent Director in the casual vacancy caused due to resignation of Shri Kiyoto Tone. Therefore, his tenure of appointment shall be upto the period for which Shri Kiyoto Tone was appointed as Non-Executive Independent Director by the Shareholders. Shri Shinichi Unno has given (i) a declaration to the effect that he meets the criteria of independence as required under section 149(6) of the Act, (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 Shinichi Unno fulfils the conditions specified in the Act and the Rules made there under for appointment as Independent Director and he is independent of the management.

The Board recommends to the Shareholders, the appointment of Shri Shinichi Unno as a Non-Executive Independent Director.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Shri Shinichi Unno as Non-Executive Independent Director is now being placed before the Members in the Annual General Meeting for their approval.

A copy of the draft letter for the appointment of Shri Shinichi Unno 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 Shinichi Unno and his relatives are concerned or interested in the Resolution at Item No. 7 of the Notice.

The appointment of Shri Shinichi Unno for a term upto 28th July, 2024 is for Shareholders' approval.

ITEM NO. 8

The Shareholders, in their meeting held on 11.08.2020, had approved 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 Non- Executive Directors of the Company in such amounts or proportions and in such manner and in all respects as the Board may determine for a period of five years commencing from 1st April 2020 in the following manner: -

- i) Chairman - 0.6% of the net profits before tax
- ii) Other Directors - upto 0.4% of the net profits before tax

As per Section 197 of the Companies Act, 2013, the remuneration payable to the Non-Executive Directors cannot exceed 1% of the net profits of the Company, calculated in accordance with the provisions of Section 198 of the Companies Act, 2013, unless otherwise approved by the Shareholders by way of special resolution in general meeting.

Considering the contribution made by Non-Executive Directors, it is felt desirable to align the basis of calculation of Profit Commission payable to Non-Executive Directors in line with the basis of calculation being followed for Executive Directors.

In view of the above, the Board, on the recommendation of Nomination & Remuneration Committee, recommends to the Shareholders, payment of Profit Commission of a sum not exceeding 1% of annual profits of the Company before depreciation, donation and taxes to some or any of the Non-Executive Directors of the Company, for whole or proportionately for a part of each of its financial years from 1st April 2021 to 31st March 2025, to be distributed in the manner as approved by the Shareholders in their meeting held on 11.8.2020.

Regulation 17(6)(ca) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, requires every listed Company to seek approval from Shareholders every year, 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 that out of the above 1% profit Commission, 0.6% of the profit commission be paid to the Chairman and upto 0.4% of the profit commission be paid to all other Non-Executive Directors of the Company for Financial Year 2021-22, in such manner as may be determined by the Board.

All Non-Executive Directors and their relatives are concerned or interested in the Resolution at Item No. 8 of the Notice. None of the Executive Directors or their relatives, except Shri Luv D. Shriram and his relatives, or Key Managerial Personnel (KMP) or their relatives, are concerned or interested in the Resolution at Item No. 8 of the Notice.

Remuneration of Non-Executive Directors as given above is for Shareholders' approval.

INSPECTION

The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM. All documents referred to in the Notice will also be available for electronic inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. 06.07.2021. Members seeking to inspect such documents can send an email to compliance.officer@shrampistons.com.

By the Order of the Board,
For Shriram Pistons & Rings Ltd.

Sd/-
(Naveen Agarwal)
Alternate Company Secretary
Membership No.: A-10343
3rd Floor, Himalaya House,
23, K.G. Marg, New Delhi-110001

New Delhi
June 2, 2021

**DETAILS OF PERSONS SEEKING APPOINTMENT/ RE-APPOINTMENT
AS DIRECTORS AT THE ANNUAL GENERAL MEETING**

Name of the Director	Ms. Meenakshi Dass	Shri Pradeep Dinodia	Shri Sascha Putz	Shri Shinichi Unno
Date of Birth/ Age	04-04-1964/ 57 Years	02-12-1953/ 67 Years	01-10-1972/ 48 Years	24-08-1966/ 54 Years
Nationality	Indian	Indian	German	Japanese
Date of appointment in the Board of the Company	28.03.2009	16.05.2003	29.05.2020 as Alternate Director to Dr. Peter Neu. 30.03.2021 appointed as Director in casual vacancy	Shri Shinichi Unno was appointed by Board of Directors as Non-Executive Independent Director in the casual vacancy caused consequent to resignation of Shri Kiyoto Tone, subject to allotment of Director's Identification Number (DIN) by Ministry of Corporate Affairs (MCA). The appointment shall be effective from the date of allotment of DIN by MCA i.e. 31.05.2021.
Number of Board Meetings attended during last year	7	7	-	NA
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	- Diploma in Industrial and Economical Engineering and in Production/ Manufacturing Engineering	- Bachelor's degree in Metallurgical Engineering from Tokai University.
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 - Non-Executive Director of large Public Listed Companies such as Hero Motocorp Limited and DCM Shriram Limited - Co-authored a book "Transfer Pricing Demystified" - Expertise in Tax Litigation, Accounting, Succession Planning and Corporate Governance	- He has long and varied experience. In addition, he has considerable exposure to international operations and has proven record in general management	- He is having over 31 years of long and varied experience. In addition, he has considerable exposure to international operations and proven record in general management

Name of the Director	Ms. Meenakshi Dass	Shri Pradeep Dinodia	Shri Sascha Putz	Shri Shinichi Unno
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	<ul style="list-style-type: none"> - 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 	<ul style="list-style-type: none"> - Hero Motocorp Limited - DCM Shriram Limited - Hero Fincorp Limited 	NIL	NIL
Chairman/ Member of the Committee(s) of the Board of Directors of the Company	<u>Member:</u> <ul style="list-style-type: none"> - CSR Committee - Risk Management Committee 	<u>Chairman:</u> <ul style="list-style-type: none"> - CSR Committee - Risk Management Committee <u>Member:</u> <ul style="list-style-type: none"> - Audit Committee - Nomination and Remuneration Committee - Stakeholders' Relationship Committee 	NIL	NIL
Chairman/ Member of the Committee(s) of the Board of Directors of other Companies in which he/she is a Director	NIL	<u>Chairman:</u> <ul style="list-style-type: none"> - Stakeholder Relationship Committee: <ol style="list-style-type: none"> 1. Hero Motocorp Limited 2. DCM Shriram Limited 3. Hero FinCorp Limited 	NIL	NIL

Name of the Director	Ms. Meenakshi Dass	Shri Pradeep Dinodia	Shri Sascha Putz	Shri Shinichi Unno
		<ul style="list-style-type: none"> - Audit Committee: <ul style="list-style-type: none"> 1. DCM Shriram Limited 2. Hero FinCorp Limited - Nomination and Remuneration Committee: <ul style="list-style-type: none"> 1. DCM Shriram Limited 2. Hero FinCorp Limited - Risk Management Committee: <ul style="list-style-type: none"> 1. Hero Motocorp Limited 2. Hero FinCorp Limited - IT Strategic Committee: <ul style="list-style-type: none"> 1. Hero FinCorp Limited - Asset Liability Management Committee <ul style="list-style-type: none"> 1. Hero FinCorp Limited <p><u>Member:</u></p> <ul style="list-style-type: none"> - Audit Committee: <ul style="list-style-type: none"> 1. Hero Motocorp Limited - Nomination and Remuneration Committee: <ul style="list-style-type: none"> 1. Hero Motocorp Limited - CSR Committee: <ul style="list-style-type: none"> 1. Hero Motocorp Limited 2. Hero FinCorp Limited - Committee of Directors: <ul style="list-style-type: none"> 1. Hero Motocorp Limited 		

Name of the Director	Ms. Meenakshi Dass	Shri Pradeep Dinodia	Shri Sascha Putz	Shri Shinichi Unno
No. of Shares held by the Director of the Company	<ul style="list-style-type: none"> - 33,35,668* Equity shares held jointly as 1st holder - 33,35,668* Equity shares held jointly as 2nd holder - 11,35,860 Equity shares * In Capacity of Trustee- shares belongs to Deepak Shriram Family Benefit Trust - in addition, She holds 11,64,676 equity shares of the Company as beneficial owner. 	NIL	NIL	NIL
Relationship with other Directors/ KMPs	Shri Luv D. Shriram and Ms. Meenakshi Dass are related to each other and are promoters of the Company	NIL	NIL	NIL