(All amounts are in Millions in INR, unless otherwise stated)

Balance Sheet as at March 31, 2021

Particulars	Note	March 31, 2021	March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	3 (a)	86.36	131.58
Right of use assets	3 (b)	13.88	18.50
Capital work-in-progress	3 (a)	1.05	1.23
Investment properties	4	125.10	125.10
Other intangible assets	3 (a)	0.55	1.13
Financial assets			
i. Loans	5	3.87	4.20
ii. Other financial assets	6	4.54	4.20
Deferred tax assets (net)	18	13.65	7.37
Current tax assets (net)	7	7.17	0.59
Total non-current assets		**256.17**	**293.90**
Current assets			
Inventories	8	153.56	181.29
Financial assets			
i. Trade receivables	9	193.70	181.68
ii. Cash and cash equivalents	10	50.47	69.42
iii. Bank balances other than (ii) above	11	475.50	115.50
iv. Loans	12	6.63	6.50
v. Other financial assets	13	13.13	8.61
vi. Deposits with Financial Institutions	13(a)	125.00	285.00
Other current assets	14	27.69	76.09
Total current assets		**1,045.68**	**924.09**
Total assets		**1,301.85**	**1,217.99**
EQUITY AND LIABILITIES			
EQUITY			
Equity share capital	15	0.90	0.90
Other Equity	16	933.39	834.37
Total Equity		**934.29**	**835.27**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Lease Liability (Non-current)	17	6.50	15.22
Provisions	19	8.96	8.48
Total non-current liabilities		**15.46**	**23.70**
Current liabilities			
Financial liabilities			
i. Trade payables	20		
(a) Total outstanding dues of micro enterprises and small enterprises		49.90	36.65
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		157.82	160.58
ii. Other financial liabilities	21	36.69	36.60
iii. Lease Liability (Current)	21(a)	8.72	4.14
Provisions	22	17.08	15.69
Other current liabilities	23	81.89	105.36
Total current liabilities		**352.10**	**359.02**
Total liabilities		**367.56**	**382.72**
Total equity and liabilities		**1,301.85**	**1,217.99**

The above Balance Sheet should be read in conjunction with the accompanying notes.

As per our reports on even date

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

BASKAR PANNERSELVAM
Partner
Membership No: 213126

Place: Coimbatore
Date: May 19, 2021

For and on behalf of the Board of Directors

JAIRAM VARADARAJ
Chairman
DIN: 00003361

Place: Charlotte,North Carolina,USA
Date: May 19, 2021

PRAVEEN TIWARI
Managing Director
DIN: 07527226

Place: Coimbatore
Date: May 19, 2021

ATS ELGI LIMITED
Financial Statements as at and for the year ended March 31, 2021
(All amounts are in Millions in INR, unless otherwise stated)

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

Particulars	Note	March 31, 2021	March 31, 2020
Revenue From Operations	24	1,616.13	1,800.20
Other Income	25	32.07	30.89
Total Income		**1,648.20**	**1,831.09**
Expenses			
Cost of materials consumed	26	653.10	753.25
Purchases of Stock in Trade	27	300.01	327.75
Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	28	14.82	0.32
Employee benefits expense	29	268.34	290.64
Finance Cost	30	1.75	2.14
Depreciation and Amortisation Expense	31	44.81	50.21
Other Expenses	32	231.62	287.38
Total Expenses		**1,514.45**	**1,711.69**
Profit before tax		**133.75**	**119.40**
Tax expense			
- Current tax	33	41.42	40.28
- Deferred Tax	33	(6.27)	(9.97)
Profit for the year		**98.60**	**89.09**

Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of post employment benefit obligations	16(c)	0.56	3.78
Income tax relating to these items	16(c)	(0.14)	(0.95)
Other comprehensive income for the year, net of tax		**0.42**	**2.83**
Total comprehensive income for the year		**99.02**	**91.92**

Earnings per equity share	42		
Nominal value of the shares		10.00	10.00
(1) Basic		**1,095.56**	**989.89**
(2) Diluted		**1,095.56**	**989.89**

The above Statement of Profit & Loss should be read in conjunction with the accompanying notes.

As per our reports on even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

For and on behalf of the Board of Directors

BASKAR PANNERSELVAM
Partner
Membership No: 213126

Place: Coimbatore
Date: May 19, 2021

JAIRAM VARADARAJ
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Place: Charlotte,North Carolina,USA
Date: May 19, 2021

PRAVEEN TIWARI
Managing Director
DIN: 07527226

Place: Coimbatore
Date: May 19, 2021

ATS ELGI LIMITED
Notes to the Financial statements as at and for the year ended March 31, 2021
(All amounts are in Millions in INR, unless otherwise stated)

Statement of Changes in Equity

I) Equity Share Capital

	Note	Amount
Balance as at April 1, 2019	15	**0.90**
Changes in equity share capital during the year		-
Balance as at March 31, 2020	15	**0.90**
Changes in equity share capital during the year		-
Balance as at March 31, 2021		**0.90**

II) Other equity

Description	Note	Securities Premium	General Reserve	Retained earnings	Total equity
Balance as on April 1, 2019		**180.00**	**36.81**	**596.16**	**812.97**
Profit for the year		-	-	89.09	89.09
Other Comprehensive Income		-	-	2.83	2.83
Total Comprehensive Income for the year		**-**	**-**	**91.92**	**91.92**
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax	37	-	-	(70.52)	(70.52)
Balance as on March 31, 2020		**180.00**	**36.81**	**617.56**	**834.37**
Balance as on April 1, 2020		**180.00**	**36.81**	**617.56**	**834.37**
Profit for the year		-	-	98.60	98.60
Other Comprehensive Income		-	-	0.42	0.42
Total Comprehensive Income for the year		**-**	**-**	**99.02**	**99.02**
Transactions with owners in their capacity as owners:					
Dividend paid including dividend distribution tax	37	-	-	-	-
Balance as on March 31, 2021		**180.00**	**36.81**	**716.58**	**933.39**

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

As per our reports on even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

For and on behalf of the Board of Directors

BASKAR PANNERSELVAM
Partner
Membership No: 213126

Place: Coimbatore
Date: May 19, 2021

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Chairman
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Date: May 19, 2021

PRAVEEN TIWARI
Managing Director
DIN: 07527226

Place: Coimbatore
Date: May 19, 2021

(All amounts are in Millions in INR, unless otherwise stated)

Cash Flow Statement for the year ended March 31, 2021

Particulars	March 31, 2021	March 31, 2020
Cash flow from operating activities		
Profit before income tax	133.75	119.40
Adjustments for:		
Depreciation and amortisation expense	44.81	50.21
Impairment losses on financial and contract assets	2.34	3.76
Gain on disposal of property, plant and equipment	-	(1.14)
Interest income classified as investing cash flows	(27.28)	(24.63)
Unrealised foreign exchange (gain)/loss	(0.54)	1.82
Finance costs	1.75	2.14
Change in operating assets and liabilities:		
(Increase)/decrease in trade receivables	(12.34)	88.86
(Increase)/decrease in inventories	34.98	(12.75)
(Increase) in other financial assets	(0.34)	0.71
(Increase)/decrease in other current assets	48.40	(38.61)
Increase/(decrease) in trade payables	9.96	(34.19)
Increase/(decrease) in provisions	1.87	2.14
Increase / (decrease) in other financial liabilities	0.10	(3.85)
Increase/ (decrease) in other current liabilities	(23.47)	38.04
Cash generated from operations	213.99	191.91
Income taxes paid	(48.15)	(41.88)
Net cash inflow from operating activities	165.84	150.03
Cash flows from investing activities		
Payments for property, plant and equipment	(1.46)	(9.79)
Proceeds from sale of property, plant and equipment	-	11.74
Loans to employees	(0.20)	(3.02)
Investment in deposits with bank/financial institutions	(200.00)	(264.91)
Interest received	22.76	21.67
Net cash outflow from investing activities	(178.90)	(244.31)
Cash flows from financing activities		
Principle elements of lease liabilities	(4.14)	(3.75)
Dividends paid to company's shareholders	-	(58.50)
Dividend Tax paid	-	(12.02)
Interest paid	(1.75)	(2.14)
Net cash inflow (outflow) from financing activities	(5.89)	(76.41)
Net increase (decrease) in cash and cash equivalents	(18.95)	(170.69)
Cash and cash equivalents at the beginning of the financial year	69.42	240.11
Cash and cash equivalents at end of the year	50.47	69.42

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

As per our report of even date

For and on behalf of the Board of Directors

For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

BASKAR PANNERSELVAM
Partner
Membership No: 213126
Place: Coimbatore
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PRAVEEN TIWARI
Managing Director
DIN: 07527226
Place: Coimbatore
Date: May 19, 2021

General Information
ATS Elgi Limited ("the Company") is engaged in manufacturing of automotive equipments. The Company has a manufacturing plants in Coimbatore, India and has its registered office in Coimbatore.

1 Summary of Significant accounting policies
This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

(a) Basis of preparation
(i) Compliance with Ind AS
The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act. This financial statement has been approved by the board in the meeting held on May 19, 2021.

(ii) Historical cost convention
The financial statements have been prepared on a historical cost basis, except for the following:
a) certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
b) defined benefit plans — plan assets measured at fair value.
c) share based payments.

(iii) New and amended standards adopted by the Company
The Company has applied following standards and amendments for the first time in their annual reporting period commencing April 01, 2020.

1. Definition of Material – amendments to Ind AS 1 and Ind AS 8
2. COVID-19 related concessions – amendments to Ind AS 116
3. Interest Rate Benchmark Reform – amendments to Ind AS 109 and Ind AS 107

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods

(b) Segment reporting
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.
The Managing Director (MD) of the company has been identified as the chief operating decision maker of the Company. He assesses the financial performance and position of the Company, and makes strategic decisions.
The business activities of the Company comprise of manufacturing and sale of automotive equipments. Accordingly, there is no other reportable segment as per Ind AS 108 Operating Segments.

(c) Foreign currency translation
(i) Functional and presentation currency
Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognised in profit or loss. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other income/other expense.

Non-monetary items that are measured at fair value in a foreign currency are translated using exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as a part of the fair value gain or loss.

(d) Revenue recognition
Revenue is recognised when a customer obtains control of a promised goods or service and thus has the ability to direct the use and obtain the benefits from the goods or service in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. For each contract with a customer, the company applies the below five step process before revenue can be recognised:

- identify contracts with customers
- identify the separate performance obligation
- determine the transaction price of the Contract
- allocate the transaction price to each of the separate performance obligations, and
- recognise the revenue as each performance obligation is satisfied.

(i) Sale of products: The Company manufactures and sells a range of Automotive garage equipments and related parts. Sales are recognised when control of the product has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligations that could effect the customer's acceptance of products. Delivery occurs when the product have been shipped from the Company's warehouse to the specific location in case of domestic sales, and when a bill of lading is generated in case of exports, the risk of obsolescence and loss have been transferred to the customer and either the customer has accepted the product in accordance with the sales contract, the acceptance provision have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied. Where the company sells goods and also has transportation obligation, and where the control of the goods get transferred, the sale of goods and transportation is treated as separate performance obligation.

The Company's obligation to repair/replace faulty product under the standard warranty terms is recognised as a provision. See note no 22.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due. The credit facility is as per standard industry terms, thus there is no significant financing component.

(ii) Sale of Services: The performance obligation under service contract are installation, maintenance and other ancillary services set forth in the contracts. Revenue from rendering of services are recognised over a period of time by reference to the stage of completion as the customer simultaneously receives and consumes the benefit provided by the Company's performance as the Company performs. In case of transportation revenue, the Company recovers actual cost of transportation from the customers. The cost is either billed separately in the invoice or included in the total transaction price. Where the transaction price is inclusive of cost of transportation, the Company splits the transaction price into Sale of product and Sale of services. Payment for the service rendered is made as per the credit terms in the agreements with the customers. The credit period is generally short term, thus there is no significant financing component.

(iii) Duty drawback : Income from duty drawback is recognised on an accrual basis.

(iv) Royalty : Royalty is recognised on accrual basis in accordance with terms of respective agreements.

(e) Government grants
Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Company will comply with all the attached conditions.

Government grants relating to income are deferred and recognised in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to purchase of property, plant and equipment are presented by deducting the grant from carrying amount of the asset.

(f) Income taxes
The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Current tax liabilities (assets) for the current and prior periods are measured at the amount expected to be paid to (recovered from) the taxation authorities, using the tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

(g) Leases
As a lessee

From April 01, 2019, leases are recognised as a right of use asset and a corresponding liability at the date at which the leased asset is available for the use by the Company. Contracts may contain both lease and non-lease components. The Company allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However for leases of real estate for which the Company is the lessee, it has elected not to separate the lease and non-lease components and instead accounts for these as single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the following lease payments:
• fixed payments (including in-substance fixed payments), less any lease incentives receivable
• variable lease payment that are based on an index or a rate, initially measured using the index or rate as at the commencement date
• amounts expected to be payable by the group under residual value guarantees
• the exercise price of a purchase option if the group is reasonably certain to exercise that option, and
• payments of penalties for terminating the lease, if the lease term reflects the group exercising that option.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Company, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

To determine the incremental borrowing rate, the Company:
• where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received
• uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Elgi equipments limited, which does not have recent third party financing, and
• makes adjustments specific to the lease, such as term, country, currency and security.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:
• the amount of the initial measurement of lease liability
• any lease payments made at or before the commencement date less any lease incentives received
• any initial direct costs, and
• restoration costs.

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Company is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise office equipment and small items of office furniture.

As a lessor
Lease income from operating leases where the Company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.
The Company did not make any adjustments to the accounting for the assets held as lessor as a result of adopting the new standard.

(h) Impairment of assets
Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets (including investments) are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

(i) Cash and cash equivalents
For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash Flow Statement: The Cash flow from Operating activities are prepared under the Indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows.

(j) Trade receivables
Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment, if any.

(k) Inventories
Raw materials and stores, work in progress, traded and finished goods
Raw materials and stores, work in progress, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials and traded goods comprises cost of purchases. Cost of work-in-progress and finished goods comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Cost of inventories also include all other costs incurred in bringing the inventories to their present location and condition. Costs are assigned to individual items of inventory on the basis of first-in first-out basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

(l) Investments and other financial assets
(i) Classification
The Company classifies its financial assets in the following measurement categories:
a) those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
b) those measured at amortised cost.

The classification depends on the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

(ii) Measurement
At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Debt instruments
Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

a) Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised direct in profit or loss and presented in other gains/(losses). Impairment losses are presented as separate line item in the statement of profit or loss.

b) Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other income/ (expense). Interest income from these financial assets is included in other income using the effective interest rate method.

c) Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other income/ (expense) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other income/ (expense) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 36 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Derecognition of financial assets

A financial asset is derecognised only when

a) The Company has transferred the rights to receive cash flows from the financial asset or

b) The Company retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the Company has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the Company has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the Company has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

Income recognition

a) Interest income

Interest income on financial assets at amortised cost is calculated using the effective interest rate method is recognised in the statement of profit and loss as part of other income.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial assets except for financial assets that subsequently become credit impaired. For credit-impaired financial assets the effective interest rate is applied to the net carrying amount of the financial asset (after deduction of loss allowance).

b) Dividends

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(m) Derivatives
Derivatives are only used for economic hedging purposes and not as speculative investment. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged and the type of hedge relationship designated.

Derivatives that are not designated as hedges
The Company enters into certain derivative contracts to hedge risks which are not designated as hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income / (expense).

(n) Offsetting financial instruments
Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

(o) Property, plant and equipment
Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value
Depreciation is calculated using the straight-line and written down value methods to allocate their cost, net of their residual values, over their estimated useful lives.

The useful lives have been determined based on Schedule II to the Companies Act, 2013 except, tools, Jigs and fixtures, patterns and mould and dies (classified as plant and machinery), where useful lives have been determined based on technical evaluation done by the management's expert which are higher than those specified by Schedule II to the Companies Act; 2013, in order to reflect the actual usage of the assets. The residual values are not more than 5% of the original cost of the asset.

	Useful Life (years)	
Asset	As adopted by company	As per Schedule II
Tools, Jigs & Fixture, Patterns, Moulds & Dies	5-8	15

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.
An asset’s carrying amount is written down immediately to its recoverable amount if the asset’s carrying amount is greater than its estimated recoverable amount.
Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other income / (expense).

(p) Investment Properties

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the Company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Investment properties (other than land) are depreciated using the written down value method over their estimated useful lives. Investment properties have a useful life of 30 years. The useful lives have been determined based on Schedule II to the Companies Act, 2013.

(q) Intangible assets

The intangible assets include computer software and others which are recorded at the cost of acquisition and are amortised using the straight-line method over a period of five years or their legal / useful life whichever is less.

(r) Research and development

Development costs that are directly attributable to the design and testing of identifiable and unique products controlled by the Company are recognised as intangible assets when the following criteria are met:
-it is technically feasible to complete the asset so that it will be available for use
-management intends to complete the asset and use or sell it
-there is an ability to use or sell the product
-it can be demonstrated how the asset will generate probable future economic benefits
-adequate technical, financial and other resources to complete the development and to use or sell the asset are available, and
-the expenditure attributable to the asset during its development can be reliably measured.
Directly attributable costs that are capitalised as part of the products include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is available for use. Research and development expenditure that do not meet the criteria for recognition as intangible assets are recognised as an expense as incurred. Development costs previously recognised as an expense are not recognised as an asset in the subsequent period.

(s) Trade and other Payables

These amounts represent liabilities for goods and services provided to the company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

(t) Provisions

Provisions for legal claims, service warranties, volume discounts and returns are recognised when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

(u) Employee Benefits
(i) Short-term obligations
Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as other financial liabilities in the balance sheet.

(ii) Other long-term employee benefit obligations
The liabilities for earned leave that are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation. Remeasurements as a result of experience adjustments and changes in actuarial assumptions are recognised in profit or loss.
The obligations are presented as current liabilities in the balance sheet if the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period, regardless of when the actual settlement is expected to occur.

(iii) Post-employment obligations
The Company operates the following post-employment schemes:
(a) defined benefit plans such as gratuity and
(b) defined contribution plans such as provident fund and Superannuation fund.

Gratuity obligations
The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.
Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

Defined contribution plans
The Company pays provident fund and superannuation fund contributions to Employee Provident Fund Account as per Employees Provident Fund Act, 1952 and a Life Insurance Corporation of India respectively. The Company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus plans
The Company recognises a liability and an expense for bonuses. The Company recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Termination benefits
Termination benefits are payable when employment is terminated by the Company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits. The Company recognises termination benefits at the earlier of the following dates: (a) when the Company can no longer withdraw the offer of those benefits; and (b) when the Company recognises costs for a restructuring that is within the scope of Ind AS 37 and involves the payment of terminations benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to present value.

(v) Contributed Equity
Equity shares are classified as equity.
Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

(w) Dividends
Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period

(x) Insurance Claims
Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that the amount recoverable can be measured reliably and it is reasonable to expect ultimate collection.

(y) Earnings Per Share

(i) Basic earnings per share
Basic earnings per share is calculated by dividing:
a) the profit attributable to owners of the Company
b)by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares (note 43).
(ii) Diluted earnings per share
Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:
a) the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
b) the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

(z) Rounding of amounts
All amounts disclosed in the financial statements and notes have been rounded off to the nearest millions as per the requirement of Schedule III, unless otherwise stated.

2 Critical estimates and judgements
The preparation of financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results.
Management also needs to exercise judgement in applying the Company's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

The areas involving critical estimates or judgements are:

Estimation of defined benefit obligation – **Note 34**
Estimation of provision for warranty claims – **Note 22**

Estimates and judgements are continually evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

(All amounts are in Millions in INR, unless otherwise stated)

3 (a) Property, plant and equipment, Intangible assets and Capital work-in progress

Particulars	Building	Plant & Machinery	Office equipment	Furniture and Fixtures	Vehicle	Total	Intangible Assets (Computer Software)	Total of Tangible and Intangible assets	Capital work in progress
Year ended March 31, 2020									
Gross carrying amount									
Opening gross carrying amount	13.73	257.58	2.54	10.53	0.25	284.63	3.86	288.49	-
Additions	-	8.22	0.15	0.17	-	8.54		8.54	9.77
Disposal	-	(17.36)	-	-	-	(17.36)		(17.36)	-
Transfers	-	-	-	-	-	-	-	-	(8.54)
Closing gross carrying amount	**13.73**	**248.44**	**2.69**	**10.70**	**0.25**	**275.81**	**3.86**	**279.67**	**1.23**
Accumulated depreciation									
Opening accumulated depreciation	5.42	89.91	1.89	8.55	0.21	105.98	2.14	108.12	-
For the year	0.25	44.24	0.48	0.02	0.02	45.01	0.59	45.60	-
Disposal		(6.76)				(6.76)		(6.76)	-
Closing accumulated depreciation	**5.67**	**127.39**	**2.37**	**8.57**	**0.23**	**144.23**	**2.73**	**146.96**	**-**
Net carrying amount	**8.06**	**121.05**	**0.32**	**2.13**	**0.02**	**131.58**	**1.13**	**132.71**	**1.23**
Year Ended March 31, 2021									
Gross carrying amount									
Opening gross carrying amount	13.73	248.44	2.69	10.70	0.25	275.81	3.86	279.67	1.23
Additions	-	1.62	-	0.02	-	1.64		1.64	1.46
Disposal	-	(11.05)	-	-	-	(11.05)		**(11.05)**	
Transfers	-	-	-	-	-	-	-	-	(1.64)
Closing gross carrying amount	**13.73**	**239.01**	**2.69**	**10.72**	**0.25**	**266.40**	**3.86**	**270.26**	**1.05**
Accumulated depreciation									
Opening accumulated depreciation	5.67	127.39	2.37	8.57	0.23	144.23	2.73	146.96	-
For the year	2.59	35.99	0.17	0.85	0.01	39.61	0.58	40.19	-
Disposal		(3.80)				(3.80)		**(3.80)**	-
Closing accumulated depreciation	**8.26**	**159.58**	**2.54**	**9.42**	**0.24**	**180.04**	**3.31**	**183.35**	**-**
								-	
Net carrying amount	**5.47**	**79.43**	**0.15**	**1.30**	**0.01**	**86.36**	**0.55**	**86.91**	**1.05**

(i) Leased assets

Plant and machinery includes the following amounts given under operating lease:

Particulars	**31-Mar-21**	**31-Mar-20**
Opening Net carrying amount	18.08	34.66
Addition/disposal (net)	(6.03)	(10.82)
Depreciation	(3.78)	(5.76)
Net carrying amount	8.27	18.08

(All amounts are in Millions in INR, unless otherwise stated)

3 (b) Leases

This note provides information for leases where the Company is a lessee.
Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

i) Amounts recognised in the balance sheet

The balance sheet shows following amounts relating to leases:

Right of use assets

Particulars	31-Mar-21	31-Mar-20
Land		
Gross Carrying Amount	18.50	23.11
Accumulated Depreciation	(4.62)	(4.61)
Net Carrying Amount	**13.88**	**18.50**

Lease Liabilities

Particulars	31-Mar-21	31-Mar-20
Current	8.72	4.14
Non-Current	6.5	15.22
	15.22	**19.36**
Reconciliation:		
Opening Lease liability	**19.36**	**23.11**
Less: Payment of lease liabilities	(4.14)	(3.75)
Closing balance	**15.22**	**19.36**

The Company has recognised Right of use assets and lease liabilities on April 01, 2019 pursuant to adoption of Ind AS 116, Leases.

ii) Amounts recognised in the statement of profit and loss

The statement of profit or loss shows the following amounts relating to leases:

Particulars	31-Mar-21	31-Mar-20
Depreciation charge on Right of use assets		
-Buildings	4.62	4.61
	4.62	**4.61**

Particulars	31-Mar-21	31-Mar-20
Interest expense (included in finance cost)	1.75	2.14
Expenses relating to short term leases (included in Other expenses)	1.72	2.26

(iii) Cash outflow

The total cash outflow for leases is ₹7.61 million for the year ended March 31, 2021.

(iii) Extension and termination options

The Property is taken on lease from Elgi Equipments Limited, the holding company, the lease can be extended as per approvals received from the holding company.

(All amounts are in Millions in INR, unless otherwise stated)

4 Investment properties

Particulars	March 31, 2021	March 31, 2020
Gross carrying amount - Land		
Opening gross carrying amount	125.10	125.10
Additions	-	-
Closing gross carrying amount	**125.10**	**125.10**
Accumulated depreciation		
Opening accumulated depreciation	-	-
Depreciation charge	-	-
Closing accumulated depreciation	-	-
Net carrying amount	**125.10**	**125.10**

(i) Amounts recognised in profit or loss for investment properties

Particulars	March 31, 2021	March 31, 2020
Rental income	-	-
Direct operating expenses from property that generated rental income	-	-
Direct operating expenses from property that did not generate rental income	-	-
Profit from investment properties before depreciation	-	-
Depreciation	-	-
Profit from investment property	-	-

(ii) Fair value

Particulars	March 31, 2021	March 31, 2020
Investment property	125.10	125.10

Estimation of fair value

a) The fair values of investment properties have been determined with reference to the guideline value as determined by the Government for the location at which the property is located, increased by the depreciated value of buildings. All the resulting fair value estimates of investment properties are included in Level 2.
b) Guideline values were revised by the Government of Tamil Nadu with effect from June 9, 2017.

ATS ELGI LIMITED
Notes to the Financial statements as at and for the year ended March 31, 2021
(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	Note	March 31, 2021	March 31, 2020
5	**Loans (Non-current)**			
	Unsecured, considered good			
	Loans to employees		3.87	4.20
	Total	5	**3.87**	**4.20**
6	**Other financial assets**			
	Security Deposits		4.54	4.20
	Total	6	**4.54**	**4.20**
7	**Current tax assets (net)**			
	Opening Balance		0.59	(0.06)
	Add: Tax Paid		48.15	41.88
	Less: Current tax payable for the year		(41.57)	(41.23)
	Total	7	**7.17**	**0.59**
8	**Inventories**			
	(a) Raw Materials (in respect of goods acquired for trading)*		56.48	69.25
	(b) Work-in-progress		1.83	8.40
	(c) Finished goods		15.70	28.85
	(d) Stock-in-trade		74.54	69.64
	(e) Stores and spares		2.78	3.42
	(f) Loose Tools		2.23	1.73
	Total	8	**153.56**	**181.29**

* Includes goods in-transit amounting to INR 28.92 million and INR 25.90 million as on March 31, 2021 and March 31, 2020 respectively.
Note: Raw materials, Work in progress and Finished goods include R&D inventory also.

	Particulars	Note	March 31, 2021	March 31, 2020
9	**Trade receivables**			
	Unsecured, considered good		193.70	181.68
	Doubtful		9.25	9.02
			202.95	**190.70**
	Less : Allowance for doubtful debts(expected credit loss allowance)		(9.25)	(9.02)
	Total	9	**193.70**	**181.68**

Note : The trade receivables of the Company do not contain a significant financing component and accordingly, the Company has adopted the simplified approach under Ind AS 109 for recognition of impairment losses on trade receivables. Consequently, the disclosure of trade receivables into "Trade receivables which have significant increase in credit risk" and "Trade receivables - credit impaired" have not been given since it is not relevant to the Company. Also, for receivables from related parties refer note 38.

	Particulars	Note	March 31, 2021	March 31, 2020
10	**Cash and cash equivalents**			
	(a) Cash on hand		0.07	0.05
	(b) Balance with banks			
	- In current accounts		35.40	24.37
	- In deposit accounts (with original maturity of 3 months or less)		15.00	45.00
	Total	10	**50.47**	**69.42**

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

	Particulars	Note	March 31, 2021	March 31, 2020
11	**Other bank balances**			
	- In deposit accounts (with original maturity period of more than 3 months but less than 12 months)		475.50	115.50
	Total	11	**475.50**	**115.50**
12	**Loans (Current)**			
	Unsecured, considered good			
	Loan to employees		6.63	6.50
	Total	12	**6.63**	**6.50**
13	**Other Financial Assets**			
	Interest accrued		13.13	8.61
	Total	13	**13.13**	**8.61**
13(a)	**Deposits with Financial Institutions (Current)**			
	Deposits are maintained with Housing Development Finance Corp. Ltd (HDFC Limited)		125.00	285.00
	Total	13(a)	**125.00**	**285.00**
14	**Other current assets**			
	Income/refund receivable		0.15	0.47
	Prepaid expenses		6.92	7.09
	Balance with Government authorities		-	10.57
	Advance to suppliers		20.55	55.19
	Others		0.07	0.07
	Rent Advances		-	0.55
	Gratuity asset (Refer note 34)		-	2.15
	Total	14	**27.69**	**76.09**

15 Equity share capital

(i) Authorised equity share capital:

Particulars	Number of shares (in millions)	Amount
Equity shares of Rs. 10 each		
As at April 1, 2019	**0.10**	**1.00**
Increase during the year	-	-
As at March 31, 2020	**0.10**	**1.00**
Increase during the year	-	-
As at March 31, 2021	**0.10**	**1.00**

Issued, Subscribed and fully paid up:

Particulars	Number of shares (in millions)	Equity share capital (par value)
Equity shares of Rs. 10 each		
As at April 1, 2019	0.09	0.90
Increase during the year	-	-
As at March 31, 2020	**0.09**	**0.90**
Increase during the year	-	-
As at March 31, 2021	**0.09**	**0.90**

Movements in equity share capital:

Particulars	Number of shares (in millions)	Equity share capital (par value)
Equity shares of Rs. 10 each		
As at April 1, 2019	0.09	0.90
As at March 31, 2020	**0.09**	**0.90**
As at March 31, 2021	**0.09**	**0.90**

Terms and rights attached to equity shares
The Company has one class of equity shares having a par value of Rs. 10/- per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding. During the year ended March 31, 2021, the amount of dividend per share recognised as distributions to equity shareholders is Rs. Nil (March 31, 2020: Rs. 650/-).

(ii) Shares of the company held by holding/ultimate holding company

	Mar 31, 2021 Number of shares (in millions)	March 31, 2020 Number of shares (in millions)
Elgi Equipments Limited (Immediate and ultimate holding company)	0.09	0.09

(iii) Details of shareholders holding more than 5% shares in the company

	Mar 31, 2021		March 31, 2020	
	Number of shares (in millions)	% holding	Number of shares (in millions)	% holding
Elgi Equipments Limited	0.09	100%	0.09	100%

ATS ELGI LIMITED

Notes to the Financial statements as at and for the year ended March 31, 2021

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	Note	March 31, 2021	March 31, 2020
16	**Other Equity**			
	Reserves & Surplus			
	Securities premium reserve		180.00	180.00
	General reserve		36.81	36.81
	Retained earnings		716.58	617.56
	Total	16	**933.39**	**834.37**

Particulars	Note	March 31, 2021	March 31, 2020
a) Securities Premium reserve			
Opening balance		180.00	180.00
Additions during the year		-	-
Deductions/Adjustments during the year		-	-
Closing balance		**180.00**	**180.00**
b) General reserve			
Opening balance		36.81	36.81
Additions during the year		-	-
Deductions / Adjustments during the year		-	-
Closing balance		**36.81**	**36.81**
c) Retained earnings			
Opening balance		617.56	596.16
Net profit for the period		98.60	89.09
Item of other comprehensive income recognised directly in retained earnings			
Remeasurement of post-employment benefit obligation, net of tax		0.42	2.83
Appropriations			
General Reserve		-	-
Dividend on equity shares		-	(58.50)
Dividend distribution tax on above		-	(12.02)
Closing balance		716.58	617.56

Nature and purpose of reserves

General reserve: This is available for distribution to share holders.

Retained earnings: Company's cumulative earnings since its formation minus the dividends/capitalisation and earnings transferred to general reserve.

Securities Premium: Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	Note No.	March 31, 2021	March 31, 2020
17	**Lease Liability**			
	Right to Use (ROU)		6.50	15.22
	Total	17	**6.50**	**15.22**

Also Refer Note 3(b)

18 Deferred Tax Assets (Net)

Particulars	Note	March 31, 2021	March 31, 2020
Depreciation		(1.71)	4.23
Set-off of deferred tax assets pursuant to set-off of:			
Provision for compensated Absences		(3.08)	(2.99)
Provision for Warranty		(3.04)	(3.09)
Provision for Doubtful Debts		(2.33)	(2.27)
Provision for Gratuity		-	0.54
Provision for PF		(3.15)	(3.79)
Lease liability balance		(0.34)	-
Total	19	**(13.65)**	**(7.37)**

Movements in deferred tax liabilities

Particulras		Depreciation	Provision for Compensated Absenses	Provision for Warranty	Provision for Doubtful Debts	Provision for PF	Provision for Gratuity	Lease liability balance	Total
As at April 1, 2019		**15.25**	**(2.66)**	**(4.51)**	**(1.67)**	**(4.82)**	**1.01**	**-**	2.60
(Charged) / Credited: to Profit or loss		(11.02)	(0.33)	1.42	(0.60)	1.03	(0.47)	-	(9.97)
As at March 31, 2020		**4.23**	**(2.99)**	**(3.09)**	**(2.27)**	**(3.79)**	**0.54**	**-**	**(7.37)**
(Charged) / Credited: to Profit or loss		(5.94)	(0.09)	0.05	(0.06)	0.64	(0.54)	(0.34)	(6.28)
As at March 31, 2021		**(1.71)**	**(3.08)**	**(3.04)**	**(2.33)**	**(3.15)**	**-**	**(0.34)**	**(13.65)**

	Particulars	Note No.	March 31, 2021	March 31, 2020
19	**Provisions**			
	Provision for compensated absences - Noncurrent (Refer note 34)		8.96	8.48
	Total	19	**8.96**	**8.48**
20	**Trade payables**			
	Due to micro enterprises and small enterprises (refer note 41)		49.90	36.65
	Due to creditors other than micro enterprises and small enterprises		157.82	160.58
	Total	20	**207.72**	**197.23**

Note : Trade payable to related parties- refer note-38

	Particulars	Note No.	March 31, 2021	March 31, 2020
21	**Other Financial liabilities**			
	Dealer deposits		10.13	8.38
	Employee benefit expenses payable*		26.56	28.22
	Total	21	**36.69**	**36.60**

* Amounts includes provision for compensated absences of INR. Nil and INR 3.06 million as on March 2021 and March 2020 respectively - Refer Note 34

	Particulars	Note No.	March 31, 2021	March 31, 2020
21(a)	**Provisions**			
	Lease Liability - Current		8.72	4.14
	Total	21(a)	**8.72**	**4.14**
22	**Provisions**			
	Provision for warranty		12.10	12.28
	Provision for compensated absences - Current (Refer note 34)		3.29	3.41
	Provision for gratuity (Refer note 34)		1.69	-
	Total	22	**17.08**	**15.69**

(i) Information about individual provisions and significant estimates

Provision for Warranty

Provision is made for estimated warranty claims in respect of products sold which are still under warranty at the end of the reporting period. These claims are expected to be settled in the next financial year and therefore the time value of money not being material, no adjustment has been warranted. Management estimates the provision based on historical warranty claim information and any recent trends that may suggest future claims could differ from historical amounts.

(ii) Movements in provisions

Particulars	Amount
As at April 1, 2020	12.28
Additional provisions recognised	12.10
Amounts used during the year	(12.28)
As at March 31, 2021	**12.10**

	Particulars	Note No.	March 31, 2021	March 31, 2020
23	**Other Current Liabilities**			
	Contract Liabilities		55.28	89.33
	Statutory payable		23.37	14.50
	Liability of "C" Form		1.55	
	Others		1.69	1.53
	Total	23	**81.89**	**105.36**

(All amounts are in Millions in INR, unless otherwise stated)

	Particulars	Note	March 31, 2021	March 31, 2020
24	**Revenue from operations**			
	- Sale of products		1,504.39	1,667.28
	- Sale of services		80.18	90.36
	Other operating revenues		16.76	16.92
	Rental income		14.80	25.64
	Total	24	**1,616.13**	**1,800.20**

Refer Note 44 for Disaggregation of Revenue

	Particulars	Note	March 31, 2021	March 31, 2020
25	**Other income**			
	Interest income		27.28	24.63
	Miscellenous income (net)		2.25	2.55
	Profit on sale of Asset		-	1.14
	Foreign Exchange (Gain) / Loss		2.54	2.57
	Total	25	**32.07**	**30.89**

26	**Cost of material consumed**			
	Opening stock of raw materials*		65.60	57.99
	Purchases		642.38	760.86
	Total		707.98	818.85
	Less:			
	Inventory of materials at the end of the year*		54.88	65.60
	Total	26	**653.10**	**753.25**

27	**Purchases of traded goods**			
	Automotive garage equipments		300.01	327.75
	Total	27	**300.01**	**327.75**

28	**Changes in inventory**			
	Opening inventory*			
	- Finished goods		28.84	33.56
	- WIP		8.40	5.93
	- Stock in Trade		69.64	67.71
	Closing inventory*			
	- Finished goods		15.69	28.84
	- WIP		1.83	8.40
	- Stock in Trade		74.54	69.64
	Total	28	**14.82**	**0.32**

*excluding R & D inventory.

29	**Employee benefit expenses**			
	Salaries, wages and bonus		235.25	254.24
	Contribution to provident fund & superannuation scheme		14.22	15.01
	Gratuity (Refer note 34)		4.41	4.53
	Staff welfare expenses		14.46	16.86
		29	**268.34**	**290.64**

Note: For managerial remuneration refer note 38 (e)

(All amounts are in Millions in INR, unless otherwise stated)

30	**Finance Costs**			
	Interest Expenses (relating to lease liabilities)		1.75	2.14
		30	**1.75**	**2.14**
31	**Depreciation and Amortisation Expense**			
	Depreciation of property, plant and equipment (refer note 3)		39.39	45.01
	Depreciation of right of use assets (refer note 3b)		4.62	4.61
	Amortisation of intangible assets (refer note 3)		0.80	0.59
		31	**44.81**	**50.21**
32	**Other expenses**			
	Packing & forwarding		23.46	27.95
	Consumption of stores		12.42	13.30
	Tools consumed		2.52	3.44
	Commission		27.12	28.01
	Repairs and maintenance			
	Building		0.96	1.15
	Plant and machinery		3.52	6.02
	Others		1.34	1.42
	Communication expenses		1.09	2.61
	Power and fuel		8.66	10.79
	Transport charges		29.20	26.42
	Travelling & conveyance		16.69	40.93
	Insurance		1.43	1.22
	Advertisement & publicity		1.86	2.92
	Printing and stationery		1.00	1.82
	Research & Development Charges		6.75	7.49
	Bad debts/advances written off		2.34	3.76
	After sales expenses		38.98	38.36
	Factory expenses		0.40	0.01
	Rates and taxes		0.61	4.66
	Payment to the auditors (refer note 32(a) below)		1.05	1.00
	Subscription & membership		0.06	0.33
	CSR expenses (refer note 32(b) below)		2.50	2.59
	Rent		1.72	2.26
	Legal and consultancy charges		24.07	35.71
	Directors' sitting fees		-	0.20
	Bank charges		0.73	1.63
	Excise duty paid		2.82	0.84
	Miscellaneous expenses		18.32	20.54
		32	**231.62**	**287.38**
32(a)	**Details of payments to auditors**			
	Payment to the auditors			
	- Audit fees		1.00	0.95
	- Reimbursement of out of expenses		0.05	0.05
	Total	32(a)	**1.05**	**1.00**
32(b)	**Corporate social responsibility expenditure**			
	Contribution to LRG Foundation		2.50	2.59
	Total	32(b)	**2.50**	**2.59**
	Amount required to be spent as per Section 135 of the Companies Act, 2013		2.49	2.30
	Amount spent during the year on			
	(i) Construction/acquisition of an asset		-	-
	(ii) On purposes other than (i) above		2.50	2.59

(All amounts are in Millions in INR, unless otherwise stated)

33

Income tax expense			
(a) Income tax expense			
Current tax			
Current tax on profits for the year		40.66	40.28
Adjustments for current tax of prior periods		0.76	-
Total current tax expense		**41.42**	**40.28**
Deferred tax			
(Decrease) increase in deferred tax liabilities		(6.27)	(9.97)
Total deferred tax expense/(benefit)		**(6.27)**	**(9.97)**
Income tax expense		35.15	30.31
(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:			
Profit from continuing operations before income tax expense		133.75	119.40
Profit from discontinuing operation before income tax expense		-	-
Tax at the Indian tax rate of 25.168%		33.67	30.05
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:			
Corporate social responsibility expenditure (net of 80G benefit)		0.31	0.33
Tax adjustment pertaining to prior years		0.76	-
			-
Others		0.41	(0.07)
Income tax expense		**35.15**	**30.31**

(c) The newly introduced section 115BAA in the Income tax Act, 1961 allows a domestic company to pay income tax at the rate of 22% with applicable surcharge and cess. This is subject to conditions that the company will not avail the specified exemptions, deductions and incentives. For the purpose of estimating the tax expense from FY 2019-20, the Company has considered the tax rate prescribed under the section 115BAA i.e. effective tax rate of 25.168%.

(All amounts are in Millions in INR, unless otherwise stated)

34 Employee benefit obligations

(i) Leave obligations

The leave obligations cover the Company's liability for earned leave.

Total provision for compensated absences of INR 12.25 million and INR 11.89 million as on March 31, 2021 and March 31, 2020 respectively. The Provision amount of Rs.3.29 Million (March31, 2020 - 3.41 Million) is presented as current.

(ii) Defined contribution plan

Provident fund:

The Company has certain defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation.

Superannuation fund:

The company contributes a percentage of elgible employees salary towards supernnauation fund administered by ATS Elgi Limited Superannuation Fund and managed by Life Insurance Corporation of India.

The expense recognised during the period towards defined contribution plan is Rs. 1.93 Million (March 31, 2020 - Rs.2.01 Million).

(iii) Post-employment benefit obligation - Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement/termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity is a funded plan and the Company makes contribution to recognised fund in India. The Company does not fully fund the liability and maintains a target level of funding to be maintained over a period of time based on estimations of expected gratuity payments.

The amounts recognised in the balance sheet and the movements in the net defined benefit obligation over the year are as follows:

Particulars	**Present value of obligation**	**Fair value of plan assets**	**Total**
April 1, 2019	29.75	32.65	(2.90)
Current service cost	4.35	-	4.35
Past service cost	-	-	-
Interest expense/(income)	2.08	1.90	0.18
Total amount recognised in profit or loss	**6.43**	**1.90**	**4.53**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in assumptions	-	-	-
Experience (gains)/losses	(3.65)	0.13	(3.78)
Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	**(3.65)**	**0.13**	**(3.78)**
Employer contributions	-	-	-
Benefit payments	(4.05)	(4.05)	**0.00**
March 31, 2020	**28.47**	**30.62**	**(2.15)**
April 1, 2020	28.47	30.62	(2.15)
Current service cost	3.96	-	3.96
Past service cost	-	-	-
Transfer In / (Out)	0.47		0.47
Interest expense/(income)	1.83	1.85	(0.02)
Total amount recognised in profit or loss	**6.26**	**1.85**	**4.41**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	-
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	-	-	-
Experience (gains)/losses	(0.43)	0.13	(0.56)
Changes in asset ceiling excluding amounts included in interest expense	-	-	-
Total amount recognised in other comprehensive income	**(0.43)**	**0.13**	**(0.56)**
Employer contributions	-	-	-
Benefit payments	(1.42)	(1.42)	-
March 31, 2021	**32.89**	**31.18**	**1.70**

(All amounts are in Millions in INR, unless otherwise stated)

The net liability disclosed above relates to funded plans are as follows:

Particulars	March 31, 2021	March 31, 2020
Present value of funded obligations	32.89	28.47
Fair value of plan assets	31.18	30.62
Deficit of funded plan	**1.71**	**-2.15**

(iv) Post-employment benefits

The significant actuarial assumptions were as follows

Particulars	March 31, 2021	March 31, 2020
Discount Rate	6.40%	6.50%
Rate of increase in compensation levels	6.00%	6.00%
Attrition Rate	14.00%	14.00%
Expected rate of return on Plan Assets	6.50%	7.50%

(v) Sensitivity Analysis

Particulars	March 31, 2021	March 31, 2020
A. Discount Rate + 50 BP	6.90%	7.00%
Defined Benefit Obligation [PVO]	32.04	27.73
B. Discount Rate - 50 BP	5.90%	6.00%
Defined Benefit Obligation [PVO]	33.74	29.24
C. Salary Escalation Rate +50 BP	6.50%	6.50%
Defined Benefit Obligation [PVO]	33.59	29.11
D. Salary Escalation Rate -50 BP	5.50%	5.50%
Defined Benefit Obligation [PVO]	32.18	27.96

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the defined benefit liability recognised in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

(vi) The major category of plan assets are as follows:

	March 31, 2021	March 31, 2020
Fund Managed by LIC of India	100.00%	100.00%
	100.00%	**100.00%**

The expected rate of return on assets is determined based on the assessment made at the beginning of the year on the return expected on its existing portfolio, along with the estimated increment to the plan assets and expected yield on the respective assets in the portfolio during the year.

(vii) Risk exposure

The Company operates the gratuity Plan through ATS Elgi Limited Gratuity Fund which is invested in Life Insurance Corporation of India.

Asset volatality: A large portion of the investment made by the LIC is in government bonds and securities and other approved securities. Hence, the Company is not exposed to the risk of asset volatality as at the balance sheet date.

Changes in bond yield: A decrease in bond yield will increase plan liabilities, although this will be partially offset by an increase in value of plan's bond holdings.

Inflation risks: In the pension plans, the pensions in the payment are not linked to inflation, so this is a less material risk.

(viii) Defined benefit liability and employer contributions

The weighted average duration of the defined benefit obligation is 6.99 years (March 31, 2020 – 7.27 years). The following payments are expected contribution to defined benefit obligation in the future years.

Particulars	March 31, 2021	March 31, 2020
Within next 12 months (next annual reporting period)	5.85	5.22
Between 1 to 2 years	5.19	3.78
Between 2 to 5 years	15.48	13.96
Beyond 5 years	24.88	22.27
Total	**51.40**	**45.23**

(All amounts are in Millions in INR, unless otherwise stated)

35 Fair value measurements

Financial instruments by category

	March 31, 2021			March 31, 2020		
	FVTPL	**FVOCI**	**Amortised cost**	**FVTPL**	**FVOCI**	**Amortised cost**
Financial assets						
Loans	-	-	10.50	-	-	10.70
Trade receivables	-	-	193.70	-	-	181.68
Cash and bank balance	-	-	525.97	-	-	184.92
Security deposits	-	-	4.54	-	-	4.20
Others			138.13			293.61
Total financial assets	**-**	**-**	**872.84**	**-**	**-**	**675.11**
Financial liabilities						
Trade payables	-	-	207.72	-	-	197.23
Dealer deposits	-	-	10.13	-	-	8.38
Others	-	-	41.78	-	-	47.58
Total financial liabilities	-	-	**259.63**	-	-	**253.19**

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

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

At March 31, 2021	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets					
Loans					
Loans to employees	5, 12	-	-	10.50	10.50
Security deposits	6	-	-	4.54	4.54
Total financial assets		**-**	**-**	**15.04**	**15.04**
Financial liabilities					
Borrowings		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

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

At March 31, 2020	**Notes**	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets		-	-	-	-
Total financial assets		**-**	**-**	**-**	**-**
Financial liabilities					
Foreign exchange forward contracts		-	-	-	-
Total financial liabilities		**-**	**-**	**-**	**-**

(All amounts are in Millions in INR, unless otherwise stated)

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

At March 31, 2020	Notes	Level 1	Level 2	Level 3	Total
Financial assets					
Loans to employees	5, 12	-	-	10.70	10.70
Security deposits	6	-	-	4.20	4.20
Total financial assets		-	-	**14.90**	**14.90**
Financial liabilities					
Borrowings		-	-	-	-
Total financial liabilities		-	-	-	-

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

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

(ii) Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:
-the fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date
-the fair value of the remaining financial instruments is determined using discounted cash flow analysis

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

	March 31, 2021		March 31, 2020	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets				
Loans to employees	10.50	10.50	10.70	10.70
Security deposits	4.54	4.54	4.20	4.20
Total financial assets	**15.04**	**15.04**	**14.90**	**14.90**
Financial liabilities				
Borrowings	-	-	-	-
Total financial liabilities	-	-	-	-

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

The fair values for loans and security deposits were calculated based on cash flows discounted using a current lending rate. The security deposits are payable on demand and hence their carrying amount is considered as fair value.

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

(All amounts are in Millions in INR, unless otherwise stated)

36 Financial risk management

The company's activities expose it to market risk, liquidity risk and credit risk.

This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the impact of hedge accounting in the financial statements

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, trade receivables, Deposits with financial institution and financial assets measured at amortised cost.	Ageing analysis Credit ratings	Diversification of bank deposits, credit limits and letters of credit
Liquidity risk	Other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting Sensitivity analysis	Forward Foreign Exhange Contracts

The company's risk management is carried out by a central treasury department under policies approved by the board of directors. Company's treasury identifies, evaluates and hedges financial risks in close co-operation with the company's operating units. The board provides written principles for overall risk management, as well as policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

(A) Credit risk

Credit risk arises from cash and cash equivalents, contractual cash flows from debt instruments carried at amortised cost, favourable derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to customers including outstanding receivables.

(i) Credit risk management

For banks and financial institutions, only high rated banks/institutions are accepted.

The Company assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal and external ratings in accordance with the limits set by the Company. The finance function consists of a separate team who assess and maintain an internal credit rating system. The compliance with the credit limits by customers is regularly monitored by the finance function.

(ii) Security

For some trade receivables, the Company may obtain security in form of guarantees, deeds of undertaking or letter of credit, which can be called upon if counter party is in default under the terms of the agreement. However, the Company has not obtained any such securities for its trade receivables outstanding at the reporting date.

(iii) Impairment of financial assets

The company assigns the following internal credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of the financial asset. The Company provides for expected credit loss based on the following:

Internal rating	Category	Description of category	Basis for recognition of expected credit loss provision	
			Loans and deposits	Trade receivables
C1	High quality assets, negligible credit risk	Assets where the counter-party has strong capacity to meet the obligations and where the risk of default is negligible or nil	12-month expected credit losses	Life-time expected credit losses (simplified approach)
C2	Doubtful assets, credit impaired	Assets are written off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the company. Where loans or receivables have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.	Asset is written off	

For the Year ended March 31, 2020 & March 31, 2021:

(a) Expected credit loss for loans and security deposits

The estimated gross carrying amount at default is Rs. NIL (March 31, 2020: NIL) for loans and deposits. Consequently there are no expected credit loss recognised for these financial assets.

(b) Expected credit loss for trade receivables under simplified approach
Customer credit risk is managed by the Company based on the Company's established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an on an internal credit rating system. Outstanding customer receivables are regularly monitored and and assessed for its recoverability.
An impairment analysis is performed at each reporting date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 9. The Company evaluates the concentration of risk with respect to trade receivables as low, as its customers has sufficient capacity to meet the obligations and the risk of default is negligible.

(iv) Reconciliation of loss allowance provision - Trade receivables

Loss allowance on April 1, 2019	4.75
Write-off	3.76
Changes in loss allowance	0.51
Loss allowance on March 31, 2020	**9.02**
Write-off	2.34
Changes in loss allowance	(2.11)
Loss allowance on March 31, 2021	**9.25**

(All amounts are in Millions in INR, unless otherwise stated)

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by maintaining availability under committed credit lines. Management monitors rolling forecasts of the company's liquidity position on the basis of expected cash flows.

(i) Financing arrangements

The Company has sufficient cash balance to fund its operations and accordingly has not entered into facilities with bank.

(ii) Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:
a) all non-derivative financial liabilities, and
b) net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

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

Contractual maturities of financial liabilities:

Particulars	Less than 3 months	3 months to 6 months	6 months to 1 year	Between 1 and 2 years	Between 2 and 5 years	Total
March 31, 2021						
Non-derivatives						
Lease Liabilites	1.10	1.13	2.35	5.06	5.58	15.22
Trade payables	207.72	-	-	-	-	207.72
Other financial liabilities	33.03	-	3.66	-	-	36.69
Total non-derivative liabilities	**241.85**	**1.13**	**6.00**	**5.06**	**5.58**	**259.63**
Derivatives (Net Settled)	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-
March 31, 2020						
Non-derivatives						
Lease Liabilites	1.00	1.00	2.14	4.56	10.66	19.36
Trade payables	197.23	-	-	-	-	197.23
Other financial liabilities	32.87	-	3.73	-	-	36.60
Total non-derivative liabilities	**231.10**	**1.00**	**5.87**	**4.56**	**10.66**	**253.19**
Derivatives (Net Settled)	-	-	-	-	-	-
Total derivative liabilities	-	-	-	-	-	-

(C) Market risk

(i) Foreign currency risk

The company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, JPY and EUR. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows.

(Amount in million in INR Equivalent)

Particulars	March 31, 2021			March 31, 2020		
	USD	EUR	JPY	USD	EUR	JPY
Financial assets						
Trade receivables	6.69	2.29	-	3.54	-	-
Net exposure to foreign currency risk (assets)	**6.69**	**2.29**	**-**	**3.54**	**-**	**-**
Financial liabilities						
Trade payables	2.64	5.52	0.12	3.95	4.89	1.92
Net exposure to foreign currency risk (liabilities)	**2.64**	**5.52**	**0.12**	**3.95**	**4.89**	**1.92**

Sensitivity

The sensitivity of profit or loss to changes in the exchange rates arises mainly from foreign currency denominated financial instruments

Particulars	Impact on profit after tax (in INR Mn)	
	March 31, 2021	March 31, 2020
USD sensitivity		
INR/USD Increases by 5%	0.15	(0.02)
INR/USD Decreases by 5%	(0.15)	0.02
EURO sensitivity		
INR/EURO Increases by 5%	(0.12)	(0.18)
INR/EURO Decreases by 5%	0.12	0.18
JPY sensitivity		
INR/JPY Increases by 5%	(0.00)	(0.07)
INR/JPY Decreases by 5%	0.00	0.07

* amount in bracket represents losses

(All amounts are in Millions in INR, unless otherwise stated)

37 Capital Management

a) Risk Management
The Company's Objectives when managing capital are to
- Safeguard their ability to continue as going concern, so they can continue to provide returns for shareholders and benefits for other stakeholders, and
- Maintain an optimal capital structure to reduce the cost of capital.

b) Dividends

Particulars	March 31, 2021	March 31, 2020
i) Equity Shares		
Final dividend for the year ended March 31, 2021 of Rs. Nil (March 31, 2020 - Rs. 650) per fully paid share	-	58.50
DDT on final dividend	-	12.02

ii) Dividends not recognised at the end of the reporting period

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs. 650 per fully paid equity share (March 31, 2020 - Rs. Nil). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

38 Related Party Transactions

a) Parent entity
The Company is controlled by the following entity:

Name	Type	Place of incorporation	Ownership interest	
			31-Mar-21	31-Mar-20
Elgi Equipments Limited	Immediate and Ultimate parent entity	India	100%	100%

b) Fellow subsidiaries with whom transactions have taken place during the year:

Name of entity	Place of business
Ergo Design Private Limited	India

c) Other companies with whom transactions have taken place during the year in which key managerial personnel are interested

Elgi Ultra Industries Limited
Elgi Rubber Company Limited

d) Key Management Personnel

Mr. Jairam Varadaraj, Chairman
Mr. Praveen Tiwari, Managing Director

e) Key management personnel compensation

Particulars	March 31, 2021	March 31, 2020
Total compensation	8.16	7.89
Sitting Fees of the directors	-	0.04

*The above Key management personnel compensation does not include gratuity since the same is computed actuarially for all the employees and amount attributable to key management personnel cannot be ascertained separately.
The remuneration paid to the Managing Director is in accordance with the provisions of Section 197 read with schedule V to the Companies Act, 2013.

f) Transactions with related parties

The following transactions occurred with related parties:

Particulars	Holding Companny		Fellow subsidiary and others	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Sale of goods	68.81	78.34	0.67	1.08
Purchase of goods	1.35	3.36	0.47	0.89
Receiving of Services	24.65	25.06	5.22	14.59
Interest				
- Received from related parties	-	-	-	-
Reimbursement of Expenses				
- By related parties	-	-	-	-
Loans repaid				

g) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

Particulars	Holding Company		Fellow subsidiary and others	
	March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Payable at the end of the year	2.36	2.37	0.96	1.99
Total payables to related parties	**2.36**	**2.37**	**0.96**	**1.99**
Receivable at the end of the year	11.62	13.62	-	0.25
Total receivables from related parties	**11.62**	**13.62**	**-**	**0.25**

h) Terms and Conditions
Transactions were made on normal commercial terms and conditions and at market rates. There were no loans outstanding at any point of time during the year.
All outstanding balances are unsecured and are repayable in cash.

(All amounts are in Millions in INR, unless otherwise stated)

39 Contingent liabilities and contingent assets

(a) Contingent liabilities

i) Claims against the company not acknowledged as debts

The Company has disputed demands for Service tax and Sales Tax amounting to INR 32.72 million and INR 52.17 Million as on March 31, 2021 and March 31, 2020 respectively.
The Company has a deposit of INR 2.73 million and INR 11.79 million against the above mentioned disputes as on March 31, 2021 and March 31, 2020 respectively

The Company has filed appeals with the appropriate authorities of Central Excise and Sales Tax Department against their claims.

ii) The Company has evaluated the impact of the recent Supreme Court Judgment in case of "Vivekananda Vidyamandir And Others Vs The Regional Provident Fund Commissioner (II) West Bengal" and the related circular (Circular No. C-I/1(33)2019/Vivekananda Vidya Mandir/284) dated March 20, 2019 issued by the Employees' Provident Fund Organisation in relation to non-exclusion of certain allowances from the definition of "basic wages" of the relevant employees for the purposes of determining contribution to provident fund under the Employees' Provident Funds & Miscellaneous Provisions Act, 1952. In the assessment of the management, the aforesaid matter is not likely to have a significant impact.

40 Commitments

(a) Capital Commitments

Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is as follows:

Particulars	March 31, 2021	March 31, 2020
Estimated amount of contracts remaining to be executed on capital account	-	13.64

41 Details of dues to Micro, Small and Medium Enterprise under the Micro, Small and Medium Enterprise Development Act, 2006

Particulars		March 31, 2021	March 31, 2020
The Principal amount and Interest amount due to Supplier under the Act	S 22 (i)	49.90	36.65
Interest accrued and due to suppliers on the above amount (Other than Section 16)	S 22 (i)	-	-
Interest paid to suppliers under the Act (Section 16)	S 22 (ii)	-	-
Interest due and payable for delay (for payments during the year beyond due date)	S 22 (iii)	-	-
Payment made to suppliers (other than interest) beyond the appointed day, during the year	S 22 (iii)	-	-
Interest accrued & remaining unpaid at the end of year to suppliers under the Act	S 22 (iv)	-	-
Interest due & payable to suppliers under the Act for payments already made	S 22 (v)	0.06	0.06

The information has been given in respect of vendors to the extent they could be identified as "Micro and Small enterprises" on the basis of information available with the Company.

42 Earnings per share

Particulars	March 31, 2021	March 31, 2020
(a) Basic earnings per share		
Basic earnings per share attributable to the equity holders of the Company	1,095.56	989.89
(b) Diluted earnings per share		
Diluted earnings per share attributable to the equity holders of the Company	1,095.56	989.89
(c) Reconciliations of earnings used in calculating earnings per share		
Basic earnings per share		
Profit attributable to equity holders of the company used in calculating basic earnings per share	98.60	89.09
Diluted earnings per share		
Profit attributable to equity holders of the company		
- used in calculating basic earnings per share	98.60	89.09
- used in calculating diluted earnings per share	98.60	89.09
Profit attributable to equity holders of the company used in calculating basic earnings per share	98.60	89.09
(d) Weighted average number of equity shares used as the denominator in calculating basic earnings per share	0.09	0.09
Adjustments for calculation of diluted earnings per share:	-	-
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share	0.09	0.09

(All amounts are in Millions in INR, unless otherwise stated)

43 Segment Reporting

The Managing Director of the Company has been identified as being the chief operating decision maker. Based on the internal reporting to the Chief operating decision maker, the Company has identified that the Company has only one segment (manufacture and sale of automotive equipments) and accordingly there are no other reportable segments.

The Company is domiciled in India. Information about entity wide disclosures as mandated under Ind AS 108 are as below:

(a) The amount of revenue from external customers broken down by locations of customers is as below:

	March 31, 2021	March 31, 2020
Revenue from sale to external customers		
- India	1,520.91	1,691.57
- Outside India	95.22	108.63
Total	1,616.13	**1,800.20**

Revenue from no single customer contributes to more than 10% of the total revenue.

(b) The total of non-current assets other than financial instruments, deferred tax assets (if any) and post-employment benefit assets broken down by the location of the assets is as below:

	March 31, 2021	March 31, 2020
Non Current Assets		
- India	234.11	278.13
- Outside India	-	-
Total	**234.11**	**278.13**

44 Impact of COVID-19 Pandemic:

The spread of COVID-19 has severely impacted businesses around the globe. While the Company's operations and the financial results for the quarter ended June 30, 2020 were adversely impacted, the Company experienced significant recovery beginning from the quarter ended September 30, 2020.

The situation is constantly evolving and Governments in certain states have imposed various restrictions with the increase in the number of COVID 19 cases during the month of March 2021. The Company has considered various internal and external information available up to the date of approval of financial statements in assessing the impact of COVID-19 pandemic on the financial statements for the year ended March 31, 2021. The uncertainty caused by the current situation is causing delays in the confirmation of customer orders and in executing the orders in hand and increase in lead times in sourcing components. Besides the volatility in commodity prices, container availability and increasing shipping costs are causing inefficiencies and cost challenges in both inbound and outbound supply chain. The situation is likely to continue for next few quarters based on the current assessment. The company is actively monitoring the pandemic situation and its impact on the sales performance across its verticals and taking necessary actions to contain costs to reduce the impact of revenue compression from COVID-19.

As at March 31, 2021, the Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, plant and equipment, Intangible assets, Trade receivables, Inventory and Investments as at the balance sheet date and has concluded that there are no material adjustments required in the standalone financials results. The Company has also evaluated the internal controls including internal controls with reference to financial statements. All the controls are operating effectively and the Company has not diluted any controls.

The Management believes that it has taken into account all the possible impact of known events arising from COVID-19 pandemic in the preparation of standalone financial statements. However, the impact assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. The Company will continue to monitor any material changes to the future economic conditions.

The Statutory auditors have drawn attention to the above matter in their auditor's report.

45 Previous year figures have been regrouped /reclassfied to confirm to current years classification.

As per our reports on even date
For Price Waterhouse Chartered Accountants LLP
Firm Registration Number: 012754N/N500016
Chartered Accountants

For and on behalf of the Board of Directors

BASKAR PANNERSELVAM
Partner
Membership No: 213126

Place: Coimbatore
Date: May 19, 2021

JAIRAM VARADARAJ
Chairman
DIN: 00003361

Place: Charlotte,North Carolina,USA
Date: May 19, 2021

PRAVEEN TIWARI
Managing Director
DIN: 07527226

Place: Coimbatore
Date: May 19, 2021