

TATA AutoComp Systems Limited

CIN: U34100PN1995PLC158999

Registered Office: TACO House, Plot No 20/B FPN085, VG Damle Path Off Law College Road, Erandwana Pune 411 004 India

Tel: 91 20 66085000 Fax: 91 20 6608 5034 email: taco@tacogroup.com website: www.tacogroup.com



22nd Annual Report 2017-18



LEADERSHIP WITH TRUST
— SINCE 1868 —

₹
656,973
CRORE
REVENUE

600
MILLION+
CONSUMERS

In a free enterprise,
the community is not just another
stakeholder in business, but is in fact
the very purpose of its existence.
- Jamsetji Tata

695,699
EMPLOYEES

₹
27,346
CRORE
PROFIT
AFTER TAX

3.98
MILLION
SHAREHOLDERS



150+
COUNTRIES

66%
OF PARENT COMPANY
TATA SONS' EQUITY
SHARE CAPITAL HELD BY
PHILANTHROPIC
TRUSTS

150
YEARS

The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,
to pioneering national institutions,
the Tata Group remains committed to improving the lives of communities
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.



tata150.com



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY SECOND ANNUAL GENERAL MEETING OF TATA AUTOCOMP SYSTEMS LIMITED WILL BE HELD ON THURSDAY, JULY 26, 2018, AT 11:00 AM AT THE REGISTERED OFFICE OF THE COMPANY AT ROOM 51, 5th FLOOR, TACO HOUSE, DAMLE PATH, OFF LAW COLLEGE ROAD, PUNE 411004 TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2018 together with Report of the Directors and Auditors thereon.
2. To receive, consider and adopt the Consolidated Financial Statements of the Company for the year ended March 31, 2018 together with Report of the Auditors thereon.
3. To declare final dividend on Equity shares.
4. To appoint a Director in place of Mr. Ajay Tandon (DIN 00128667) who retires by rotation and being eligible offers himself for re-appointment.
5. To appoint a Director in place of Dr. Gopichand Katragadda (DIN 02475721) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

6. **To ratify remuneration payable to M/s. Harshad S. Deshpande & Associates, Cost Auditors of the Company for the cost audit to be conducted for financial year 2018-19.**

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

“RESOLVED THAT pursuant to provisions of section 148 and any other provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, (including any statutory modifications or re-enactment thereof, for time being in force) M/s. Harshad Deshpande & Associates, Cost Accountants, Pune, Firm Registration No. 00378, the Cost Auditors appointed by the Board of Directors, to conduct the audit of the cost records of the Company for the Financial Year 2018-19 at a remuneration of Rs. 1,51,000/- (Rupees One lakh Fifty One Thousand only) plus reimbursement of out of pocket expenses and applicable taxes be and is hereby ratified.”

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient to give effect to this resolution.”

7. **Approval For Loan, Guarantee or Security**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:



“RESOLVED THAT pursuant to the provisions of Section 185 of the Companies Act, 2013, and Rules made there under and other applicable provisions, if any, the consent of the Shareholders of the Company be and is hereby accorded for granting any loan, giving any guarantee or providing any security not exceeding Rs. 25 Crores (Rupees Twenty Five Crores only) to any person in whom the Directors of the Company is interested in one or more tranches as may be decided by the Board and on such other terms and conditions as may be mutually agreed between both the parties.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such step as may be necessary, in relation to the above and to settle all matters arising out of or incidental thereto, and to sign and execute all deeds, applications, documents and writings that may be required on behalf of the Company and also to delegate all or any of the above power to the Committee of Directors or the Managing Director or the principal officer of the Company and generally to do all acts, deeds and things that may necessary, proper, expedient or incidental for the purpose of giving effect to the aforesaid Resolution.”

8. To appoint Mr. Arvind Goel as Director

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

“RESOLVED THAT pursuant to Section 152(2) of the Companies Act, 2013, Mr. Arvind Goel (DIN 02300813), who was appointed as Additional Director by the Board w.e.f. May 25, 2018 under Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company has received a notice under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as Director of the Company, liable to retire by rotation”.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts, deeds, matters and things, to take all such steps as may be necessary proper and expedient to give effect to this resolution.”

9. To appoint Mr. Arvind Goel as Managing Director & CEO

To consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 203, 196, 197, 198 read with Schedule V and other applicable provisions of the Companies Act, 2013 (including any modification or re-enactment thereof for the time being in force) and subject to the approval of the Central Government, if necessary, approval of the Company be and is hereby accorded to the appointment of Mr. Arvind Goel, as Managing Director & Chief Executive Officer of the Company, with effect from September 6, 2018 for a period of five years or up to age of 65 years whichever is earlier, on the followings terms and conditions as set out in the draft agreement submitted to this meeting and initialed by the Secretary for the purpose of identification, which agreement is hereby specifically sanctioned with liberty to the Directors to alter and vary the terms and conditions of the said appointment and/ or agreement in such manner as may be agreed between the Directors and Mr. Arvind Goel:



Designation	Managing Director & Chief Executive Officer
Tenure	Period of five years or up to age of 65 years whichever is earlier
Salary	Basic Salary of Rs. 4,90,200/- per month, with annual increments effective 1st April every year as may be decided by the Remuneration & Nomination Committee of the Board to review and revise the same from time to time.
Commission/ Performance Bonus	Upto a maximum of 24 months' Basic Salary for a financial year, to be approved by the Remuneration Committee of the Board.
Perquisites and Allowances	<p>In addition to the salary and performance bonus, the Managing Director shall be entitled to perquisites and allowances such as:</p> <ul style="list-style-type: none">a) House rent allowance aggregating to 75% of the Basic Salary;b) Medical reimbursement of 8.33% of the Basic Salary;c) Leave travel allowance of 8.33% of the Basic Salary;d) Other Allowances of 37% of the Basic Salary;e) Retiral Benefits consisting Provident Fund, Superannuation Fund and Gratuity Fund of about 31.81% of the Basic Salary;f) Two company provided motor cars with fuel and maintenance at actuals with drivers/reimbursement of drivers salaries as per Company rules; hospitalisation; Telecommunication facilities as per Company rules;g) Memberships of one or more clubs including entrance fees, annual fees or the like;h) Personal accident insurance in accordance with the rules of the Company. <p>In addition to the above, Mr. Arvind Goel shall be entitled to any other benefit including to encashment of leave as per the rules of the Company.</p>

RESOLVED FURTHER THAT notwithstanding anything herein, where in any financial year during the currency of tenure of the Managing Director, the Company has no profits or its profits are inadequate, the Company shall pay Mr. Arvind Goel, remuneration by way of salary and perquisites specified above subject to requisite approvals and limits, if any, as may be required under the Companies Act, 2013 and the Rules made thereunder.

RESOLVED FURTHER THAT the Board of Directors or Nomination and Remuneration Committee be and are hereby authorised to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution.”

By order of the Board
For Tata AutoComp Systems Limited

sd/-
Ashish Boradkar
Company Secretary
(M. No.: A15036)

Date : May 25, 2018
Place : PUNE



Notes :

- (a) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business as set out above is annexed hereto.
- (b) **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.THE PROXIES TO BE EFFECTIVE SHOULD BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.**
- (c) Members/proxies should bring duly-filled Attendance Slip sent herewith to attend the meeting.
- (d) Dividend if approved shall be paid to those Shareholders whose name is appearing on the Register of Members on the date of this meeting.
- (e) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
- (f) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to the Company.
- (g) Members desirous of receiving any information on Accounts or other items of Notice are requested to forward their queries to the Company at least ten working days prior to the date of Annual General Meeting so as to enable the management to keep the information ready.



ANNEXURE TO NOTICE

Explanatory Statement

As required by Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out all the material facts relating to the business mentioned above to the Notice.

Item No. 4

The profile of Directors who shall be retiring by rotation and eligible for re-appointment is as given below:

Profile of Mr. Ajay Tandon

Mr. Ajay Tandon, 59 years of age, is an Engineering graduate from Indian Institute of Technology (IIT), Madras and has completed Post Graduate Diploma in Management from Indian Institute of Management (IIM), Ahmedabad. Mr. Tandon joined Tata Johnson Controls Automotive, the then Joint Venture of the Company on December 1, 2006. He has over 32 years of work experience. Before joining TACO, Mr. Tandon worked with General Motors India, Godrej GE Appliances Ltd and Godrej & Boyce Mfg Co Pvt. Ltd.

No other Directors and Key Managerial Personnel or their relatives other than Mr. Ajay Tandon are concerned or interested in the said Resolution.

The Board recommends the resolution set forth in Item No. 4 of the accompanying notice for approval of the members as Ordinary Resolution.

Item No. 5

Profile of Dr. Gopichand Katragadda

Dr. Gopichand Katragadda, 50 years of age, is the Tata Group Chief Technology Officer and Innovation Head. In this role, Gopi facilitates the development of pioneering products and services, strategic technology collaborations, and evangelizes innovation across the \$100B Group. He also serves as a Director on the boards of Tata Elxsi, Tata Communications, Tata Teleservices, Tata Autocomp Systems, and Flisom AG.

Previously, as Chairman and Managing Director, he helped grow GE's largest R&D Centre – the John F. Welch Technology Centre, to be amongst the world leaders in intellectual property generation. Gopi also served as the chairman for GE-BEL.

Before joining GE, Gopi was the VP of Technology at the US based Karta Technologies. Here, Gopi led the development of advanced sensor technology for US government agencies and research consortiums. He also was an Adjunct Professor at the University of Texas and served on the Board of Directors for Texas Public Radio.

Gopi provides the voice of technology for various Government of India organisations. He chairs the CII National Technology Committee and the CII Western Region Innovation Taskforce. He is the India chair for the UK-India Joint Economic and Trade Committee.

Gopi is a Fellow of the Institute of Engineering and Technology. He is a GE Certified Six Sigma Master Black Belt. Gopi has over 30 publications and 5 patents. He has authored a book on innovation - "SMASH," currently in its second edition, published by Wiley. He contributed to the establishment of the Advanced Materials CoE at IIT-Madras and the Advanced Manufacturing CoE

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TATA AUTOCOMP SYSTEMS LIMITED

CIN: U34100PN1995PLC158999

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Tel: 91 20 66085000 Fax: 91 20 6608 5034 email: taco@tacogroup.com website: www.tacogroup.com



at IIT-Kharagpur. Gopi has helped set up and has driven the ongoing Tata research collaborations with Harvard and Yale.

Gopi holds MS and PhD degrees in Electrical Engineering from Iowa State University, Ames, Iowa.

No other Directors and Key Managerial Personnel or their relatives other than Dr. Gopichand Katragadda are concerned or interested in the said Resolution.

The Board recommends the resolution set forth in Item No. 5 of the accompanying notice for approval of the members as Ordinary Resolution

Item No 6

The Board of Directors at their meeting held on May 25, 2018, on recommendation of the Audit Committee, approved the appointment of M/s. Harshad Deshpande & Associates, Cost Accountants, Pune, as the cost auditors of the Company to conduct the audit of the cost records of the Company for the financial year 2018-19 at a remuneration of Rs. 1,51,000/- (Rupees One lakh Fifty One Thousand only) plus reimbursement of out of pocket expenses and applicable taxes. Pursuant to the provisions of the Section 148 of the Companies Act read with the Companies (Cost Records and Audit) Rules, 2014 and amendment thereof, consent of the members is sought for passing an ordinary resolution as set out at item no. 6 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2018-19.

None of the Directors, Key Managerial Personnel or their relatives are interested in the said resolution.

The Board recommends the resolution set forth in Item No. 6 of the accompanying notice for approval of the members as Ordinary Resolution.

Item No 7

The Company is proposing to advance loan, give guarantee and provide security to its various Joint Ventures Companies enabling them to achieve and facilitate speedy implementation of various projects. It is proposed that the Board of Directors of the Company be authorised to advance loan, give guarantee and provide security aggregating to an amount not exceeding Rs. 25 Crores (Rupees Twenty Five Crores Only) to any person in whom the Directors of the Company is interested

Particulars of Loan:

Sr. No.	Type of Arrangement	Amount (Rs.)	Purpose
1.	Loan, Guarantee or Security	25 Crores Only	For the principle business activity of the entity

As per Section 185 of the Companies Act, 2013 as amended from time to time, a Company cannot advance any loans, give Guarantee or provide any security to any person in whom the Directors of the Company is interested unless it is authorised by a Special Resolution of its Members. Hence, it is necessary to obtain approval for the same from the Members by passing a Special Resolution.



Therefore, the Board of Directors recommends the proposed resolution set out in item No. 7 as Special Resolution for your approval

None of the Directors (Except Mr. Ajay Tandon and Mr. Arvind Goel) & Key Managerial Personnel (Except Mr. Deepak Rastogi,) or the relatives of Directors or Key Managerial personnel are concerned or interested in the proposed resolution.

Item No 8

Pursuant to Section 161 of the Companies Act, 2013, Mr. Arvind Goel will hold office upto the date of this AGM. The Company has received notice in writing under the provision of Section 160 of the Companies Act, 2013, from a member proposing his candidature for the office of Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

No other Directors and Key Managerial Personnel or their relatives other than Mr. Arvind Goel are concerned or interested in the said Resolution.

The Board recommends the resolution set forth in Item No. 8 of the accompanying notice for approval of the members as Ordinary Resolution.

For Brief Profile of Mr. Arvind Goel refer explanatory Statement to Item No. 9 of this notice.

Item No. 9

Mr. Ajay Tandon's term as MD & CEO comes up for renewal on 5th September 2018. Mr. Tandon has expressed his desire not to offer his candidature for renewal as he would like to pursue other interests.

Consequently, the Board of Directors of the Company at its meeting held on May 25, 2018 approved the appointment of Mr. Arvind Goel as MD & CEO designate and he will take over as MD & CEO of the Company with effect from September 6, 2018 for a period of five years or up to age of 65 years whichever is earlier. A brief profile of Mr. Arvind Goel is given hereunder:

Profile of Mr. Arvind Goel

Mr. Arvind Goel, 60 years of age, joined Tata AutoComp in 2008 as President and Head Business Group where he was responsible for a group of Business Units of Tata AutoComp. Mr. Goel was then elevated to the position of COO and President Strategic Growth, where he was responsible for Mergers and Acquisitions. Under his leadership, Tata AutoComp entered into 3 new Joint Ventures and acquired TitanX, a global leader in Engine and Powertrain cooling system based in Sweden. TitanX has plants across North America, Latin America, Europe and China. Mr. Goel also serves on the Boards of some companies within Tata AutoComp.

Prior to joining Tata AutoComp, he was the President and COO of Man Trucks where he started a greenfield project having a capacity of 24,000 trucks per annum. He has to his credit implemented this project in less than 30 months with a high degree of localization in Engine, Gear Box, and Axle as well as Vehicle assembly. Mr. Goel was earlier associated with Force Motors, Bajaj Tempo and Kirloskar Oil Engines at various leadership positions. He has actively worked in functions like Engineering, Manufacturing and also has been a Profit Center head earlier.



Mr. Goel holds a degree of BE Mechanical from NIT Kurukshetra. He has also attended several leadership and skill enhancement programs including Advanced Leadership Development at Center for Creative leadership at Singapore and Strategy creation by Harvard.

Mr. Goel has also been an active member of various industry bodies and currently serves on the Executive Committee of Automotive Components Manufacturers Association (ACMA).

In compliance with Schedule V and other applicable provisions of the Companies Act, 2013 the appointment and remuneration as specified above is now being placed before the Members in general meeting for their approval.

The Board recommends the resolution set forth in item no. 9 of the accompanying notice for approval of the members as Special Resolution.

None of the Directors of the Company, except Mr. Arvind Goel is concerned or interested in the said resolution.

By order of the Board
For Tata AutoComp Systems Limited

sd/-
Ashish Boradkar
Company Secretary
(M. No.: A15036)

Place: Pune
Date: May 25, 2018



ATTENDANCE SLIP
(To be presented at the entrance)
Annual General Meeting

Folio no. / *Client ID	
*DP ID	
No. of Shares	

* Applicable for Investors holding shares in electronic form.

Name of the Member / Proxyholder**.....
(In BLOCK letters)

I certify that I am a Member / Proxyholder for the Member of the Company.

I hereby record my presence at the Annual General Meeting of the Company held on Thursday, July 26, 2018 at 11:00 a.m. at the registered office of the Company.

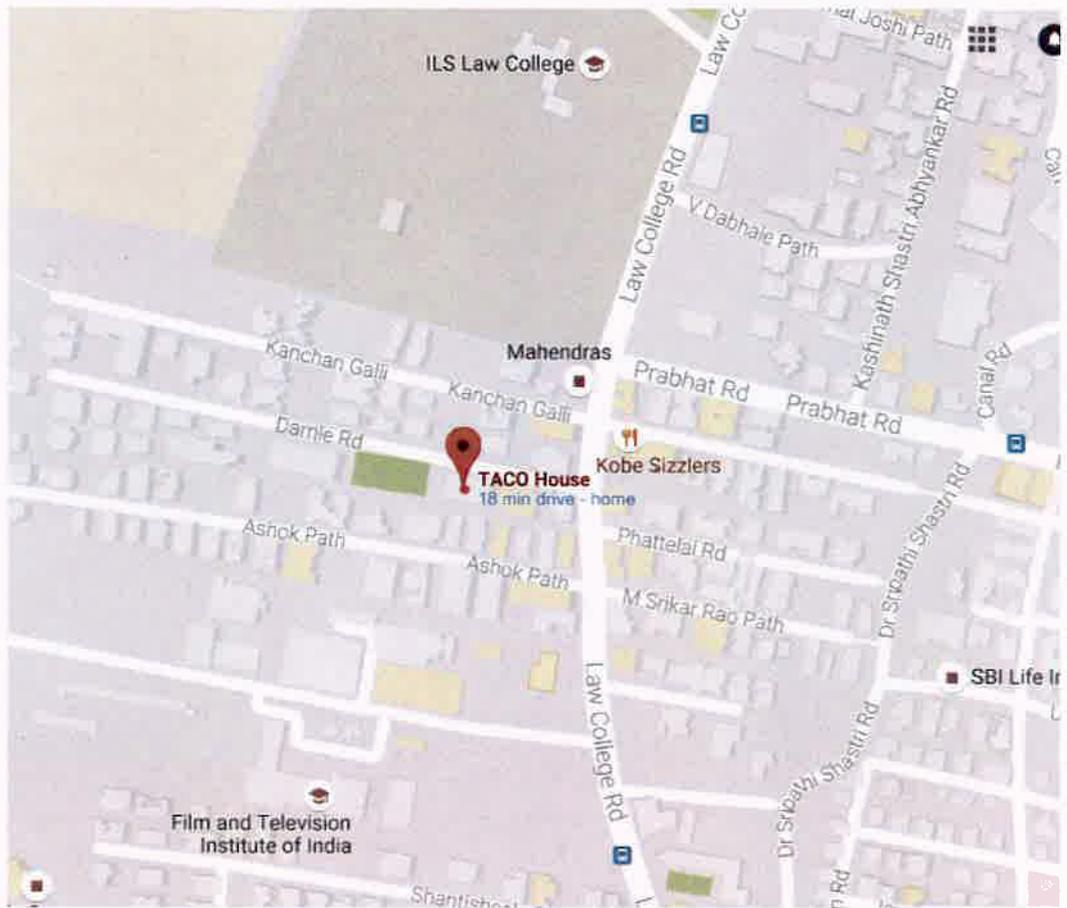
.....
Signature of the Member/Proxy holder

** Strike out whichever is not applicable.

Note: Please fill up this attendance slip and hand it over at the entrance of the meeting hall.



Route Map





**FORM NO. MGT-11
PROXY FORM**

[Pursuant to Section 105(6) of the Companies Act, 2013 & Rule 19(3) of the Companies (Management & Administration) Rules, 2014]

Name of the Member(s)	
Registered Address	
E-mail ID	
Folio No. /*Client ID:	
*DP ID:	

**Applicable for investors holding shares in electronic form.*

I/We being the member(s) of _____ shares of the above named Company, hereby appoint:

1	Name:	
	Address:	
	E-mail ID:	
	Signature	

or failing him

2	Name:	
	Address:	
	E-mail ID:	
	Signature	

or failing him

3	Name:	
	Address:	
	E-mail ID:	
	Signature	



and whose signature(s) are appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Thursday, July 26, 2018 at 11:00 a.m. at the Registered Office of the Company and at any adjournment thereof in respect of such resolutions as are indicated below:

RESOLUTIONS	FOR	AGAINST
1) To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2018 together with Report of the Directors and Auditors thereon.		
2) To receive, consider and adopt the Consolidated Financial Statements of the Company for the year ended March 31, 2018 together with Report of the Auditors thereon.		
3) To declare final dividend on Equity shares.		
4) To appoint a Director in place of Mr. Ajay Tandon (DIN 00128667), who retires by rotation and being eligible offers himself for re-appointment.		
5) To appoint a Director in place of Dr. Gopichand Katragadda (DIN 02475721) who retires by rotation and being eligible offers himself for re-appointment.		
6) To ratify remuneration payable to M/s Harshad S. Deshpande & Associates, Cost Auditors of the Company for the cost audit to be conducted for financial year 2018-19.		
7) Approval For Loan, Guarantee or Security		
8) To appoint Mr. Arvind Goel as Director		
9) To appoint Mr. Arvind Goel as Managing Director & CEO		

Signed this ____ day of _____.



Signature of Shareholder

Signature of First Proxy Holder

Signature of Second Proxy Holder

Signature of Third Proxy Holder

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Twenty Second Annual Report of the Company together with the Audited Statement of Accounts and the Auditors' Report of your Company for the financial year ended, March 31, 2018. The key highlights for the year ended March 31, 2018 are as under:

1. Financial Results:

The key financials for the year are as set out below:

Particulars	Rs. in Crs.			
	Standalone results		Consolidated results	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations	1,139.15	1,004.66	3,163.03	1,855.38
Other income	76.27	82.13	79.54	61.25
Total income	1,215.42	1,086.79	3,242.57	1,916.63
Expenses				
Cost of materials consumed	641.36	493.37	1,842.79	999.53
Purchases of stock-in-trade	93.36	125.35	93.36	125.35
Changes in inventories of finished goods, stock-in-trade and work in progress	0.03	(6.21)	2.69	(11.01)
Excise duty	21.45	89.22	26.25	114.26
Employee benefits expense	135.35	128.61	639.28	299.74
Finance costs	13.03	12.62	63.10	33.41
Depreciation and amortization expense	22.25	23.01	156.89	64.11
Other expenses	166.69	143.43	401.68	254.44
Total expenses	1,093.52	1,009.40	3,226.04	1,879.83
Profit before exceptional items and tax	121.90	77.39	16.53	36.80
Share of net profit of jointly controlled entities accounted for using the equity method	-	-	58.77	39.45
Profit before exceptional items and tax	121.90	77.39	75.30	76.25
Exceptional items	-	-	-	12.84
Profit before tax	121.90	77.39	75.30	89.09
Tax expense:	23.82	17.73	8.71	25.99
Current tax	24.46	15.00	26.27	18.47
Deferred tax	(0.24)	1.24	(17.16)	7.52
Short provision for tax in respect of earlier period	(0.40)	1.49	(0.40)	-
Profit for the year	98.08	59.66	66.59	63.10
Other Comprehensive Income (OCI)				
Items that may be reclassified to profit or loss				
Exchange differences on translation of foreign operations	-	-	7.37	(11.31)
Effective portion of gains/(losses) on hedging instruments in cash flow hedges	-	-	(16.37)	-
Tax on above	-	-	2.95	-
Items that will not be reclassified subsequently to profit or loss				
Remeasurements (loss) / gains of post-employment benefit obligations	1.53	(3.19)	9.41	(2.69)
Tax on above	(0.30)	1.14	(0.30)	1.33
Other OCI	-	-	-	(1.20)
Share of other comprehensive income of jointly controlled entities accounted for using the equity method	-	-	0.03	(0.22)
Other comprehensive income for the year	1.23	(2.05)	3.09	(14.09)
Total comprehensive income for the year (TCI)	99.31	57.61	69.68	49.01



Profit attributable to :				
Owners of the company	-	-	78.69	63.86
Non-controlling interest	-	-	(12.10)	(0.76)
	-	-	66.59	63.10
Other comprehensive Income attributable to:				
Owners of the company	-	-	3.70	(13.97)
Non-controlling interest	-	-	(0.61)	(0.12)
	-	-	3.09	(14.09)
Total comprehensive income is attributable to:				
Owners of the company	-	-	82.39	49.89
Non-controlling interest	-	-	(12.71)	(0.88)
	-	-	69.68	49.01

2. Performance Overview:

The consolidated Income for FY 17-18 is Rs 3242.57 Cr (FY 2016-17 Rs. 1916.63 Cr) with a profit attributable to owners of the Company of Rs 78.69 Cr (FY 2016-17 Rs. 63.86 Cr). The similar figures for Standalone basis are Rs. 1215.42 Cr (FY 2016-17 Rs. 1086.79 Cr) with PAT of Rs. 98.08 Cr (FY 2016-17 Rs. 59.66 Cr).

The Company's sales are higher as compared to last year. The sales are higher mainly for full year sales of the newly acquired company (TitanX) and also increase in Sales in some of the Business Units etc. The Profit attributable to owners of the Company has gone up from Rs 63.86 Cr to 78.69 Cr. The profitability has further improved due to various measures taken by your Company like improvement in productivity, operational efficiency, EBITDA improvement initiatives etc.

Your Company maintained its thrust on working capital management, resulting in a higher negative working capital as on 31st March, 2018.

3. Standalone Financial Performance

During the year under review, your Company earned a total income of Rs. 1215.42 Crores for the year ended March 31, 2018, as against Rs. 1086.79 Crores for the previous year ended March 31, 2017, increase of 11.84%. The profit after tax (PAT) for the year under review has been Rs. 98.08 Crores as against Rs. 59.66 Crores during the previous year (An increase of 64.40%). The profit was higher due to increase in other income, favorable product mix and EBITDA improvement initiatives.

4. Consolidated Financial Performance

During the year under review, your Company and subsidiaries (the Group) earned a total consolidated income of Rs. 3242.57 Crores for the year ended March 31, 2018 as against Rs. 1916.63 Crores for the previous year ended March 31, 2017, increase of 69.18%. The profit attributable to the owners of the Company for the year under review has been Rs.78.69 Crores, as against Rs. 63.86 Crores during the previous year.

5. Aggregate Financials

The aggregate sales of the Company are Rs. 4941.50 Crs for FY 2017-18 as compared to Rs. 3206.86 Crs for FY 2016-17 (an increase of 54.09%). The aggregate PAT of the



Company is Rs. 129.88 Crs for FY 2017-18 as compared to Rs. 112.26 Crs for FY 2016-17.

6. Consolidated Business Performance and State of Affairs of the Company

Domestic Sales in Passenger Vehicles industry (Car and UV) grew by 5.49% in FY 17-18, as compared to previous year growth of 9.42%. MHCV segment has grown by 0.35% this year (Last year 0.42%). However, LCV segment has grown by 17.78% (Last year 4.97%).

The business performance in the current year is better than the last year for most of the Business Units except some, where the profitability has been impacted due to operational issues, foreign exchange movements etc. Your company continued its focus on the EBITDA improvement initiatives, stiff control over Net Working Capital etc.

Some of the BU's have already started their commercial production in the new manufacturing facility at Chakan, Phase II.

7. Industry structure and development:

In FY 2017-18, Auto Industry witnessed a Domestic growth of 14.78 per cent. The Passenger Vehicle segment registered a growth of 5.49 per cent which includes passenger car vehicles and utility vehicles. Within this segment, the Utility vehicle market grew at 19.92 per cent due to new launches in the compact Utility Vehicle segment like FCA Jeep, Tata Nexon and Toyota Innova Crysta whereas the Passenger Car segment grew at 1.03 per cent. The Commercial Vehicle segment grew by 10.40 per cent driven by LCV segment which grew by 17.78 per cent. The Two wheeler segment registered a growth of 16.12%, whereas the three wheeler segment registered a growth of 30.39 per cent.

GDP growth of Indian economy is estimated to be around 7.2%. (Source: RBI)

The chart given below shows the production of various categories of vehicles during FY 2017-18 vis-à-vis FY 2016-17.

Segment	2017-18	2016-17	% Growth
Passenger cars	27,39,899	27,11,911	1.03
Utility vehicles	10,90,744	9,09,555	19.92
Vans	1,79,730	1,80,204	-0.26
Passenger Vehicles	40,10,373	38,01,670	5.49
M&HCVs	3,43,951	3,42,761	0.35
LCV	4,67,492	5,50,600	17.78
Commercial vehicles	8,10,253	8,94,551	10.40
Three Wheelers	10,21,911	7,83,721	30.39
Two wheelers	2,31,47,057	1,99,33,739	16.12
Quadricycle	1,713	1,584	8.14
Total of All Categories	2,90,75,605	2,53,30,967	14.78

Source SIAM report



8. Information on Joint Venture and subsidiaries:

A. Closure of TACO Kunststofftechnik GmbH (TKT), Germany and TACO Grundstücksverwaltungs GmbH (TGV), Germany.

During the year the two subsidiary Companies of TACO viz., TACO Kunststofftechnik GmbH (TKT) and TACO Grundstücksverwaltungs GmbH, which were under the control of Administrator got dissolved.

B. Merger of TitanX

During the year TitanX Engine Cooling Holding AB (Sweden) got merged into TitanX Holding AB (Step Down Subsidiary of the Company in Sweden)

9. Health and Safety

Your Company is committed to provide a safe, secure and healthy workplace and this has been enumerated in the Safety and Health policy which is part of the overarching Wellness strategy of our Company. The company has therefore adopted a comprehensive approach to implement this by adopting 'Total Safety Culture' concept across its operations. There is a continued focus on tracking of "near miss" incidences, which has resulted in reduction of reportable accidents, first aid injuries, and non-reportable accidents. There are 4 reportable accidents in the year out of which 2 were fatal accidents.

Your Company has initiated a process of implementation of the British Safety Council (BSC) Standards at all plants of the Business Units. Out of 36 plants, 13 plants have achieved BSC Five Star Rating, 20 plants have achieved BSC Four star rating and 2 plants have achieved BSC Three star rating. 1 plant was not considered in view of its shifting. For next year, your Company is targeting Five Star Rating at all its plants.

The approach to safety has been strengthened in all operations of your Company. Regular safety drills and safety audits are conducted at each of the facilities besides appropriate training to the employees.

Further, an emphasis was given for environment protection and accordingly out of 36 plants 30 plants have got ISO 14001 (EMS) and OHSAS 18001 certification and remaining 6 new plants are targeted to get the certification by December 2018. Your company celebrates Environment Day and Safety Week across all locations.

Your Company has adopted Sustainability Policy of the Tata Group. Each BU maps its carbon footprint and water consumption (domestic & industrial) and endeavor to reduce the same. This year with the help of TATA Sustainability Group (TSG), we have identified 13 Key Sustainability parameters and mapped into Focus, Track & Review priorities. We have finalized KPIs and shall start tracking the same for the year 2018-19.

Your Company had brought a major focus on Health Wellness Initiative across various business units and approximately 3340 employees have been covered so far. Out of 550 employees identified for critical ailment, 456 employees have shown improvements in their health during the year. There is positive improvement in health index year on year. With a view to monitor Health of the employees at Pan India level through E-platform, your company has made tie up with the renowned service provider.



10. Dividend:

Based on the Company's performance, the Directors are pleased to recommend for approval of the members equity dividend of Rs. 2/- per share amounting to Rs. 40,25,62,716/- (Rupees Forty Crores Twenty Five Lac Sixty Two Thousand Seven Hundred and Sixteen Only) excluding dividend distribution tax for the year ended March 31, 2018 (previous year Rs. 2/- per share).

11. Share Capital:

The paid up Equity Share Capital as on 31st March, 2018 was Rs. 2,012,813,580/-.

During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. As on 31st March, 2018, none of the Directors of the Company hold shares of the Company.

12. Transfer to Reserves in terms of the Companies Act, 2013:

During the year Company has not transferred any profit from Profit and Loss Account to General Reserve Account as under the Companies Act' 2013 , as it is not mandatory. During the year, the Company has transferred Rs. 75 lac to Debenture Redemption Reserve, as per the provisions of the Companies Act, 2013.

13. Industrial Relations:

Your Company accords high importance to build and sustain healthy industrial relations with the aim of achieving competitive productivity & cordial work environment. The industrial relations continue to remain harmonious. With a view to enhance the involvement and remain focused, the Functional Heads / Departmental Heads of each manufacturing locations are heading Plant Committees e.g. Works Committee, POSH Committee, SHE Committee etc. The Committees have equal representation from workmen, who are also involved in resolving issues and grievances in a time bound manner.

Your company has formed HR help desk initiative to resolve grievances / day to day issues of employees within time bound manner. This results in maintaining transparent culture and help to increase satisfaction level of the employees.

As a result of this, your Company has peacefully signed three wage settlements. For two locations the wage settlement negotiations are in process.

Skill Development:

Your Company recognizes skill development as a critical area for long term value creation. Your Company has Six Skill Development Centers (SDCs) at various locations at Pune

Currently SDC is providing training to approximately 1500 trainees and permanent operators in different business units through well-trained, practically experienced & motivated Instructors. SDCs helps the trainees in building skills sets for multi-dimensional competencies so that the person is ready for employment in any



manufacturing company. The enrolment of the students / Trainees also helps in fulfilling the Affirmative Action (AA) as well as Diversity & Inclusion (D&I) agenda of the Company as we strive to enroll maximum numbers under these categories.

Your Company has already adopted two ITIs, one in Maharashtra (ITI, Kadegaon) & one in Gujarat (ITI, Maninagar, Ahmedabad) under the Public Private Partnership and continues to work with them.

14. Performance of Subsidiaries

The Consolidated Financial Statements of the Company and its subsidiaries, prepared in accordance with IND AS -110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statements of the Company.

The annual accounts of the subsidiaries and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective subsidiary companies and will be available to investors seeking information at any time.

The consolidated financial results reflect the operations of the following subsidiaries.

Subsidiary Companies

- Automotive Stampings and Assemblies Ltd.
- Nanjing Tata AutoComp Systems Ltd.
- Taco Holdings (Mauritius) Limited
- Ryhpez Holding (Sweden) AB
- TACO Engineering Services GmbH
- Automotive Skill Training Foundation
- TACO Engineering (UK) Limited

Performance of Subsidiaries

- (a) **Automotive Stampings and Assemblies Ltd**- Revenue from Operations is Rs. 335.59 Cr. (FY 2016-17 Rs. 329.07 Cr.) and Profit after Taxes Rs. (-) 46.56 Cr. (FY 2016-17 (-) 2.87 Cr.).
- (b) **Nanjing Tata AutoComp Systems Ltd** - Revenue from Operations is Rs. 228.69 Cr. (FY 2016-17 Rs. 200.32 Cr.) and Profit after Tax is Rs. 11.12 Cr. (FY 16-17 Rs. 11.37 Cr.)
- (c) **TACO Holdings (Mauritius) Limited** - Revenue from Operations is Rs. 0.00 Cr. (FY 2016-17 Rs. 0.01 Cr.) and Profit after Tax is (-) 0.12 Cr. (FY 16-17- (-) 0.11 Cr.)
- (d) **Ryhpez Holding (Sweden) AB** - Revenue from Operations is Rs. 1464.79 Cr. (FY 2016-17 Rs. 328.20 Cr.) and Profit after Tax is (-) 22.05 Cr. (FY 2016-17 0.15 Cr.)
- (e) **TACO Engineering Services GmbH** - Revenue from Operations is Rs. 3.16 Cr. (FY 2016-17 Rs. 3.72 Cr) and Profit after Tax is Rs. 0.30 Cr. (FY 16-17 Rs. 0.08 Cr.)
- (f) **TACO Engineering (UK) Limited** - This subsidiary is liquidated as on 11th August 2017.



(g) **Automotive Skill Training Foundation** - Revenue from Operations is Rs. Nil (FY 2016-17 Rs. Nil) and Profit after Tax is (-) 0.02 Cr. (FY 16-17 (-) Rs. 0.02 Cr.)

A statement containing the salient features of the financial position of the subsidiary companies in Form AOC -1 is annexed as **Annexure 4**.

15. Particulars of loans, guarantees or investments:

The Company has not given any loans or guarantees or provided any security during the year in terms of Section 186 of the Companies Act, 2013 except the following:

1. Company has given Loan of Rs. 10.50 Crores to TF.
2. Company has given Loan of Rs. 10.00 Crores to Katcon.
3. Company has given Loan of Rs. 17.50 Crores to ASAL.
4. Company has given Loan of Rs. 87.81 Crores to Ryhpez.
5. Company has given Inter Corporate Deposit of Rs. 115 crores to Tata Motors Limited.

16. Related Party Transactions:

During the year 2017-18, the Company had transactions with related parties as defined under the Companies Act, 2013. The basis of related party transactions is placed before the Audit Committee. All these transactions with related parties were in the ordinary course of business and are at an arm's length basis. There were no material related party transactions during the financial year. Suitable disclosure as required by the IND AS -24 has been made in the notes to the Financial Statements.

There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

17. Listing of Debentures on National Stock Exchange of India Ltd. [NSE]

1000 Unsecured Redeemable Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each aggregating to Rs. 100 Crores listed on National Stock Exchange [ISIN INE928F08026] which are due for redemption on May 20, 2020.

The name and full contact details of Debenture Trustee are given below:
Vistra ITCL (India) Limited
(Formerly known as IL & FS Trust Company Limited)
The IL & FS Financial Centre, Plot C-22,
G Block, Bandra Kurla Complex,
Bandra East, Mumbai – 400 051

Landline + 91 22 2659 3644 | Fax + 91 22 2653 3297 | Web: <http://www.vistra.com>

18. Statement on declaration given by independent Directors under Section 149 (7):

The definition of 'Independence' of Directors is derived from Section 149(6) of the Companies Act, 2013. Based on the confirmation / disclosures received from the



Directors and on evaluation of the relationships disclosed, the following Non-Executive Directors are Independent in terms of Section 149(6) of the Companies Act, 2013 :-

- a) Mr. Hari Mundra
- b) Mr. R. N. Mukhija
- c) Ms. Vedika Bhandarkar

Familiarization programme for Directors:

The Directors (Independent and Non-Independent) are made to interact with Senior Management Personnel and are given all the documents sought by them for enabling a good understanding of the Company, its various operations and the industry of which it is a part.

The role, rights, duties and responsibilities of Independent Directors have been incorporated in the Letters of Appointment issued to them. The amendments / updates in statutory provisions are informed from time to time. The information with respect to the nature of industry in which the Company operates and business model of the Company, etc. is made known through various presentations on operational performance, strategy, budgets & business forecasts, etc. to the Board.

The above initiatives help the Directors to understand the Company, its strategy, business and the regulatory framework in which the Company operates to effectively fulfil their role as Directors of the Company.

19. Explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made in Audit Report:

(i) Statutory audit report: The observations of the auditor in their audit report, read along with the relevant Notes to accounts, are self-explanatory and do not require any additional explanations. The Statutory Auditors have not reported any incident of fraud to the Audit Committee of the Company in the year under review. There are no qualifications, reservations made by BSR & Co. LLP, Statutory Auditors, in their report.

(ii) Secretarial audit report: There are no qualifications, reservations, observations or adverse remarks or disclaimers made by M/s. SVD Associates, Company Secretary in Practice, in their audit report. The Secretarial Audit Report is annexed as Annexure 2.

Material changes and commitments:

Except as disclosed elsewhere in this report, there have been no material changes and commitments which can affect the financial position of your Company occurred between the end of the financial year of your Company and date of this report.

20. Corporate Social Responsibility (CSR):

CSR Initiatives:

TATA Autocomp Systems complied with Section 135 of the Companies Act, 2013. Thereby a CSR policy was formed and the same has been approved by the board of Company. The Company has adopted the following focus areas under the policy:

- a) Early Childhood/Education/Orphanage



- b) Environment conservation
- c) TATA group initiatives on disaster management
- d) Skills

The Company supports orphanages and continue to support Saraswati Anathalay orphanage at Dapodi, Pune, Punaruthan Chinchwad, Pune which enables 388 children to eat two meals a day. The employees of the Company volunteer their personal time at the orphanage for teaching, providing medical care, playing games celebrating festivals etc.

Company continues to support cancer treatment of poor patients through TATA Medical Center Kolkata and St. Jude at Mumbai.

The association for the drought relief work with other TATA group companies continued in Osmanabad district. Kharif crop area is 193% over the previous year and increase in productivity is 176%. This has been possible due to canal deepening work which has helped to recharge wells.

The company has tied up with CII to organize personality development and English Speaking class for 40 students from affirmative category. These students are in the final year. The coaching provided will help them to find jobs.

Health camp for poor auto mechanics was organized at 9 locations which benefited 1800 mechanics. 90 mechanics were trained by TATA Skill development center at Belhe in Motor Mechanic and Auto Consultant trade. 90 % of them have been placed after the training and a few have opened garages.

The company has part sponsored the construction of 4 cancer hospitals being built by Sir Ratan TATA Trust.

Zilla parishad school is being built at Village Koregaon The school has about 170 students upto the 7th grade. Most students are from affirmative category.

1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and reference to the web-link to the CSR policy and projects or programs:

As per Annexure 6.

2. The composition of the CSR Committee:

The Board of Directors have constituted a CSR Committee in accordance with the requirements of Section 135 (1) of the Companies Act, 2013 ("Act"), which currently comprises:

- a) Ms. Vedika Bhandarkar (Independent Director - Chairperson)
- b) Dr. Gopichand Katragadda (Non-Executive Director)
- c) Mr. Ajay Tandon (Managing Director & CEO)



3. Average Net Profit* of the Company for last 3 Financial Years:

(Rs in lacs)

Financial Year	Net Profit*
FY 2014-15	2500.69
FY 2015-16	3896.62
FY 2016-17	4699.78
Average Net Profit	3699.03

**Note: The above net profit has been calculated in accordance with the provisions of Section 198 of the Act and the Companies (Corporate Social Responsibility Policy) Rules, 2014.*

4. Prescribed CSR expenditure (2% of Average Net Profit as indicated in Point No. 3):

The prescribed CSR expenditure for FY 2017-18 was Rs. 73.99 lacs.

5. Details of CSR spend during FY 2017-18:

a. Total amount to be spent: Rs. 73.99 lacs

b. Amount unspent, if any: Rs. 6.77 Lacs

c. Manner in which the amount was spent during FY 2017-18 is detailed below:

Sr No	CSR Project or Activity identified	Sector in which the Project is covered	Projects or Programs 1)Local area or other 2) Specify the State & District where projects or programs undertaken	Amount outlay (budget) project or programs wise in Lacs	Amount spent on the projects or programs sub-heads : 1) Direct expenditure on projects or programs 2) overhead	Cumulative Expenditure upto the reporting period in Lacs	Amount spent Direct or Through implementing Agency
1.	Ration support to SASA and punarutthan orphanage	Orphanage	Pune(Maharashtra)	4	3.82	3.82	Direct
2	Cancer Treatment of women/Buying Of Equipment at Hospital to increase capacity(TATA Medical Center)	Medical	West Bengal Jharkhand Orissa	15	15	18.82	Direct
3.	Cancer treatment of children (St Jude Mumbai)	Medical	Maharashtra	2	3	21.82	Direct



4.	Maharashtra Drought Relief(Phase 3 Last Phase)	Other(TAT A Group initiative)	Osmanabad (Maharashtra)	8	9	30.82	Agency (Paryay)
5.	English Speaking class and Personality development to increase employability for affirmative category	Education	Pune(Maharashtra)	3	3	33.82	Agency (CII Foundation)
6.	Medical camp for motor mechanics	Health	Maharashtra, Gujrat,AP,MP,Uttarakhand	5	8	41.82	Direct
7.	Skill Development(Auto mechanic)	Skills	(Pune) Maharashtra	5	25.70	67.52	Through TATA Strive(TAT A group initiative)
8	Cancer Hospital development	Medical	Jharkhand/Rajasthan./Andhra Pradesh/Assam	9.88	9.88	77.4	Sir Ratan TATA Trust
9	School Development	Education	Chakan	17.82	17.82	95.2	Direct

6. Reason for not spending the Amount: Amount of Rs. 6.77 Lacs is allocated to a project in Chakan. The said project is under completion and the above unspent amount will be accordingly utilized.

21. Awards & Recognitions

During the year, your Company, along with its Business Units received various awards and recognitions from OEM Customers for improvement in performance in terms of delivery and quality; and following are a few of them enumerated below:

Customer	Awards details (2017-18)
Tata Motors	"Agility" award 2017 for its exemplary performance"
General Motors India	Supplier Quality Excellence
VW	Quality Performance Award
Tata Motors	"Best Supply Rating Supplier"
Tata Motors	"Best in Class" award 2017
John Deere	Six Sigma Culture Deployment Award

22. Disclosure regarding receipt of commission by a Director from the holding or subsidiary of a Company, in which such person is a managing or whole-time Director:

It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and all other employees is as per the Remuneration Policy of the Company, attached as



Annexure 5 to the Company. None of the Directors of the Company, who may be a Managing or Whole-time Director of the Company's holding or subsidiary companies, have received any remuneration, including commission from the Company during the year.

23. Public Deposits:

Your Company has not accepted any fixed deposits from the public and there are no outstanding fixed deposits from the public as on March 31, 2018.

24. Risk Management Process:

As per the Risk Management Policy, an assessment of Critical and Non Critical Risks was carried out under Risk Categories of Strategic, Financial, Operational, and Regulatory. Based on that Risk Register is updated with plans to mitigate the Risks in each Risk Category.

25. Internal Financial Control:

The Company has developed a robust Internal Control Framework by documenting Policies and Process Notes, covering major areas under Finance and other Operating Functions. These Policies and Process Notes, together with Financial Powers Policy, Budgeting, ERP based Exception Reports & Controls and Internal Audit mechanism form part of prevailing Internal Control Framework.

Internal Financial Controls, forming part of Internal Control Framework, are adequate and operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatements, whether due to fraud or error.

26. Corporate Governance:

The Company has adopted Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

Policy w.r.t. qualifications, attributes and independence of a Director:

- A Director will be considered as an "Independent Director" (ID) if the person meets with the criteria for 'Independent Director' as laid down in the Act.
- IDs should be thought/practice leaders in their respective functions/domains
- IDs are expected to abide by the 'Code for Independent Directors' as outlined in the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors.



Board Evaluation:

Pursuant to the provisions of the Companies Act, 2013, the Board has carried out the annual performance evaluation for FY 2017-18 of its own performance, the Directors individually as well as the evaluation of the working of its Committees viz. Audit Committee, 'Nomination and Remuneration Committee' for;

- The review of the performance of all the Directors was also evaluated for FY 2017-18 by the 'Nomination and Remuneration Committee'.
- The performance review of the Non-independent Directors was evaluated for FY 2017-18 in the meeting of the 'Independent Directors'.
- The broad criteria followed for evaluation of the performance of individual Directors include:
 - (a) Attendance;
 - (b) Contribution at Board meetings;
 - (c) Guidance/ support to management outside Board/ Committee meetings.

Additionally, for the Chairman of the Board, the key aspects of the role like (a) setting the strategic agenda of the Board with focus on long term value creation for all stakeholders; (b) encouraging active engagement by all the members of the Board and promoting effective relationships and open communication; (c) Communicating effectively with all stakeholders and enabling meaningful relationships were considered.

- The broad criteria followed for evaluation of the performance of the Board and its committees include as applicable (a) Structure of the Board; (b) Meeting of the Board; (c) Functions of the Board; (d) Board & Management.

Board Diversity:

The Board ensures that a transparent Board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender. It is ensured that the Board has an appropriate blend of functional and industry expertise.

Board of Directors & KMPs

Details of Directors or Key Managerial Personnel who were appointed, re-appointed or have resigned during the year:

- No Director or Key Managerial Person has been appointed, retired or resigned during the year.
- Mr. Ajay Tandon and Dr. Gopichand Katragadda, Directors of your Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered themselves for reappointment.

Number of meetings held:

Ten meetings of the Board of Directors were held during the year on April 07, 2017, April 17, 2017, May 19, 2017; July 3 & 4, 2017; July 20, 2017; August 04, 2017; October 11, 2017; November 10, 2017; February 12, 2018, and March 22, 2018.



27. Committees of the Board:

➤ Audit Committee

The Board has Audit Committee comprising of four Directors viz. Mr. Hari Mundra (Chairman), Mr. R. N. Mukhija, Ms. Vedika Bhandarkar and Dr. Gopichand Katragadda. The Statutory Auditors, Internal Auditors along with the Group Chief Financial Officer regularly attend the Audit Committee meetings. The Managing Director & CEO of your Company attends the meeting on invitation.

Six meetings of Audit Committee were held during the year on April 17, 2017, May 19, 2017, July 20, 2017, August 04, 2017, November 10, 2017 and February 12, 2018.

All recommendations of Audit Committee were accepted by Board from time to time.

➤ Nomination and Remuneration Committee (NRC)

The 'Nomination and Remuneration Committee' was constituted pursuant to facilitating review of performance of the senior management personnel. This Committee comprises of Mr. R. N. Mukhija (Chairman), Mr. Praveen Kadle and Mr. Hari Mundra.

During the year, Two meetings were held on May 19, 2017 and March 22, 2018.

The terms of reference of NRC includes:

- a) Recommend to the Board the setup and composition of the Board and its Committees. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a Director".
- b) Periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- c) Recommend to the Board the appointment or reappointment of Directors.
- d) Devise a policy on Board diversity.
- e) Recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by the Committee).
- f) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors.
- g) Formulation of criteria for evaluation of Independent Directors and the Board.
- h) Oversee the performance review process of the KMP and the executive team of the Company.
- i) Recommend to the Board the remuneration policy for Directors, executive team/ KMP as well as the rest of the employees.
- j) On an annual basis, recommend to the Board the remuneration payable to Directors and executive team/ Managerial Person of the Company.
- k) Oversee familiarization programmes for Directors.
- l) Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).



- m) Provide guidelines for remuneration of Directors on material subsidiaries.
- n) Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

The key principles of the Remuneration Policy are enclosed as Annexure 5.

➤ **CSR Committee:**

The Company has constituted a Corporate Social Responsibility (CSR) Committee in accordance with Section 135 of the Companies Act, 2013. The CSR Committee was constituted by the Board of Directors of the Company at its meeting held on March 28, 2014.

The CSR Committee comprises of Ms. Vedika Bhandarkar (Chairperson), Dr. Gopichand Katragadda and Mr. Ajay Tandon.

During the year two meetings of CSR Committee was held on May 19, 2017 and March 22, 2018.

28. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

Accordingly, pursuant to Section 134 (3) (c) and 134 (5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual financial statements for the year ended March 31, 2018, the applicable accounting standards have been followed and there are no material departures;
- b) accounting policies have been selected and applied consistently. Judgments and estimates that are reasonable and prudent have been made, so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the loss of the Company for the year ended on that date;
- c) proper and sufficient care have been taken for the maintenance of accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company, for preventing & detecting fraud and/or other irregularities;
- d) the annual accounts have been prepared on a going concern basis;
- e) internal financial controls have been laid down by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.



29. Policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules made thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company has not received any complaint on sexual harassment during the financial year 2017-18.

30. Details of establishment of vigil mechanism and anti-bribery anti-corruption policy

a) Details of establishment of vigil mechanism

The Company has adopted a Whistle Blower Policy, to provide a formal vigil mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. Whistle Blower Policy is available on the website of the Company at www.tacogroup.com.

b) Anti-Bribery Anti-Corruption Policy.

The company has adopted Anti-Bribery Anti-Corruption Policy applicable to all individuals working at all levels and grades, including directors, senior managers, officers, other employees (whether permanent, fixed-term or temporary), consultants, contractors, trainees, interns, seconded staff, casual workers and agency staff, agents, or any other person associated with our Company and such other persons, including those acting on behalf of your Company. Policy is available on the Company portal.

No instances of violation of this policy are reported during the financial year 2017-18

31. Significant and Material Orders Passed by the Regulators or Courts

No significant material orders have been passed by the Regulators or Courts or Tribunals which would impact the going concern status of the Company and its future operations.

32. Auditors:

a) Statutory Auditors

The Statutory Auditor, M/s. B S R & Co. LLP, Chartered Accountant, (Firm Registration No. 101248W / W-100022) hold office for the period of 5 years from the Annual General Meeting held on 31st July, 2017.

The Company has received the consent letter/certificates from the Statutory Auditors to the effect that their appointment, if made is within the prescribed limits under Section 141 of the Companies Act, 2013 and that they are not disqualified.



b) Cost Auditors

Under an order of the Ministry of Corporate Affairs, your Company has appointed Harshad Deshpande & Associates, Cost Accountants, Pune, Firm Registration No. 00378, as Cost Auditor for the Financial year 2017-18. Your Company recommends the appointment of the same cost auditor for FY 2018-19.

c) Internal Auditor

Your Company carries out internal audit through an outsourced internal audit firm. M/s PWC, the outsourced internal audit firm have done their audit as per the scope of audit determined by the audit committee. Their reports and findings are tabled at the Audit Committee and appropriate corrective actions are taken by the Management. Additionally, your Company's Internal Audit department also undertook various Internal Audit jobs and special assignments as mandated by Audit Committee and business exigencies. They are eligible to get reappointed in your Company during FY 2018-19 and they have shown willingness to accept the appointment if offered to them.

d) Secretarial Auditor

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company had appointed M/s. SVD Associates, Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2018. Your Directors have re-appointed as M/s. SVD Associates, Practicing Company Secretaries, Secretarial Auditors of the Company for the next financial year.

33. Conservation of Energy, Technology Absorption And Foreign Exchange Earnings And Outgo

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

34. Particulars of Employees And Remuneration

The information required under Section 197 (12) of the Act read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as Annexure 7 and 8. Any Shareholder interested in obtaining the same may write to the Company Secretary at the Registered Office of the Company. None of the employees listed in the said Annexure is related to any Director of the Company.

35. Extract of Annual Return

Pursuant to Section 92 (3) of the Act and Rule 12 (1) of The Companies (Management and Administration) Rules, 2014, the extract of Annual Return in form MGT 9 is annexed as Annexure 1.



36. Secretarial Standard

The Company has complied with all the applicable Secretarial Standards.

37. Acknowledgements

The Directors wish to place on record their sincere thanks and appreciation for the support and co-operation extended by financial institution, banks, Central and State Government, customers, employees, suppliers and above all the Members of your Company.

For and on behalf of the Board

Date : May 25, 2018

Place : Pune

sd/-

Chairman

Annexure 1 - Annual Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i)	CIN	U34100PN1995PLC158999
ii)	Registration Date	17/10/1995
iii)	Name of the Company	TATA AUTOCOMP SYSTEMS LIMITED
iv)	Category / Sub-Category of the Company	Company Limited by shares Indian Non- Government company
v)	Address of the Registered office and contact details	TACO House, Damle Path, Off law College Road, Erandwana, Pune 411 004
vi)	Whether listed company	No Debentures are listed on NSE.
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	N.A.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1.	Design, Manufacture and sale of automotive parts for motor vehicles, engineering services, supply chain management services to global automotive industry	34100	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No	Name and address of the company	CIN / GLN	Holding / Subsidiary / Associate	% of shares held	Applicable section
1.	Tata Sons Limited Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001	U99999MH1917PLC000478	Holding	14.25 %	2(46)
2.	Automotive Stampings & Assemblies Limited G-71/2 MIDC Industrial Area, Bhosari, Pune- 411026	L28932PN1990PLC016314	Subsidiary	75%	2(87)(ii)

3.	Automotive Skills Training Foundation TACO House, Damle Path, Off Law College Road, Erandwana, Pune-411004	U80903PN2012NPL145231	Subsidiary	100%	2(87)(ii)
4.	Tata Toyo Radiator Limited SURVEY NO 235/245 Village Hinjewadi Taluka Mulshi, Pune- 411027	U99999PN1997PLC110139	Subsidiary	51%	2(87)(ii)
5.	TACO Holding (Mauritius) Ltd, IFS Court, 28 cyber city, Ebene, Mauritius	NA	Subsidiary	100%	2(87)(ii)
6.	TACO Engineering Services GmbH, Kurt-Blaum-Platz 8, 63450 Hanau	NA	Subsidiary	100%	2(87)(ii)
7.	TACO Sasken Automotive Electronics Ltd. (Under liquidation since 30.9.2010) TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411 004	NA	Subsidiary	50% + 1 share	2(87)(ii)
8.	*TACO Kunststofftechnik GmbH, Gruber Strabe 11, 96271 Grub am Forst / Zeickhorn, Germany.	NA	Subsidiary	100%	2(87)(ii)
9.	**TACO Grundstücksverwaltungs GmbH Gruber Strabe 11, 96271 Grub am Forst / Zeickhorn, Germany.	NA	Subsidiary	100%	2(87)(ii)
10.	Nanjing Tata AutoComp Systems Ltd, No. 986, QingShui Ting East Road Jiangning Economic & Technological Development Zone NANJING 211102 CHINA	NA	Step down Subsidiary	100%	2(87)(ii)
11.	Tata AutoComp GY Batteries Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411004	U31300PN2005PTC021394	Associate	50%	2(6)
12.	Tata Ficosa Automotive Systems Pvt Limited SURVEY NO235\245VILLAGE HINJEWADI, PUNE – 411057	U74999MH1998PTC112992	Associate	50%	2(6)
13.	TM Automotive Seating Systems Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411 004	U34100PN2015PTC154431	Associate	50%	2(6)

14.	Tata Autocomp Katcon Exhaust Systems Pvt. Ltd TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U35900HR2009PTC038884	Associate	50%	2(6)
15.	Tata Autocomp Hendrickson Suspensions Private Limited TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U29130PN2006PTC128649	Associate	50%	2(6)
16.	Ryhpez Holding (Sweden) AB C/o – Baker & McKenzie Advokatbyra KB Box 180 101 23 Stockholm Sweden	NA	Subsidiary	100%	2(87)(ii)

* The Company stand dissolved

** The Company stand dissolved

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	97,920,501		97,920,501	48.65%	97,920,501		97,920,501	48.65	0
e) Banks / FI									
f) Any Other....									
Total shareholding of	97,920,501		97,920,501	48.65%	97,920,501		97,920,501	48.65	0

i) Others (specify)									
Sub-total (B)(1)-									
2. Non-Institutions									
a) Bodies Corp.	103,360,557	250	103,360,807	51.35	103,360,557	250	103,360,807	51.35	
i) Indian									
ii) Overseas									
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh									
c) Others (specify)		50	50	0.00%		50	50	0.00	
Non Resident Indians									
Overseas Corporate Bodies									
Foreign Nationals									
Clearing Members									
Trusts									
Foreign Bodies - DR									
Sub-total (B)(2):-	103,360,557	300	103,360,857	51.35	103,360,557	300	103,360,857	51.35	
Total Public Shareholding (B)=(B)(1)+(B)(2)	103,360,557	300	103,360,857	51.35	103,360,557	300	103,360,857	51.35	
C. Shares held by Custodian for GDRs & ADRs									
Grand	201,281,058	300	201,281,358	100%	201,281,058	300	201,281,358	100%	

Total (A+B+C)									
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ii) Share Holding of Promoters

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tata Industries Limited	69,244,903	34.40%	NIL	69,244,903	34.40%	NIL	0
2	Tata Sons Limited	28,675,598	14.25%	NIL	28,675,598	14.25%	NIL	0

Change in Promoters' shareholding (please specify, if there is no change)

There was no change in the shareholding of promoters during FY 2017-18

SN		Shareholding at the beginning of the year		Cumulative Shareholding during the Year	
		No. of shares	% of total shares of company	No. of shares	% of total shares of company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year				

iii) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)

SN	Name of the Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of	No. of shares	% of total shares of

			company		company
1.	Tata Motors Limited				
	At the beginning of the year	52,333,170	26.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			52,333,170	26.00
2.	Tata Capital Limited				
	At the beginning of the year	48,307,333	24.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			48,307,333	24.00
3.	Tata investment Corporation Limited				
	At the beginning of the year	2,720,054	14.25		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			2,720,054	14.25
4.	Tata Industries Limited Jt. with Mr. S. Sriram				
	At the beginning of the year	150	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			150	0.00
5.	Tata Industries Limited Jt. With Mrs. Deepika Bhagwakar				
	At the beginning of the year	50	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			50	0.00
6.	Tata Industries Limited Jt. With Mr. Nikhil Rughani				
	At the beginning of the year	50	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year				

	specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			50	0.00
7.	Late Mr. Dilip Sudhakar Pendse*				
	At the beginning of the year	50	0.00		
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	N.A.			
	At the end of the year			50	0.00

* Deceased, transmission process going on.

iv) Shareholding of Directors and Key Managerial Personnel:-NIL

SN	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	Nil	Nil	Nil	Nil
	At the end of the year				

Note: No Director individually holds shares of the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	NIL	100,00,00,000	NIL	100,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	3,67,06,849	NIL	3,67,06,849

Total (i+ii+iii)	NIL	103,67,06,849	NIL	103,67,06,849
Change in Indebtedness during the financial year				
* Addition (Interest)	NIL	NIL	NIL	NIL
* Reduction	NIL	NIL	NIL	NIL
Net Change	NIL	NIL	NIL	NIL
Indebtedness at the end of the financial year				
i) Principal Amount	NIL	100,00,00,000	NIL	100,00,00,000
ii) Interest due but not paid	NIL	NIL	NIL	NIL
iii) Interest accrued but not due	NIL	3,67,06,849	NIL	3,67,06,849
Total (i+ii+iii)	NIL	103,67,06,849	NIL	103,67,06,849

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director: -

SN.	Particulars of Remuneration	Ajay Tandon	Total Amount
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,88,20,366	2,88,20,366
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,46,091	12,46,091
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	0	0
2	Stock Option	0	0
3	Sweat Equity	0	0
4	Commission	0	0
	- as % of profit		
	- others, specify...		
5	Others, please specify*		
	Total (A)	3,00,66,457	3,00,66,457
	Ceiling as per the Act	6,03,59,082.31	

B. Remuneration to other Directors:

SN	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	R.N. Mukhija	Hari Mundra	Vedika Bhandarkar	
	Fees for attending Board/Committee Meetings	9,00,000	8,00,000	7,20,000	24,20,000
	Commission	Proposed to be paid after the AGM			
	Others, please specify	-	-	-	
	Total (1)	9,00,000	8,00,000	7,20,000	24,20,000
2.	Other Non-Executive Directors	Praveen Kadle	Gopichand Katragadda	Milind Shahane	
	Fees for attending Board/Committee Meetings	6,00,000	5,40,000	-	11,40,000
	Commission	Proposed to be paid after the AGM			
	Others, please specify	-	-	-	
	Total (2)	6,00,000	5,40,000	-	11,40,000
	Total (B) = (1+2)	15,00,000	13,40,000	7,20,000	35,60,000
	Total Managerial Remuneration				*77,60,000
	Overall ceiling as per Act (1%)	Rs. 1,20,71,816.46/-			

**The Total Amount Includes Commission of Rs. 42,00,000/- paid during the year.*

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD

SI No	Particulars of Remuneration	Key Managerial Personnel		
		Deepak Rastogi (CFO)	Ashish Boradkar (Company Secretary)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,24,28,044	36,24,852	2,60,52,896
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	16,02,578	99,000	17,01,578
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	0	0	0
2	Stock Option	0	0	0

3	Sweat Equity	0	0	0
4	Commission	0	0	0
	- as % of profit			
	others, specify...			
5	Others, please specify*			
	Total	2,40,30,622	37,23,852	2,77,54,474

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES- NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
NIL					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
NIL					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
NIL					
Penalty					
Punishment					
Compounding					

For and on behalf of the Board of Directors

Date : May 25, 2018

Place : Pune

sd/-
Chairman

Form No. MR-3

SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2018

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

To,
The Members,
TATA AUTOCOMP SYSTEMS LIMITED
CIN- U34100PN1995PLC158999
Taco House, Damle Path,
Off Law College Road,
Pune 411004

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Tata Autocomp Systems Limited** (hereinafter called “the Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2018, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2018 according to the provisions of:

- (i) The Companies Act, 2013, the Companies Amendment Act, 2017 (the Act) and the rules made thereunder (in so far as they are made applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (**not applicable to the Company during audit period**);
- (iii) The Depositories Act, 1996⁹ and the Regulations and Bye-laws framed thereunder to the extent of Non Convertible Debentures issued by the Company in dematerialized form;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (**not applicable to the Company during audit period**)
- (b) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; (**not applicable to the Company during audit period**)
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (**not applicable to the Company during audit period**)
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (**not applicable to the Company during audit period**);
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (**not applicable to the Company during audit period**).
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (**not applicable to the Company during audit period**) and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 (**not applicable to the Company during audit period**);

(vi) No law is specifically applicable to the Company.

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.;
- (ii) The Listing Agreement entered into by the Company with Stock Exchange pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the listing of Non-Convertible Debentures issued by the Company.

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

We further report that

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Further, in the incidences where, for the purpose of any Board or Committee Meeting, notice, agenda or notes to agenda are circulated with shorter period of less than seven days, all the Directors including Independent Directors have consented to the shorter period of circulation of the same.

Majority decision is carried through while the dissenting members' views, if any, are captured and recorded as part of the minutes.

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

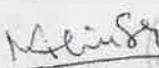
We further report that during the audit period the Company has altered Object Clause of the Memorandum of Association of the Company by passing a Special Resolution at the Annual General Meeting of the Company held on 21st July, 2017.

Place: Pune

Date:

For SVD & Associates:

Company Secretaries


Sridhar Mudaliar

Partner

FCS No. 6156

C P No. 2664



Note: This report is to be read with letter of even date by the Secretarial Auditors, which is annexed as Annexure A and forms an integral part of this report.

'ANNEXURE A'

To,
The Members,
TATA AUTOCOMP SYSTEMS LIMITED
CIN- U34100PN1995PLC158999
Taco House, Damle Path,
Off Law College Road,
Pune 411004

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

Management's Responsibility

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events, etc.

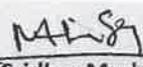
Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Pune

Date:

For SVD & Associates:

Company Secretaries

Sridhar Mudaliar


Partner

FCS No. 6156

C P No. 2664



Annexure 3

Information required as per As per Rule 8 of The Companies (Accounts) Rules, 2014.

ENERGY, TECHNOLOGY AND FOREIGN EXCHANGE EARNINGS & OUTGO:

A. CONSERVATION OF ENERGY:

(a) Energy conservation measures taken :

Interiors & Plastics Division

- 1) Replaced old water cooled Air compressors with High Efficiency air cooled Compressors having Variable frequency drive technology along with IE3 /IE4 efficiency class motors.
- 2) Replacement of Metal Halide, High pressure Sodium Vapor (HPSV) and Fluorescent lamps with LED lights having higher lumen efficacy
- 3) Optimized production shifts to minimize electricity usage during high tariff hours and maximized electricity usage during low tariff hours.
- 4) Maintaining Power factor to unity.
- 5) Optimum usage of Paint Shop ASU Blowers and Utility Equipment such Air compressor, Chiller and Cooling tower
- 6) New Molding Machine added, is with Servo Technology for lower Specific Energy Consumption i.e. SEC Kwh/Kg of plastic Processed. SEC for Servo controlled Molding machine is 0.5 Kwh/kg as against 1.0
- 7) Energy saving by using the Barrel Insulation in IMM
- 8) Cylinder head brass insert machine operation elimination in 450T A M/c
- 9) Energy savings by providing VFD to AHU blower, energy efficient motor in utility & LED lights in shop floor & Office
- 10) Removal of non-efficient 1300TB Heat Exchanger Motor, KUKA Robot vacuum pump to conserve energy

Composites Division

1. Energy optimization by providing VFD at 1500T, 1000T (2) Press high capacity induction motors.
2. Reduced energy by controlling air compressor motor through VFD synchronizing with air pressure sensor which provides optimum air as per demand.
3. Cut off significant energy consumption by replacing all shop floor metal halide lamps by LED high bay lamps. As well office florescent tubes also replaced by LED tubes.
4. DG set running and diesel consumption reduced by synchronizing power panels by bus coupler which helped to avoid multiple DG running in case of minimum load is running.
5. Steam boiler fuel consumption (FO) reduced through derating of burner nozzle as per steam demand.

(b) Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

Interiors & Plastics Division



1. Energy saving by servo motor & Drive technology up gradation in 1300, 450B, 1900 and 2000 Tonnage Molding machine - Proposed in FY 18-19
2. Energy saving by replacing old motors with IE3 energy efficiency class motors in utility- Proposed in 18-19
3. Energy efficient LED lamps in Shop Floor in lieu of T5 lamps
4. Condenser Coil replacement for Chiller Units- Proposed in FY 18-19
5. Replacement of Mist Eliminators in paint Shop to improve Air Supply Unit (ASU) Energy Efficiency- Proposed in FY 18-19
6. MSEDCL Contract demand reduction

(c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

Interiors & Plastics Division

The projects implemented in the plant have resulted in reduction in power consumption by Rs.0.62 Cr in FY 2017-18. Projects include High Efficiency Air Compressors and reduction in Energy losses during plant Startup /Stoppage, mould-machine optimization, Barrel Insulation, Servo system implementation

Rebate of Rs.0.82 Cr is received in Energy Bills for maintaining power factor.

Production realignment for running, energy intensive machinery during economical tariff time slot instead of High tariff slot has fetched TOD (Time of Day) tariff rebate of Rs. 0.12 Cr in Energy Bill.

Investment and saving details of current year and last year are as under:

Year	Investment (Rs. In Crores)	Savings (Rs. In Crores)
2017-18	0.73	1.56
2016-17	0.19	1.46
2015-16	0.08	1.20
2014-15	0.25	1.87
2013-14	1.12	1.41
2012-13	0.18	0.68

B. TECHNOLOGY ABSORPTION

1. Research and Development (R&D)

I) Specific Areas of Research & Development

Interiors & Plastics Division:

- Thickness optimization to achieve light weighting
- Use of Natural Fibers/Biodegradable material
- Pre colored Material Development to Eliminate Painting
- Metallic finish in molded components

Composites Division



- Indigenous source for polyamide based film developed.
- Development of Different grades of SMC & BMC for various applications.
- Development of High strength SMC and pigmented SMC.

II) Benefits derived as a result of the above Research & Development:

Interiors & Plastics Division

The emphasis was given on import substitution of plastics raw material grades for different applications and designing new products with better value add.

- Development of new plastics raw materials grades as import substitutes jointly working with raw material suppliers
- Working with global OEM for development of trims (interior and exterior)
- Development of fabric adhesion technology (adhesive press lamination) on plastic substrate

Composites Division

- Increased sales of in-house developed BMC & SMC
- 36 entries in TACO-Innovista and one entry in Piloted innovation category in final round of TATA-Innovista.
- Commercialization of high impact SMC.
- Roof & 5E fender business started.
- Alternative source for Isophthalic resin and Maleic resin developed.

III) Future Plan of action

Interiors & Plastics Division

In future, our Company plans to work for part integration and plastics recycling technologies as well as new products with enhanced perceived quality and process integration.

- i. Build capability for air vent and mechanism parts
- ii. Integrated higher end assemblies with sensors/ wiring harness
- iii. Work on conversion to plastic products such as front end module, plastic door, tailgate application
- iv. Work for low wall thickness products
- v. Work on decorative technologies to improve perceived quality

Composites Division

1. SMC for Pickup box
2. Light weight SMC
3. Zero shrink electrical grade SMC
4. Exploration of fly ash as filler for SMC



5. Exploration of Graphene for high strength composites.
6. Low emission SMC technology
7. Carbon fibre based Composite technology

2. Expenditure on R&D

(Figures in Rs. Crores)

Particulars	FY 17-18 (Actuals)	Eligible Expenditure u/s 35(2AB)
IPD		
Capital Expenditure on R&D	0.22	0.22
Recurring Expenditure on R&D	4.45	4.45
Total Expenditure on R&D (A)	4.67	4.67
Composites		
Capital Expenditure on R&D	0.07	0.07
Recurring Expenditure on R&D	1.49	1.49
Total Expenditure on R&D (B)	1.56	1.56
(A+B)	6.23	6.23

3. Technology absorption, adaptation and innovation

I) Efforts made in technology absorption, adaptation and innovation

Interiors & Plastics Division

Following efforts were made by your Company in technology absorption, adaptation and innovation:

- Participation 'Tech Shows' at customer sites and technical presentations at customer locations.
- Establishment of Benchmarking and prototyping facilities (Ongoing)
- Implementation of technology demonstration project (thin-walled trim) into OEM programs.
- Implementation of Pre-colored metallic, and soft touch PP in OEM programs

Composites Division

- Development of components previously made of steel, aluminum and engineering thermoplastics into SMC components.
- Indigenization of major ingredients (like resins, low-shrink and low-profile additives, thickener paste, inhibitor solution, etc.) – maintaining profitability and sustainability of the organization.
- In-house capability for BMC formulation design and manufacturing capability developed.



- Participation in International technology conferences, tech shows and hired one international consultant for technology advancement.
- Exploration of advanced materials like carbon fiber, fly ash and Graphene for future.
- Projects for development of lightweight materials (specific gravity 1.2-1.4)

II) Benefits derived as a result of the above efforts

Interiors & Plastics Division

- Development of part-integration capability for high end assemblies
- Cost reduction
- Providing OEMS with end to end solutions

III) In case of Imported Technology, Technology imported during last five years

Technology Imported	Year of Import	Has Technology been fully absorbed	If not fully absorbed, areas where this has not taken place, reasons therefor and future plans of action
Interiors & Plastics Division:			
Thermo casing technology	2008	Yes	
Robotic paint shop	2008	Yes	
Gas injection process for Grab handle	2008	Yes	
2K molding for Pillar trims	2009	No	Instead of pillar trims, technology was used for Fiat Linea Cowl grille.
In Mold Graining for Safari Storme	2011	Yes	
Power wash for paint shop	2016	Yes	
Soft touch material for Paint elimination	2017	Yes	
Fabric Lamination for door trims	2017	Yes	
Composites Division			
RTM Technology	2014	Yes	



C. FOREIGN EXCHANGE EARNINGS AND OUTGO

- (a) **Activities relating to exports; initiatives taken to increase exports; development of new export markets for products and services and export plans:**

During the year there is an increase in export business and Company will continue to work towards adding customers for potential export business.

- (b) **Total foreign exchange used and earned:**

Exports Turnover of your Company for last three financial years is as given below:

Year	Export Turnover (In INR Crores)
2015 – 16	78.67
2016 – 17	78.36
2017 – 18	84.61

In terms of aforesaid Rules, your Company has earned foreign exchange of Rs. 84.61 crores and has spent Rs. 48.14 crores in foreign exchange currency during the last year.

For and on behalf of the Board of Directors

Date : May 25, 2018
Place : Pune

sd/-
Chairman

Annexure 4 Form AOC-1
Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act, 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1
Part A: Subsidiaries

Sr. No.	Name of the subsidiary	Date since when subsidiary was acquired	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Reporting currency	Exchange rate (Refer Note 1)	Share Capital	Reserves & Surplus	Total Assets	Total Liabilities	Investments	Turnover	Profit/(Loss) before taxation	Tax Expense/(Credit)	Profit/(Loss) after taxation	OCI	Profit after OCI	Proposed dividend	% of shareholding
1	Ryhpez Holding (Sweden) AB (Refer Note 2)	2016-17	March 31, 2018	SEK	Closing rate = 7.75 Average rate = 7.72	213.28	(45.66)	1,612.43	1,612.43	-	1,464.79	(99.87)	(17.35)	(22.51)	(24.22)	(46.73)	-	100%
2	Automotive Stampings and Assemblies Limited	2003-04	March 31, 2018	INR	NA	15.86	(44.77)	176.97	176.97	-	335.59	(46.55)	-	(46.54)	0.08	(46.48)	-	73%
3	Taco Holdings (Mauritius) Limited	2004-05	March 31, 2018	EUR	Closing rate = 80.62 Average rate = 75.42	209.36	(156.27)	53.12	53.12	53.10	-	(0.12)	-	(0.12)	-	(0.12)	-	100%
4	Nanjing Tata AutoComp Systems Limited	2006-07	March 31, 2018	RMB	Closing rate = 10.41 Average rate = 9.74	67.80	47.50	283.82	283.82	-	228.77	12.55	1.43	11.12	-	11.12	-	100%
5	TACO Engineering Services GmbH	2013-14	March 31, 2018	EUR	Closing rate = 80.62 Average rate = 75.42	0.20	0.42	0.90	0.90	-	3.16	0.30	0.00	0.30	-	0.30	-	100%
6	Automotive Skill Training Foundation (ASTF)	Under liquidation	March 31, 2018	INR	NA	0.00	(0.10)	0.00	0.00	-	-	(0.02)	-	(0.02)	-	(0.02)	-	100%
7	TACO Saxon Automotive Electronics Limited	Under liquidation	March 31, 2018															
8	TACO Kunststofftechnik GmbH	Under liquidation	March 31, 2018															
9	TACO Grundstücksverwaltungs GmbH	Under liquidation	March 31, 2018															
UNDER LIQUIDATION: HENCE NO FINANCIALS AS OF MARCH 31, 2018.																		
Discontinued on 23-10-2017																		
Discontinued on 24-11-2017																		

Note:

- The accounts of the foreign subsidiaries has been converted at closing rate for Balance Sheet and average rate for Profit and Loss account.
- In case of Ryhpez Holding (Sweden) AB, the above stated figures are before Minority Interest and the share of minority in Profit after tax is (i) Rs. 0.46 Cr, OCI (i) Rs. 0.64 Cr, and PAT after OCI is (i) Rs. 1.10 Cr.

Additional details:

I. Names of subsidiaries which are yet to commence operations Nil

II. Name of subsidiaries which have been liquidated or sold during the year:
1. TACO Engineering (UK) Limited liquidated on 11th Aug 2017

Date : May 25, 2018
Place : Pune
sdl/-
Chairman

For and on behalf of the Board of Directors

Part B: Associates and Joint Ventures
Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of the entity	Latest audited Balance Sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency	Shares of the Associate / Joint Ventures held by the Company as on March 31, 2018		Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to shareholding as per latest balance sheet (₹ crores) (Refer Note 1)	Share of Profit / (Loss) for the year	
				No of shares held by the company in associate / joint venture	Amount of investment in associate / joint venture (₹ crores)				Extent of holding	Considered in Consolidation (₹ crores)
A. Joint Ventures										
TATA AutoComp Hendrickson Suspensions Private Limited	March 31, 2018	23-06-2006	INR	62,10,000	6.21	50.00%	50% Voting power	64.50	34.02	34.02
TATA AutoComp GY Batteries Private Limited	March 31, 2018	10-10-2005	INR	8,87,50,000	88.75	50.00%	50% Voting power	16.18	1.33	1.33
TATA Ficosa Automotive Systems Private Limited	March 31, 2018	14-01-1998	INR	1,87,50,000	18.75	50.00%	50% Voting power	28.43	6.76	6.76
IM Automotive Sealing Systems Private Limited	March 31, 2018	22-05-2015	INR	50,00,000	5.00	50.00%	50% Voting power	5.70	0.60	0.60
Tata AutoComp Katcon Exhaust System Private Limited	March 31, 2018	19-05-2015	INR	48,91,118	3.21	50.00%	50% Voting power	4.29	2.15	2.15
Tata Toyo Radiator Limited	March 31, 2018	15-12-1998	INR	1,63,20,000	16.32	51.00%	51% Voting Power	73.37	14.05	13.49
AIR International TTR Thermal Systems Private Limited	March 31, 2018	10-10-2014	INR	1,00,00,000	10.00	25.50%	25.50 % Voting power	4.70	(0.10)	(0.10)
B. Associates										
There is no Associate Company for TACO										

Note :

1) Networth means TACO's portion of Equity Capital and Reserves and Surplus.

I Name of associates or joint ventures which are yet to commence operation

None.

II Name of associates or joint ventures which have been liquidated or sold during the year

None.

For and on behalf of the Board of Directors

Date : May 25, 2018
Place : Pune

sd/-
Chairman



Annexure 5 - Nomination & Remuneration Policy

Key principles governing this remuneration policy are as follows:

- **Remuneration for Independent Directors and non-independent non-executive directors**
 - Independent Directors (“ID”) and non-independent Non-executive Directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
 - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
 - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate Directors aligned to the requirements of the Company (taking into consideration the challenges faced by the Company and its future growth imperatives).
 - Overall remuneration should be reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay the remuneration.
 - Overall remuneration practices should be consistent with recognized best practices.
 - Quantum of sitting fees may be subject to review on a periodic basis, as required.
 - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
 - The NRC will recommend to the Board the quantum of commission for each Director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by Directors other than in meetings.
 - In addition to the sitting fees and commission, the Company may pay to any Director such fair and reasonable expenditure, as may have been incurred by the Director while performing his/ her role as a Director of the Company. This could include reasonable expenditure incurred by the Director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the Company for Directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a Director.

- **Remuneration for Managing Director (“MD”)/ Executive Directors (“ED”)/ KMP/ rest of the employees**
 - The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:
 - Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
 - Driven by the role played by the individual,
 - Reflective of size of the Company, complexity of the sector/ industry/ Company’s operations and the Company’s capacity to pay,
 - Consistent with recognized best practices and



- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
 - The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
 - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
 - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through reimbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
 - The Company provides retirement benefits as applicable.
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.]
 - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.
- **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such Director in any other capacity unless:

 - a) The services rendered are of a professional nature; and
 - b) The NRC is of the opinion that the Director possesses requisite qualification for the practice of the profession.
- **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

For and on behalf of the Board of Directors

Date : May 25, 2018
Place : Pune

sd/-
Chairman

ANNEXURE 6 CSR Policy of TATA AutoComp Systems Limited

TATA Autocomp Systems Core Values

To improve the quality of life of the communities we serve through long term stake holder value creation.

Philosophy of CSR

TATA Autocomp System will make a positive impact on the Society & Community thru CSR activities which develops/improves their economic status and conserves the environment.

Purpose of CSR Activities

- 1) To serve and be seen to serve the society to fulfill local and national goals in all the countries where we operate.
- 2) Provide opportunities for TACO employees to contribute to these efforts through volunteering

Surplus, if any, arising out of CSR activities shall be ploughed back into CSR and shall not be a part of business profits.

Resources for CSR

We propose to deploy the following resources for our CSR activities

Funds: At the minimum, what is required by law (i.e. 2% of average net profits of the past 3 years as per India's Companies Act 2013 for companies operating in India)

Expertize: Of our Plant CSR committee through structured volunteering program

Products and Services of our Company: Expertize of Internal skill development Centers.

Facilities: Our factories to build skills in areas relevant to our business.

Resources from our business partners: Synergize our efforts with that of JV partners, customers and suppliers.

Resources from other companies within and outside the TACO group: Look for opportunities of Synergies with like-minded organizations outside TACO group of companies.

N.B.

A..The 2% mentioned above is to be applied to TACO's standalone PBT but will exclude the inter-company dividends.

B. The spend on CSR will need resourcing directly by the company by setting up an exclusive CSR department or a Trust of its own or by collaborating with other NGOs.It is clarified that CSR Regulations allow donations to other tax exempted NGOs provided the funds are earmarked as a part of the corpus of that NGO and are used for the specified purposes stated by us. This route will also be taken where ever required.

C. The CSR spend will include both revenue and capital expenditure and the expenditure incurred on capacity creation is counted towards CSR.

Sectors and issues

A) Skills

The company will through its skill development centers set up in the business units and the ITI's adopted by the company (eg . Maninagar and Kadegaon) to build skill in youth's .This would be through vocational training and guidance which will ultimately lead to their livelihood.

In addition community development initiatives will also be run by employees' families who can teach women in rural places about dress designing, cooking etc.

B) Early childhood Education/orphanages/physically challenged

The company encourages volunteering by employees to support early education and health of children living in orphanages. The support would be provided for their education, ration, medical treatment, books etc.

C) Environment Conservation

The company will focus on various activities which conserves the environment eg Tree plantation, focus on 3R (Reduce, Reuse, Recycle) etc

D) Other Initiative

In addition the company would support during natural disasters, calamities and other TATA group initiative. However for disaster & calamity spend the spend should be on account of medical aid (promoting & preventive health care), food supply (eradicating hunger , poverty and malnutrition) & supply of clean water (sanitation and making available safe drinking water).

N.B. The Company will identify specific projects and programs under the above sectors chosen for the CSR spend. It is important to note that one off activities such as marathon; awards etc. are not recognized as CSR. Also the programs should not be a part of company's normal business activities.

Geographies and target communities

The geographical focus of the company's CSR activities will be where we have a significant presence. Currently, these are the states of Maharashtra, Jharkhand, Gujarat, UP, Uttarakhand, Tamil Nadu and Karnataka in India and Nanjing in China. In these geographies, we would concentrate our efforts on villages and habitations within 100 km radius of our plants and offices.

While we will ensure that all communities benefit from our CSR activities, we would focus on those groups that are socially and economically marginalized. This would include physically challenged, girl children, scheduled casts and tribes.

Implementation Mechanism

We will implement our CSR through in house teams and by involving families including Ladies Club of employees.

We will also take help of TATA trusts as per TATA group directions.

Monitoring Mechanism

Each of our CSR projects and programs would have clearly defined output, outcome and process indicators which will have to be reported on at specified frequencies. All projects and program will be monitored by the board appointed

CSR committee and the BU CSR committees. The monitoring process will cover any modifications to the policy, including the CSR structure, program and financial reviews. The CSR Committee will report out to the Board.

All projects and program above a value of Rs. 10 Lac will also be subjected to an annual financial audit by a third-party auditor as part of a regular financial audit.

Composition of CSR Committee

As per the Act a board committee is constituted. The board committee will provide guiding directions to the company on matters of CSR and will regularly monitor progress.

Names of the board Committee members

1. Ms. Vedika Bhandarkar (Chairperson)
2. Dr. Gopichand Katragadda
3. Mr. Ajay Tandon

The committee should approve all CSR projects/programs greater than 10 lacs in a year. It will also approve the NGOs with whom the company will collaborate or contribute to for CSR programs. The committee will also prepare the draft CSR report at the end of the year for approval by the board for reporting to the shareholders. The Committee should meet on a quarterly basis.

For implementation of the overall directions set by the board committee the company will form a BU CSR committee which will have employees from all sections. The CSR committee will do the implementation and report back to the board committee on:

- a) The Company' CSR performance.
- b) Updates on new projects from time to time.

Listing of CSR Program

Sr. No	CSR Project or activity identified	Sector in which the project is covered	Projects or Programs 1) Local area or other 2) specify the State and District where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or programs Sub heads: 1. Direct expenditure on projects or programs 2. Overheads	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1							
2							
3							
4							
5							
6							

For and on behalf of the Board of Directors

Date : May 25, 2018
Place : Pune

sd/-
Chairman



Annexure 7

Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of Directors Report for the year ended March 31, 2018.

1. The ratio of the remuneration of each Director to the median remuneration* of the Employees of the Company for the financial year:

(Explanation: (i) the expression "median" means the numerical value separating the higher half of a population from the lower half and the median of a finite list of numbers may be found by arranging all the observations from lowest value to highest value and picking the middle one; (ii) if there is an even number of observations, the median shall be the average of the two middle values) The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary, or Manager, if any, in the financial year:

** For calculating median remuneration workman trainees are not included.*

- None of the Directors of the Company is in receipt of any kind of remuneration other than the Sitting Fees & Commission.

Non-Executive Directors	Ratio to Median Percentage	Percentage Increase in Remuneration (%)
Mr. Praveen Kadle	5.99:1	35.61
Mr. Ramnath Mukhija	6.20:1	21.55
Mr. Hari Mundra	5.86:1	18.35
Ms Vedika Bhandarkar	4.72:1	61.64
Dr. Gopichand Katragadda	4.59:1	27.47
Mr. Milind Shahane	-	-

- The ratio of remuneration of Managing Director & Chief Executive Officer to the Median Remuneration of all employees who were on the payroll of the Company and the percentage increase in his remuneration during the financial year 2017-18 are given below:

Managing Director & CEO	Ratio of MD's remuneration to Median of all employees	Percentage increase in remuneration #
Ajay Tandon	84.50:1	16.64%

Based on Basic Salary

- The percentage increase in remuneration (Basic salary) of the Chief Financial Officer is 10.01%* and that of Company Secretary was 5.00%*

***Based on basic salary**



2. The percentage increase in the median remuneration of employees in the financial year: 5.63%
3. The number of permanent employees on the rolls of Company: employees: 1280 employees
4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average percentage increase (Increment) in the salaries of employees other than the managerial personnel in the last financial year is 7.75%, as against an increase (Increment) of 10.55 % in the salary of the Key Managerial Personnel.

The increment given to each individual employee is based on the employees' performance and also benchmarked against a comparable basket of relevant companies in India.

5. Affirmation that the remuneration is as per the Remuneration Policy of the Company.

It is affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other employees, adopted by the Company.

For and on behalf of the Board of Directors

Date : May 25, 2018
Place : Pune

sd/-
Chairman

B S R & Co. LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

Independent Auditors' Report

To the Members of Tata AutoComp Systems Limited

Report on the Audit of Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Tata AutoComp Systems Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of the standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit or loss (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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

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

Auditor's Responsibility

Our responsibility is to express an opinion on the standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.



Tata AutoComp Systems Limited

Independent Auditors' Report – 31 March 2018 (continued)

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

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

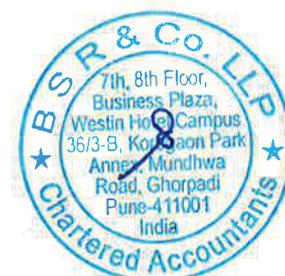
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Other Matters

The comparative financial information of the company for the year ended 31 March 2017 prepared in accordance with standalone Ind AS included in these standalone Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant period. The report of the predecessor auditor on the comparative financial information dated 19 May 2017 expressed an unmodified opinion.



Tata AutoComp Systems Limited

Independent Auditors' Report – 31 March 2018 (continued)

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flow and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 38 to the standalone Ind AS financial statements.



Tata AutoComp Systems Limited

Independent Auditors' Report – 31 March 2018 (*continued*)

Report on Other Legal and Regulatory Requirements (*continued*)

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants
Firm's Registration No: 101248W/ W-100022

sd/-
Swapnil Dakshindas
Partner

Place: Pune
Date: 25 May 2018

Membership No: 113896

Tata AutoComp Systems Limited **Annexure A to the Independent Auditors' Report- 31 March 2018**

Referred to in paragraph 1 of Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the Members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018 we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details, description and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, all of the fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, and on the basis of our examination of the records of the Company, the inventory, except goods-in-transit, has been physically verified by the management during the year. In case of goods-in-transit, subsequent goods delivery documents have been verified. The discrepancies noticed on verification between the physical stocks and book records were not material. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order is not applicable to the Company.
- (iv) According to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees or security to which provisions of Section 185 and 186 of the Act apply. Accordingly paragraph 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits from the public in terms of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules made there under. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government for maintenance of cost records under section 148(1) of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records with a view to determine whether they are accurate or complete.



Tata AutoComp Systems Limited**Annexure A to the Independent Auditors' Report- 31 March 2018 (continued)**

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value Added Tax and any other statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of cess.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Goods and Service Tax, Value Added Tax and any other statutory dues were in arrears, as at 31 March 2018 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us there are no dues of Income Tax, Service Tax, Sales Tax, Duty of Customs, Duty of Excise, Goods and Service Tax and Value Added Tax, which have not been deposited with the appropriate authorities on account of any dispute except the following:

Name of the statute	Nature of dues	Amount involved in INR lakhs.	Amount paid under protest in INR lakhs	Period to which the amount relates	Forum where dispute is pending
Maharashtra Value Added Tax Act, 2002	Sales tax, including applicable interest and penalty	36.52	-	2000-2001	Deputy Commissioner of Sales Tax
Bombay Sales Tax Act, 1959	Sales tax, including applicable interest and penalty	85.40	15.00	2003-2004	Jt. Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Sales tax, including applicable interest and penalty	21.49	5.00	2003-2004	Jt. Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Sales tax, including applicable interest and penalty	62.38	12.00	2005-2006	Jt. Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales tax, including applicable interest and penalty	88.03	9.00	2005-2006	Jt. Commissioner of Sales Tax (Appeals)
Central Sales Tax Act, 1956	Sales tax, including applicable interest and penalty	12.49	7.50	2008-2009	Jt. Commissioner of Sales Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales tax, including applicable interest and penalty	31.50	9.50	2008-2009	Deputy Commissioner of Sales Tax



Tata AutoComp Systems Limited
Annexure A to the Independent Auditors' Report- 31 March 2018 (continued)

Name of the statute	Nature of dues	Amount involved in INR lakhs.	Amount paid under protest in INR lakhs	Period to which the amount relates	Forum where dispute is pending
Central Sales Tax Act, 1956	Sales tax, including applicable interest and penalty	52.81	-	2008-2009	Deputy Commissioner of Sales Tax
Maharashtra Value Added Tax Act, 2002	Sales tax, including applicable interest and penalty	26.26	0.25	2012-2013	Jt. Commissioner of Sales Tax (Appeals)
Gujarat Value Added Tax Act	Sales tax, including applicable interest and penalty	28.43	-	2013-2014	Joint Commissioner of Commercial Tax (Appeal)
Income-tax Act, 1961	Income tax, including applicable interest	192.48	41.00	AY 2007-2008	Assistant Commissioner of Income Tax
Income-tax Act, 1961	Income tax, including applicable interest	698.30	-	AY 2011-2012 & AY 2012-2013	Commissioner of Income Tax Appeals
Income-tax Act, 1961	Income tax, including applicable interest	99.87	-	AY 2010-2011	Income Tax Appellate Tribunal
Central Excise Act, 1944	Customs Duty	167.20	-	2008-2009	Jt. Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	104.77	3.55	2014-2015	Jt. Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	27.86	2.79	2013-14, April 2012 to January 2013, April 2012 to August 2012, September 2012 to January 2013	Deputy Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	0.20	-	2013-2014	Superintendent of Excise
Central Excise Act, 1944	Excise duty	18.87	8.00	2015-2016	Additional Commissioner of Central Excise



Tata AutoComp Systems Limited

Annexure A to the Independent Auditors' Report- 31 March 2018 (continued)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or banks or Government or due to debentures holders as at the balance sheet date.
- (ix) In our opinion and according to the information and explanations given to us, the Company did not raise any money by way of initial public offer, further public offer (including debt instrument) or by way of term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable to the Company.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.
- (xiii) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year. Accordingly paragraph 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with Directors or persons connected with him during the year. Accordingly paragraph 3(xv) of the Order is not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly paragraph 3(xvi) of the Order is not applicable to the Company.

For **B S R & Co. LLP**
Chartered Accountants

Firm Registration No: 101248W/ W-100022

sd/-

Swapnil Dakshindas
Partner

Membership No: 113896

Place: Pune
Date: 25 May 2018

Tata AutoComp Systems Limited

Annexure B to the Independent Auditors' Report

Referred to in paragraph 2(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Company on the Standalone Ind AS financial statements for the year ended 31 March 2018, we report that:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls with reference to financial statements of the Company as of 31 March 2018 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Tata AutoComp Systems Limited
Annexure B to the Independent Auditors' Report (*continued*)

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **B S R & Co. LLP**

Chartered Accountants

Firm Registration No: 101248W/W-100022

sd/-

Swapnil Dakshindas

Partner

Membership No.: 113896

Place: Pune

Date: 25 May 2018



Tata AutoComp Systems Limited
Balance Sheet

Rs. in lakhs

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	4	28,234.87	17,437.14
Capital work-in-progress	4	3,183.16	9,979.82
Intangible assets	5	45.70	84.81
Investments in subsidiaries and jointly controlled entities	6	48,159.58	45,992.08
Financial assets			
(i) Loans	7	11,647.38	2,735.17
(ii) Other financial assets	8	377.62	319.94
Deferred tax assets (net)	9	79.65	852.09
Current tax asset (net)	10	846.75	877.16
Other non-current assets	11	1,166.31	643.67
Total non-current assets		93,741.02	78,921.88
Current assets			
Inventories	12	7,706.32	6,789.46
Financial assets			
(i) Investments	13	12,149.68	23,664.35
(ii) Trade receivables	14	13,361.03	16,519.04
(iii) Cash and cash equivalents	15	1,725.36	584.89
(iv) Loans	7	3,701.78	1,794.58
(v) Other financial assets	8	957.10	1,178.81
Other current assets	16	1,882.30	3,973.65
Total current assets		41,483.57	54,504.78
Total assets		1,35,224.59	1,33,426.66
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	20,128.14	20,128.14
Other equity	18	65,189.20	60,003.11
Total equity		85,317.34	80,131.25
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	10,000.00	10,000.00
(ii) Other financial liabilities	20	718.03	992.36
Provisions	21	2,123.77	2,100.28
Total non-current liabilities		12,841.80	13,092.64
Current liabilities			
Financial liabilities			
(i) Borrowings	22	-	6,546.82
(ii) Trade payables	23		
(a) Total Outstanding dues of micro enterprises and small enterprises		470.26	210.61
(b) Total Outstanding dues of creditors other than micro enterprises and small enterprises		28,207.04	21,370.13
(iii) Other financial liabilities	24	3,343.18	3,520.61
Provisions	21	962.91	3,379.55
Other current liabilities	25	4,082.06	5,175.05
Total current liabilities		37,065.45	40,202.77
Total equity and liabilities		1,35,224.59	1,33,426.66

Summary of significant accounting policies 2-3
See accompanying notes to standalone financial statements 4-54

The notes referred to above form integral part of standalone financial statements

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W / W-100022

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-

Swapnil Dakshindas
Partner
Membership No, 113896

sd/-

Praveen Kadle
Chairman

sd/-

Hari Mundra
Director

Place: Pune
Date: May 25, 2018

sd/-

Ajay Tandon
Managing Director and CEO

sd/-

Deepak Rastogi
Chief Financial Officer

sd/-

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018



Tata AutoComp Systems Limited
Statement of Profit and Loss

Rs. in lakhs

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations (refer note 2.2)	26	1,13,914.88	1,00,465.86
Other income	27	7,627.52	8,213.55
Total income		1,21,542.40	1,08,679.41
Expenses			
Cost of materials consumed	28	64,135.70	49,337.23
Purchases of stock-in-trade		9,335.90	12,535.26
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	29	3.44	(620.58)
Excise duty (refer note 2.2)		2,145.14	8,921.59
Employee benefits expense	30	13,534.74	12,860.88
Finance cost	31	1,303.49	1,262.24
Depreciation and amortization expense	32	2,225.17	2,301.28
Other expenses	33	16,668.54	14,342.53
Total expenses		1,09,352.12	1,00,940.43
Profit before tax		12,190.28	7,738.98
Tax expense:	34	2,382.37	1,772.87
Current tax		2,446.40	1,500.02
(Excess) / short provision for tax in respect of earlier period		(40.00)	148.85
Deferred tax (release) / charge		(24.03)	124.00
Profit for the year		9,807.91	5,966.11
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements gain / (loss) of post-employment benefit obligations		153.32	(318.95)
Income tax relating to items that will not be reclassified to profit or loss		(29.87)	114.37
Total other comprehensive profit / (loss) for the year		123.45	(204.58)
Total Comprehensive Income for the year (TCI)		9,931.36	5,761.53
Earnings per equity share			
Nominal value of an equity share (Rs.)	41	10.00	10.00
Basic and diluted (Rs.)		4.87	2.96

Summary of significant accounting policies 2-3
See accompanying notes to standalone financial statements 4-54

The notes referred to above form integral part of standalone financial statements

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
ICAI Firm Registration No. 101248W / W-100022

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

sd/-
Praveen Kadle
Chairman

sd/-
Hari Mundra
Director

Place: Pune
Date: May 25, 2018

sd/-
Ajay Tandon
Managing Director and CEO

sd/-
Deepak Rastogi
Chief Financial Officer

2x

sd/-
Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018



Tata AutoComp Systems Limited
Statement of changes in equity

Equity share capital

Particulars	Rs in Lakhs
As at April 01, 2016	20,128.14
Changes in equity share capital during 2016-17	-
As at March 31, 2017	20,128.14
Changes in equity share capital during 2017-18	-
As at March 31, 2018	20,128.14

Other equity

Particulars	Reserves and surplus					Total
	General reserve	Capital redemption reserve	Share Premium	Debenture Redemption Reserves	Retained Earnings	
As at April 1, 2016	6,404.76	5,350.00	69.39	2,200.00	45,001.12	59,025.27
Profit for the year	-	-	-	-	5,966.11	5,966.11
Other comprehensive income (net of tax)	-	-	-	-	(204.58)	(204.58)
Dividend on equity shares [Rs.2 per share (previous year Rs.2 per share)]	-	-	-	-	(4,025.63)	(4,025.63)
Dividend distribution tax	-	-	-	-	(758.06)	(758.06)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-
As at March 31, 2017	6,404.76	5,350.00	69.39	2,275.00	45,903.96	60,003.11
As at April 1, 2017	6,404.76	5,350.00	69.39	2,275.00	45,903.96	60,003.11
Profit for the year	-	-	-	-	9,807.91	9,807.91
Other comprehensive income (net of tax)	-	-	-	-	123.45	123.45
Dividend on equity shares [Rs.2 per share (Previous year Rs.2 per share)]	-	-	-	-	(4,025.63)	(4,025.63)
Dividend distribution tax	-	-	-	-	(719.64)	(719.64)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-
As at March 31, 2018	6,404.76	5,350.00	69.39	2,350.00	51,015.05	65,189.20

Summary of significant accounting policies 2-3
See accompanying notes to standalone financial statements 4-54

The notes referred to above form integral part of standalone financial statements

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants
ICAI Firm Registration No. 101248W./ W-100022

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-

Praveen Kadle
Chairman

sd/-

Hari Mundra
Director

sd/-

Ajay Tandon
Managing Director and CEO

sd/-

Deepak Rastogi
Chief Financial Officer

sd/-

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018

Place: Pune
Date: May 25, 2018



Tata AutoComp Systems Limited
Cash Flow Statement

Rs. in lakhs

	Year ended March 31, 2018		Year ended March 31, 2017	
A. Cash flow from operating activities				
Profit before tax		12,190.28		7,738.98
Adjustments for:				
Depreciation and amortisation expense	2,225.17		2,301.28	
Gain on disposal of property, plant and equipment	(2.33)		(4.73)	
Gain on sale of investments in liquid mutual funds	(1,126.32)		(2,678.59)	
Sundry provisions written back	(2,610.33)		(171.81)	
Unwinding of financial guarantee obligation	(312.95)		(78.24)	
Dividend and interest income classified as investing cash flows	(2,779.62)		(2,976.72)	
Finance costs	1,303.49		1,262.24	
Interest income	(738.14)		(378.73)	
		(4,041.03)		(2,725.30)
Operating profit before working capital changes		8,149.25		5,013.68
Change in operating assets and liabilities:				
Trade receivables	3,158.01		(3,448.09)	
Inventories	(916.86)		(792.27)	
Trade payables	9,706.89		4,818.29	
Loans current	26.20			
Other financial assets non-current	(52.82)		94.58	
Other financial assets current	253.59		(313.18)	
Other non-current assets	(522.64)		42.70	
Other current assets	2,091.35		(628.63)	
Provisions- non current	176.81		165.18	
Provisions- current	(2,416.64)		(9.62)	
Other current liabilities	(1,092.99)		284.75	
Other financial liabilities:	(187.81)		325.42	
		10,223.09		539.13
Cash generated from operations		18,372.34		5,552.81
Income taxes paid (net of refund, if any)		(1,609.39)		593.31
Net cash flow from operating activities (A)		16,762.95		6,146.12
B. Cash flow from investing activities				
Purchase of fixed assets, including capital work in progress and capital advances (net)	(6,159.93)		972.68	
Proceeds on sale of fixed assets	24.12		12.12	
Purchase of non current investments	(2,480.45)		(20,747.70)	
Purchase of current investments	(26,560.00)		(49,010.00)	
Proceeds from sale of current investments	39,201.00		64,723.21	
Dividend income	2,779.62		2,976.72	
Fixed deposit with banks (net) having maturity over 3 months	(29.62)		9.58	
Inter corporate deposits / loans given	(19,080.95)		(2,150.00)	
Inter corporate deposits / loans received back	8,235.34		394.39	
Interest received	1,043.97		419.37	
		(3,026.90)		(2,399.63)
Net cash outflow from investing activities (B)		(3,026.90)		(2,399.63)
C. Cash flow from financing activities				
Short term borrowings availed / (repaid)	(6,546.82)		1,035.82	
Finance cost paid	(1,303.49)		(1,261.24)	
Dividend paid (including dividend distribution tax)	(4,745.27)		(4,783.69)	
		(12,595.58)		(5,009.11)
Net cash flow used in financing activities (C)		(12,595.58)		(5,009.11)
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		1,140.47		(1,262.62)
Cash and cash equivalents at the beginning of the year		584.89		1,847.51
Cash and cash equivalents at the end of the year		1,725.36		584.89
Cash and cash equivalents as per above comprise of the following:				
Cash on hand		0.30		0.72
Cheques on hand		46.08		43.64
Balances with banks		1,678.98		540.53
		1,725.36		584.89

Summary of significant accounting policies

2-3

See accompanying notes to standalone financial statements

4-54

The notes referred to above form integral part of standalone financial statements

As per our report of even date.

For BSR & Co. LLP

ICAI Firm Registration No. 101248W / W-100022

Chartered Accountants

For and on behalf of the Board of Directors of

Tata AutoComp Systems Limited

CIN U34100PN1995PLC158999

sd/-

Swapnil Dakshindas
Partner

Membership No. 113896

sd/-

Praveen Kadle
Chairman

sd/-

Hari Mundra
Director

Place: Pune

Date: May 25, 2018

sd/-

Ajay Tandon
Managing Director and CEO

sd/-

Deepak Rastogi
Chief Financial Officer

sd/-

Ashish Boradkar
Company Secretary

Place: Pune

Date: May 25, 2018

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Note 1 : Corporate Information

Tata AutoComp Systems Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered address of the the Company is Taco House, Damle Path, Off Law College Road, Pune, Maharashtra, 411004. The Company provides products and services in the automotive industry to Indian and Global customers. The Company designs, manufactures and supplies a variety of components and assemblies to automotive original equipment manufacturers ("OEM") and other customers.

The Company has fifteen subsidiaries (direct and indirect) and seven jointly controlled entities (together known as the 'TACO Group'). Two subsidiaries and one jointly controlled entity are under liquidation.

The Company's debentures are listed on the Wholesale Debt Market of the National Stock Exchange (NSE).

Note 2 : 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.

2.1 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.

(ii) Historical cost convention

The financial statements have been prepared on a historical cost basis, except for the following:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value; and
- defined benefit plans – plan assets measured at fair value.

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties up to three month ended June 30, 2017. With the onset of Goods and Service Tax (GST) with effect from July 1, 2017, the amount disclosed as revenue is net of the GST collected on behalf of third parties.

The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods:

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Company does not provide any extended warranties or maintenance contracts to its customers.

Sale of tools:

The tooling contracts entered by the Company with customers are regarded a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are the fixed price contracts which are required to be measured and recognised as per the principles laid down under Ind AS 11 and the Company follows the same.

Advances received for tools are reported as customer advances until all conditions for revenue recognition are met.

Income from engineering services:

Revenue is recognised on the basis of time / work completed, since typical Service Level Agreements (SLA) provides for time and material billing model.

Income from administrative services:

Revenue is recognised when the services are rendered in accordance with the agreements with the respective Group companies.

2.3 Functional and presentation currency

Items included in the Company's financial statement are measured using the currency of the primary economic environment in which the Company operates ('functional currency').

Indian Rupees is the functional currency for Tata AutoComp Systems Limited.

The separate financial statements for all the years are presented in Indian Rupees ('presentation currency'), the national currency of India, which is also the functional currency of Tata AutoComp Systems Limited.

2.4 Foreign currency transactions and translation

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date and the resulting exchange difference recognized in the Statement of Profit and Loss.

Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevalent, at the date of initial recognition (in case measured at historical cost) or at the date when the fair value is determined (in case measured at fair value).

Foreign exchange gains / (losses) resulting from such transactions, and from the translation at reporting date exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognized in the Statement of Profit and Loss as foreign exchange gains / (losses).



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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

2.5 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 provided on a pro-rata basis on the straight line method as per rates prescribed in Schedule II to the Companies Act, 2013, except in respect of the following assets (based on technical evaluation):

Class of Asset	Useful life as prescribed in Schedule II of Companies Act, 2013 (In Years)	Useful life as followed by the Company (In Years)
Plant and Machinery		
- Moulds and dies, Material handling equipment etc.	15 (on a single shift basis)	3 to 10 (irrespective of the shift)
- Injection Moulding machine, Paint shop equipment, Power press, Robots etc.	15 (on a single shift basis)	12 to 15 (irrespective of the shift)
Computers and Peripherals		
- Servers and networks	6	4
- End use devices such as desktop, laptops etc.	3	4
Vehicles	8	4

- Improvements to leased premises are depreciated over the balance tenure of leasehold land.

- Leasehold land is amortised on a straight line basis over the period of the lease.

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 gains/(losses).

2.6 Intangible asset

Intangible assets are recognised at historical cost. These assets having finite useful life are carried at cost less accumulated amortisation and impairment losses (if any). Amortization is calculated using the straight-line method over the expected useful life of the intangible assets.

a) Specialised software	4 years
b) Relating to specific vehicle program	On the basis of volumes specified by/ agreed with the customers or on the basis of useful life of the asset, whichever rate is higher

Research and development cost:

Research expenditure and development expenditure that do not meet the criteria mentioned below are recognised as an expense as incurred.

The Company capitalises the expenditure as an intangible assets when 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 asset,
- 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 asset include employee costs and an appropriate portion of relevant overheads.

Development costs for development work reported as assets are amortized over their estimated useful lives; generally 4 / 5 years.

2.7 Borrowing

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired, The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

2.8 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

2.9 Leases

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.10 Inventories

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 weighted average 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.

2.11 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 current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for compensated absences are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 entity does not have an unconditional right to defer settlement for at least twelve 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, pension; and
- (b) defined contribution plans such as provident fund.

(a) defined benefit plans such as gratuity, pension:

Pension and 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 liability recognised in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR 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.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

(b) defined contribution plans such as provident fund.

Provident fund :

The Company pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation fund contribution administered by Life Insurance Corporation of India (LIC). 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.

Bonus :

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.

2.12 Investments and other financial assets

(i) Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortised cost.

The classification depends on the entity'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.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

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:

- 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. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.
- 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 gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.
- 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 gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

Equity instruments

The Company subsequently 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 gain/ (losses) 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.

Investment in subsidiaries and jointly controlled entities

The Company has accounted for its investment in subsidiaries and jointly controlled entities at cost.

(iii) 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 34 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.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

(iv) Derecognition of financial assets

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- 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 entity has transferred an asset, the Company 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 entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity 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.

(v) Income recognition

Interest income

Interest income is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

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.

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/expenses.

Offsetting of 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.

2.13 Impairment

Intangible assets with definite life and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such individual assets or CGU are considered to be impaired, the impairment to be recognized in the Statement of Profit and Loss is measured by the amount by which the carrying value of the asset / CGU exceeds their estimated recoverable amount.

Reversal of impairment loss

An impairment loss for financial assets is reversed if the reversal can be related objectively to an event occurring after the impairment loss has been recognized. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. In respect of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The carrying value of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying value that would have been determined (net of any accumulated depreciation or amortization) had no impairment loss been recognized for the said asset in previous years. The reversal of impairment loss is recognized in the Statement of Profit and Loss.

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.15 Trade receivables

These amounts represent receivable for goods and services provided by the Company prior to the end of financial year which are not received. Trade receivable are presented as current assets unless payment is not due within 12 months after the reporting period. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.16 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.

2.17 Share capital

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.

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.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year.

(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:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.18 Income tax

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. 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. 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.

2.19 Provisions

Provisions 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.

Provisions for restructuring are recognised by the Company when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

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 under finance cost.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the on-going activities of the Company.

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker or decision making group.

2.21 Financial guarantee contract

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind AS 109 and the amount recognised less cumulative amortisation.

2.22 Rounding of amounts

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

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Note 3 (a) : Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provides an overview of the areas that involve a higher degree of judgements or complexities 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 judgements, estimates and assumptions is mentioned below.

Judgements, estimates and assumptions 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.

Significant Judgements

1 Revenue Recognition - Sale of Tools

The tooling contract entered with customers is regarded as a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are fixed price contracts which are required to be measured and recognized as per the principle laid down under Ind AS 11. These principle require the recognition of revenue and expenses under "Percentage of Completion Method". However management has assessed that in case of the Company's tooling contracts the contract costs to complete the contract and the stage of contract completion at the end of the reporting period cannot be measured reliably except at the stage of completion of the tool.

This has resulted in deferral of revenue as per "Percentage of Completion Method".

2 Legal Contingency

The Company has received some orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyzes current information about these matters and makes provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

3 Segment Reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources.

Operating segments are defined as 'Business Units' of the Company about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making group, in deciding how to allocate resources and in assessing performance.

The Company operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of auto component parts from which the Company derives its revenues. The management considers that these business units have similar economic characteristics like the nature of the products and services, the nature of the production processes and nature of the regulatory environment etc.

Based on the management analysis, the Company has only one operating segment, so no separate segment report is given. The principal geographical areas in which the Company operates are India and other countries.

4 Investment in jointly controlled entity

The Company holds 51% interest in Tata Toyo Radiators Limited. Under previous GAAP, the Company had disclosed its interest in the Tata Toyo Radiators Limited as 'Investment in subsidiaries' in financial statements.

On transition to Ind AS the management has evaluated the guidance provided under Ind AS 110, for an investor that holds more than half of the voting rights of an investee, to have power over an investee, the investor's voting rights must be substantive. The Company is the largest shareholder with a 51% equity interest while the remaining shares are held by other Joint Venture partner in Tata Toyo Radiators Limited ("Jointly controlled entity"). Though the Company has majority of voting rights, joint venture agreements in relation to the Tata Toyo Radiators Limited require unanimous consent from all parties for all relevant activities. Hence, the Company has concluded that it does not control the jointly controlled entity. The Company's interest in jointly controlled entity is disclosed as 'Investment in jointly controlled entities' in these financial statements.

Significant estimates and assumptions

1 Impairment in investment of subsidiary and jointly controlled entity : Key assumptions used

Investment in subsidiary and jointly controlled entity are accounted for at cost. Management assesses current and forecasted financial performance of all of its investments to determine whether any investment have suffered impairment on an annual basis. Impairment assessment is based on estimates of future financial performance or opinions that may represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary and the variations may be material.

2 Impairment of financial assets

The impairment provisions for financial assets disclosed under Note 51 are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

3 Fair valuation of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cashflow model (DCF). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 49 for further disclosures.

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Tata AutoComp Systems Limited
Notes forming part of financial statements

4 Defined benefit plan

The cost of the defined benefit gratuity plan, other retirement benefits, the present value of the gratuity obligation and other retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.

The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 35.

5 Deferred Tax

At each balance sheet date, the Company assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted.

Note 3 (b) : Standards issued but not yet effective

Standards issued but not yet effective upto the date of issuance of the Company's financial statements which are applicable to the Company are listed below. The listing of standards issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective i.e. April 1, 2018

Amendment to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

The amendment has been incorporated in Ind AS 21 as Appendix B which clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 115 – Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the impact of this amendment on its financial statements and will apply the standard using the cumulative effective method, with the effect of initially applying IND AS 115 being recognized as an adjustment to the opening balance of retained earnings of the annual reporting period.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Note 4 : Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings	Improvements to leasehold premises	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Computer and peripherals	Total	Capital work-in-progress *
As at March 31, 2017											
Gross carrying amount	1,557.17	193.04	4,416.18	411.80	156.36	13,680.80	164.91	116.59	219.13	20,915.98	12,518.17
Opening gross carrying amount	-	-	36.54	3.00	6.77	951.06	49.84	37.43	21.91	1,106.55	4,223.72
Additions	-	-	-	-	0.71	(6.97)	(31.71)	(6.39)	(1.19)	(45.55)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	(6,762.07)
Closing gross carrying amount	1,557.17	193.04	4,452.72	414.80	163.84	14,624.89	183.04	147.63	239.85	21,976.98	9,979.82
Accumulated depreciation											
Opening accumulated depreciation	-	-	220.51	30.19	20.52	1,849.64	66.70	46.87	94.28	2,328.71	-
Depreciation charge during the year	-	2.00	215.71	27.18	21.87	1,814.19	54.02	38.01	76.31	2,249.29	-
Disposals	-	-	-	(0.45)	(5.81)	(30.71)	(1.19)	-	(1.19)	(38.16)	-
Closing accumulated depreciation	-	2.00	436.22	57.37	41.94	3,658.02	90.01	84.88	169.40	4,539.84	-
Net carrying amount	1,557.17	191.04	4,016.50	357.43	121.90	10,966.87	93.03	62.75	70.45	17,437.14	9,979.82

	Freehold Land	Leasehold Land	Buildings	Improvements to leasehold premises	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Computer and peripherals	Total	Capital work-in-progress *
As at March 31, 2018											
Gross carrying amount	1,557.17	193.04	4,452.72	414.80	163.84	14,624.89	183.04	147.63	239.85	21,976.98	9,979.82
Opening gross carrying amount	-	6,563.04	4,561.69	-	30.31	1,670.41	57.81	16.97	101.98	13,002.20	1,349.86
Additions	-	-	-	(6.61)	(7.93)	(25.10)	(67.61)	(16.65)	(90.50)	(214.40)	-
Disposals	-	-	-	-	-	-	-	-	-	-	-
Transfer	-	-	-	-	-	-	-	-	-	-	(8,146.52)
Closing gross carrying amount	1,557.17	6,756.08	9,014.41	408.19	186.22	16,270.20	173.24	147.95	251.33	34,764.78	3,183.16
Accumulated depreciation											
Opening accumulated depreciation	-	2.00	436.22	57.37	41.94	3,658.02	90.01	84.88	169.40	4,539.84	-
Depreciation charge during the year	-	19.05	235.77	23.19	22.97	1,759.08	47.24	26.24	49.15	2,182.68	-
Disposals	-	-	-	(6.61)	(7.70)	(4.28)	(66.97)	(16.61)	(90.44)	(192.61)	-
Closing accumulated depreciation	-	21.05	671.99	73.95	57.21	5,412.82	70.28	94.51	128.11	6,529.91	-
Net carrying amount	1,557.17	6,735.03	8,342.42	334.24	129.01	10,857.38	102.96	53.44	123.22	28,234.87	3,183.16

Capital work in progress mainly includes land under development and related cost.



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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 5 : Intangible assets

	<i>Rs in lakhs</i>		
	Acquired	Internally generated	Total
	Computer software	Engineering and development cost	
As at March 31, 2017			
Gross carrying amount			
Opening gross carrying amount	197.22	62.63	259.85
Additions	30.83	-	30.83
Closing gross carrying amount	228.05	62.63	290.68
Accumulated depreciation			
Opening accumulated depreciation	91.25	62.63	153.88
Depreciation charge during the year	51.99	-	51.99
Disposals	-	-	-
Closing accumulated depreciation	143.24	62.63	205.87
Net carrying amount	84.81	-	84.81

	<i>Rs in lakhs</i>		
	Acquired	Internally generated	Total
	Computer software	Engineering and development cost	
As at March 31, 2018			
Gross carrying amount			
Opening gross carrying amount	228.05	62.63	290.68
Additions	3.38	-	3.38
Closing gross carrying amount	231.43	62.63	294.06
Accumulated depreciation			
Opening accumulated depreciation	143.24	62.63	205.87
Depreciation charge during the year	42.49	-	42.49
Closing accumulated depreciation	185.73	62.63	248.36
Net carrying amount	45.70	-	45.70

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 6 : Non-current financial assets - Investments in subsidiaries and jointly controlled entities

	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Investments carried at cost		
Quoted investments		
Investment in equity instruments		
Investment in subsidiary		
11,898,296 (March 31, 2017: 11,898,296) equity shares of Rs.10/- each in Automotive Stampings and Assemblies Limited fully paid up	7,515.97	7,515.97
Unquoted investments		
Investment in equity instruments		
Investment in subsidiaries		
25,968,723 (March 31, 2017: 25,968,723) equity shares of Euro 1 each in Taco Holdings (Mauritius) Limited fully paid up	6,307.20	6,307.20
78,501 (March 31, 2017 : 78,501) equity shares of GBP 1 each in Taco Engineering (UK) Limited fully paid up (refer note a below)	-	75.78
25,000 (March 31, 2017: 25,000) equity shares of Rs.10/- each in TACO Engineering Services GMBH fully paid up	17.71	17.71
20 (March 31, 2017: 20) equity shares of Rs.10/- each in Automotive Skills Training Foundation fully paid up	0.00	0.00
68,360 (March 31, 2017: Nil) equity shares of SEK 1 each in Ryhpez Holding (Sweden) AB fully paid up (refer note b below and 39)	22,219.49	22,050.62
Share application money	-	1.37
Investment in jointly controlled entities		
16,320,000 (March 31, 2017: 16,320,000) equity shares of Rs.10/- each in Tata Toyo Radiator Limited fully paid up	1,632.00	1,632.00
18,750,000 (March 31, 2017: 18,750,000) equity shares of Rs.10/- each in Tata Ficosa Automotive Systems Private Limited fully paid up	1,875.00	1,875.00
88,750,000 (March 31, 2017: 68,750,000) equity shares of Rs.10/- each in Tata Autocomp GY Batteries Private Limited fully paid up	7,150.08	5,150.08
6,210,000 (March 31, 2017: 6,210,000) equity shares of Rs.10/- each in Tata Autocomp Hendrickson Suspensions Private Limited fully paid up	621.00	621.00
5,000,000 (March 31, 2017: 5,000,000) equity shares of Rs.10/- each in TM Automotive Seating Systems Private Limited fully paid up	500.00	500.00
48,91,118 (March 31, 2017: 48,91,118) equity shares of Rs.10/- each in Tata Autocomp Katcon Exhaust System Private Limited fully paid up	321.13	321.13
Subtotal	48,159.58	46,067.86
Less : Impairment in the value of investments	-	(75.78)
Total	48,159.58	45,992.08

a. Liquidated during the year

b. As per Swedish law, equity shall be apportioned between non distributable (restricted) and distributable (unrestricted) funds. Out of total investment, Rs. 5.36 lakhs (March 31, 2017: Rs 5.36 lakhs) is restricted and Rs 20,351.95 lakhs (March 31, 2017: Rs 20,351.95 lakhs) is unrestricted. Cost of investment includes fair value of financial guarantee issued to bank by the company against loan availed by the subsidiary amounting to Rs 1,378.48 lakhs (March 31, 2017: Rs 1,378.48 lakhs) and expenses incurred on behalf of subsidiary amounting to Rs. 483.70 lakhs. (March 31, 2017: Rs 316.20 lakhs)

	As at March 31, 2018	As at March 31, 2017
Aggregate market value of quoted investments	9,102.20	8,727.40
Aggregate book value of quoted investments	7,515.97	7,515.97
Aggregate amount of unquoted investments	40,643.61	38,551.89
Aggregate amount of impairment in the value of investments	-	(75.78)
Total	48,159.58	45,992.08

Movement of impairment provision :

	Rs. in lakhs
Impairment provision as on March 31, 2017	(75.78)
Less: Impairment provision towards investment in subsidiary which is under process of business closure	75.78
Impairment provision as on March 31, 2018	-





Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 7 : Financial assets - loans

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to subsidiary (refer note 37)	1,750.00	11,430.96	-	2,650.00
Loan to jointly controlled entities (refer note 37)	1,931.84	216.42	1,748.44	85.17
Advance to employees	19.94	-	46.14	-
Total	3,701.78	11,647.38	1,794.58	2,735.17

Note 8 : Financial assets - others

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	62.94	362.01	9.98	306.59
Considered doubtful	-	14.29	-	14.29
Less : provision for doubtful deposits	62.94	376.30	9.98	320.88
	-	(14.29)	-	(14.29)
	62.94	362.01	9.98	306.59
Unbilled Revenue	398.42	-	250.07	-
Other receivable from related parties	368.32	-	704.84	-
Interest accrued on deposits	20.14	-	13.02	-
Bank deposits*#	31.88	15.61	-	13.35
Other receivables	72.93	-	181.14	-
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts**	2.47	-	19.76	-
Total	957.10	377.62	1,178.81	319.94

* Bank deposits that are maturing after three months but less than twelve months have been classified under current and maturing after twelve months have been classified as non-current.

** Derivatives not designated as hedge.

Held as lien by bank against bank guarantee.

Note 9 : Deferred tax assets (net)

	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Deferred tax asset		
Defined benefit obligations	335.26	266.94
MAT credit available for set off against future taxable income	-	796.47
Provision for doubtful receivable, doubtful advances and others	897.05	922.68
	1,232.31	1,986.09
Deferred tax liability		
Property, plant and equipment	1,152.66	1,134.00
	1,152.66	1,134.00
Total	79.65	852.09

Movement in deferred tax assets/ (liabilities)

	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Opening deferred tax assets / (liabilities)	852.09	1,337.01
Charged to profit or loss		
Defined benefit obligation	68.31	(19.13)
Provision for doubtful receivable, doubtful advances and others	(25.63)	(76.04)
Property, plant and equipment	(18.66)	(28.83)
	24.03	(124.00)
Charged to other comprehensive income		
Remeasurement of defined benefit obligation	-	16.43
Utilisation of MAT credit	(796.47)	(377.35)
Closing deferred tax assets after set off	79.65	852.09

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Note 10 : Current tax assets

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Opening balance	877.16	2,741.98
Refund received during the year	-	(1,672.97)
Taxes paid during the year (includes MAT credit utilized)	2,405.86	1,359.08
Tax expense relating to current year	(2,476.27)	(1,402.08)
Tax reversal / (expense) relating to prior years	40.00	(148.85)
Closing balance	846.75	877.16

Note 11 : Other non-current assets

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	790.61	329.14
Considered doubtful	15.06	15.06
	805.67	344.20
Less: Provision for doubtful capital advances	15.06	15.06
	790.61	329.14
Balances with statutory/government authorities		
Considered good	227.93	193.03
Considered doubtful	212.07	212.07
	440.00	405.10
Less: Provision for doubtful receivable	212.07	212.07
	227.93	193.03
Prepaid rental on operating lease (refer note 42)	108.63	108.63
Prepaid expenses	39.14	12.87
Total	1,166.31	643.67

Note 12 : Inventories

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Raw materials	2,863.40	1,888.08
Work-in-progress	1,457.42	1,072.84
Finished goods (includes goods-in-transit Rs 51.08 lakhs, March 31, 2017 Rs 41.47 lakhs)	179.80	217.70
Stock-in-trade	1,053.26	583.42
Stores and spares	1,492.49	1,547.51
Tools (under development)	659.95	1,479.91
Total inventories	7,706.32	6,789.46

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value amounted to Rs. 5.08 lakhs (March 31, 2017 Rs. 5.94 lakhs). These were recognised as an expense during the year and included in 'changes in inventories of finished goods, work-in-progress, stock-in-trade and tools' in Statement of Profit and Loss.

Note 13 : Current investments

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Investment in liquid mutual funds carried at fair value through profit or loss		
Unquoted		
1,01,176.816 (March 31, 2017: 2,23,177.756) units of Tata Money Market Fund - Direct Plan - Growth	2,770.60	5,720.13
221,762.123 (March 31, 2017: 909,896.648) units of Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	514.08	1,973.15
1,01,075.5384 (March 31, 2017: 197,902.398) units of Kotak Floater Short Term - Direct Plan - Growth	2,882.63	5,282.76
12,41,347.392 (March 31, 2017: 22,23,351.392) units of ICICI Prudential Money Market Fund - Direct Plan - Growth	2,983.22	5,003.06
1,76,602.364 (March 31, 2017: 3,57,820.170) units of Indiabulls Liquid Fund - Direct Plan Growth	2,999.15	5,685.25
Total	12,149.68	23,664.35

Information about the Company's exposure to fair value measurement and market risk is included in note 49 and note 51 respectively.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 14 : Trade receivable

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	13,361.03	16,519.04
Unsecured, considered doubtful	930.71	1,030.45
Total	14,291.74	17,549.49
Less: Allowance for doubtful trade receivables	930.71	1,030.45
Total	13,361.03	16,519.04

Of the above, trade receivables from related parties are as follows:

	As at March 31, 2018	As at March 31, 2017
Receivables from related parties (refer note 37)	4,920.11	4,854.22
Less: Allowance for doubtful trade receivables	-	-
Total	4,920.11	4,854.22

Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the Company has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the Company has retained late payment and credit risk. The Company therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

	As at March 31, 2018	As at March 31, 2017
Total transferred receivables	-	6,546.82
Associated secured borrowing (refer note 22)	-	6,546.82

Note 15 : Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	178.02	377.46
- in EEFC accounts	0.96	58.28
- in deposits accounts (with original maturity of 3 months or less)	1,500.00	104.79
Cheques on hand	46.08	43.64
Cash on hand (refer note 50)	0.30	0.72
Total	1,725.36	584.89

Note 16 : Other current assets

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	1,460.90	2,992.92
Considered doubtful	151.49	166.51
Less: Provision for doubtful advances	1,612.39	3,159.43
	151.49	166.51
	1,460.90	2,992.92
DEPB licence	79.38	12.27
Balances with statutory / government authorities	120.58	723.34
Prepaid expenses	221.44	245.12
Total	1,882.30	3,973.65

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 17: Share capital

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Authorised		
329,600,000 (March 31, 2017: 329,600,000) equity shares of Rs. 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2017: 70,000,000) 8% preference shares of Rs. 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2017: 2,400,000) 7.5% preference shares of Rs. 10/- each	240.00	240.00
8,000,000 (March 31, 2017: 8,000,000) 0.1% preference shares of Rs. 10/- each	800.00	800.00
	41,000.00	41,000.00
Issued, subscribed and fully paid up		
201,281,358 (March 31, 2017: 201,281,358) equity shares of Rs. 10/- each fully paid.	20,128.14	20,128.14

(a) Movement in equity share capital :

Movements in equity share capital

	<i>Rs. in lakhs</i>		<i>Rs. in lakhs</i>	
	As at March 31, 2018		As at March 31, 2017	
	Number of shares (in lakhs)	Equity share capital (par value)	Number of shares (in lakhs)	Equity share capital (par value)
Equity shares				
At the commencement and at the end of the year	2,012.81	20,128.14	2,012.81	20,128.14

(b) Shares held by holding, subsidiary and associate of holding company

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
28,675,598 equity shares (March 31, 2017 : 28,675,598 shares) held by Tata Sons Limited, the ultimate holding company,	2,867.57	2,867.57
120,272,540 equity shares (March 31, 2017 : 120,272,540 shares) held by subsidiaries of the company's ultimate holding company	12,027.25	12,027.25
52,333,170 equity shares (March 31, 2017 : 52,333,170 shares) held by Associate of the company's ultimate holding company	5,233.32	5,233.32
	20,128.14	20,128.14

(c) Details of shares held by Shareholders holding more than 5% of equity shares of the Company

Name of the shareholder				
	Number of shares held as on March 31, 2018	% holding	Number of shares held as on March 31, 2017	% holding
Tata Industries Limited	6,92,45,153	34.40%	6,92,45,153	34.40%
Tata Motors Limited	5,23,33,170	26.00%	5,23,33,170	26.00%
Tata Capital Limited	4,83,07,333	24.00%	4,83,07,333	24.00%
Tata Sons Limited	2,86,75,598	14.25%	2,86,75,598	14.25%

(d) Terms and rights attached to equity shares:

The Company has one class of issued capital i.e. equity shares having a par value of Rs.10 per share. Each equity 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.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 18 : Other equity

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve		
At the commencement and at the end of the year	5,350.00	5,350.00
Securities premium account		
At the commencement and at the end of the year	69.39	69.39
Debenture redemption reserve		
At the commencement of the year	2,275.00	2,200.00
Add: Appropriations during the year	75.00	75.00
At the end of the year	2,350.00	2,275.00
General reserve		
At the commencement and at the end of the year	6,404.76	6,404.76
Retained earnings		
At the commencement of the year	45,903.96	45,001.12
Profit for the year	9,807.91	5,966.11
Items of other comprehensive income recognised directly in retained earnings, net of tax	123.45	(204.58)
Appropriations		
Dividend on equity shares [Rs.2 per share (Previous year Rs.2 per share)]	(4,025.63)	(4,025.63)
Dividend distribution tax	(719.64)	(758.06)
Transfer to debenture redemption reserve	(75.00)	(75.00)
	51,015.05	45,903.96
Total	65,189.20	60,003.11

Nature and purpose of other reserves

General Reserve

The general reserves are the retained earnings of a company which are kept aside out of company's profits to meet future (known or unknown) obligations. The general reserve is a free reserves which can be utilized for any purpose after fulfilling certain conditions.

Capital Redemption Reserve

Capital Redemption Reserve was created for redemption of preference shares. The company may issue fully paid - up bonus shares to its members out of the capital redemption reserve account

Securities Premium Account

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.

Debenture Redemption Reserve (DRR)

The Company has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the company to create DRR out of profits of the company available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued.

According to the Companies (Share capital and Debentures) Rules, 2014 (as amended), a company should on or before the 30th day of April in each year, invest or deposit, a sum which will not be less than fifteen percent of the amount of its debentures maturing during the year ending on the 31st day of March of the next year. Till reporting date, the company was not required to make any such deposit/ investment.

Note 19 : Non-current borrowings

	Maturity date	Terms of repayment	Coupon / interest rate	<i>Rs. in lakhs</i>	
				As at March 31, 2018	As at March 31, 2017
Unsecured					
Non-convertible debentures	May 20, 2020	Single repayment at the end of the term	10.15%	10,367.07	10,367.07
Total				10,367.07	10,367.07
Less: Interest accrued (included in note no 24)				(367.07)	(367.07)
Total				10,000.00	10,000.00

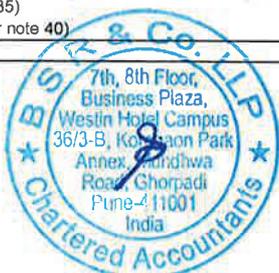
*Debentures are secured by first pari-passu charge on the moveable and immoveable assets (including land and building) of a division of the Company.

Note 20 : Non-current - other financial liabilities

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Financial guarantee obligation (refer note 38)	987.29	1,300.24
	987.29	1,300.24
Less: Current maturities of financial guarantee obligation	269.26	307.88
Total	718.03	992.36

Note 21 : Provisions

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Compensated absences	215.03	449.00	189.67	444.45
Gratuity (refer note 35)	-	125.07	-	136.41
Retirement benefits (refer note 35)	86.88	1,549.70	86.88	1,519.42
Provision for probable claims (refer note 40)	661.00	-	3,103.00	-
Total	962.91	2,123.77	3,379.55	2,100.28



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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 22 : Financial liabilities - current borrowings

	As at March 31, 2018	As at March 31, 2017
Secured		
Factored receivable (refer note 14)	-	6,546.82
Total	-	6,546.82

Factored receivable is secured by charge on trade receivable subject to factoring arrangement

Note 23 : Trade payables

	As at March 31, 2018	As at March 31, 2017
(a) Total outstanding dues of micro enterprises and small enterprises	470.26	210.61
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	3,577.29	3,247.18
Other than Acceptances	23,757.80	17,319.16
Trade payables to related parties (refer note 37)	871.95	803.79
Total	28,677.30	21,580.74

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 51

Note 24 : Current - other financial liabilities

	As at March 31, 2018	As at March 31, 2017
Creditors for capital goods	451.09	402.09
Payable towards employee benefits expense	1,330.03	1,244.39
Interest accrued	367.07	367.07
Other payable	925.73	1,199.18
Financial guarantee obligation (refer note 38)	269.26	307.88
Total	3,343.18	3,520.61

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 51

Note 25 : Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance from customer	3,134.10	4,587.26
Other payables		
Statutory dues	947.96	587.79
Total	4,082.06	5,175.05



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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 26 : Revenue from operations

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)		
Finished goods	96,730.86	79,302.13
Traded goods	10,794.22	14,430.24
Sale of services	6,011.69	6,331.43
Other operating revenues	378.11	402.06
Total	1,13,914.88	1,00,465.86

Note 27 : Other Income

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from financial assets carried at amortised cost	738.14	378.73
Dividend from jointly controlled entities	2,779.62	2,976.72
Net gain on sale of current investments mandatorily measured at fair value through profit or loss	1,126.32	2,678.59
Net gain on sale of property, plant and equipments	2.33	4.73
Gain on account of foreign currency transaction (net)	-	62.72
Unwinding of financial guarantee obligation	312.95	78.24
Sundry provisions no longer required, written back (refer note 43)	2,610.33	171.81
Other non-operating income (refer note 48)	57.83	1,862.01
Total	7,627.52	8,213.55

Note 28 : Cost of materials consumed

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory of raw materials at the beginning of the year	1,888.08	1,893.36
Add: Purchases	65,111.02	49,331.95
Less: Inventory of raw material at the end of the year	2,863.40	1,888.08
Total	64,135.70	49,337.23

Note 29 : Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Work-in-progress	1,072.84	1,066.62
Finished goods	217.70	244.25
Tools	1,479.91	787.78
Stock-in-trade	583.42	634.64
	3,353.87	2,733.29
Closing stock		
Work-in-progress	1,457.42	1,072.84
Finished goods	179.80	217.70
Tools	659.95	1,479.91
Stock-in-trade	1,053.26	583.42
	3,350.43	3,353.87
Total	3.44	(620.58)

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 30 : Employee benefits expense

	<i>Rs. in lakhs</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	11,342.65	11,130.40
Contributions to provident fund and other fund (refer note 35)	984.81	599.58
Staff welfare expenses	1,207.28	1,130.90
Total	13,534.74	12,860.88

Note 31 : Finance costs

	<i>Rs. in lakhs</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	1,302.90	1,262.09
Other borrowing costs	0.59	0.15
Total	1,303.49	1,262.24

Note 32 : Depreciation and amortisation expense

	<i>Rs. in lakhs</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	2,182.68	2,249.29
Amortisation of intangible assets	42.49	51.99
Total	2,225.17	2,301.28

Note 33 : Other expenses

	<i>Rs. in lakhs</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores, spares and consumables	2,155.85	1,509.01
Power and fuel	2,694.65	2,050.49
Site expenses and contract labour charges	2,819.51	1,892.04
Rent and service charges	839.76	772.37
Repairs and maintenance -		
Buildings	108.77	70.15
Machinery	967.74	945.43
Others	124.77	40.25
Insurance	55.12	53.00
Rates and taxes	83.93	142.51
Communication expenses	182.02	187.94
Travelling and conveyance	632.17	741.55
Freight and forwarding	2,509.87	1,848.84
Commission	94.95	43.74
Corporate social responsibility expenditure [Refer Note 33 (c)]	74.72	67.74
Legal and professional fees [Refer Note 33 (a)]	1,380.49	2,669.73
Provision for impairment of investment in subsidiary	-	75.78
Sundry balances written off	23.02	77.44
Net loss on foreign currency transaction and translation	14.30	-
Processing charges	1,209.19	222.92
Miscellaneous expenses	1,622.60	1,770.24
Less: Recoveries from jointly controlled entities and subsidiaries	(924.89)	(838.64)
Total	16,668.54	14,342.53

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

33 a) Legal and Professional fees include payment to auditors

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017 *
Statutory Audit fees	29.00	60.60
Tax audit fees	5.00	6.60
Other services	4.00	8.93
Reimbursement of expenses	-	2.89
Total	38.00	79.02

* Paid to predecessor auditor

33 b) Operating lease

The Company has various operating leases for office/ factory facilities that are renewable on a periodic basis.

(a) Lease payments in respect of operating leases included in Statement of Profit and Loss are Rs. 839.76 lakhs (March 31, 2017: Rs. 772.37 lakhs)

(b) Total of future minimum lease payments in respect of non-cancellable operating leases

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Not later than one year	181.05	135.10
Later than one year but not later than five years	325.99	21.04
Total	507.04	156.14

33 c) Corporate social responsibility expenditure

Gross amount required to be spent by the company during the year Rs 73.99 lakhs (March 31, 2017 Rs. 67.74 lakhs). Amount spent during the year on:

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Maharashtra Drought Relief (Paryay NGO)	9.00	8.00
TATA Medical Center, Kolkata	15.00	15.00
Cancer Treatment of Children ST Judes, Mumbai	3.00	3.00
Sir Ratan Tata Trust for contribution towards building cancer hospitals	9.88	-
Ration support to SASA orphanage, Pune	3.83	1.88
MD India online for health check up of motor mechanics	8.00	8.90
Support to school building of Jillha Parishad Shala, Chakan	17.82	9.26
Support to 2 Eltis Batches at Symbiosis School	3.00	-
Tata Community Initiatives Trust for skill development programme	25.70	-
Woolen Cloths distribution to ZP School	0.58	-
Other	0.11	0.17
Soil checking for chakan site	-	0.12
Creating greenery at chakan	-	0.22
Provision for tree plantation at chakan	-	21.19
Total	95.91	67.74

* Amount spent during the current year includes the unspent amount of previous year Rs 21.19 Lakhs

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 34 : Income tax expense

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,446.40	1,500.02
Adjustments for current tax of prior periods	(40.00)	148.85
Total current tax expense	2,406.40	1,648.87
Deferred tax		
Decrease / (increase) in deferred tax assets	(96.75)	95.17
(Decrease) / increase in deferred tax liabilities	72.72	28.83
Total deferred tax expense/(benefit)	(24.03)	124.00
Income tax expense	2,382.37	1,772.87

Reconciliation of tax expense and the accounting profit :

Rs. in lakhs

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	12,190.28	7,738.98
Tax Rate of 34.61% (2016-2017 – 34.61%)	4,219.06	2,678.46
Tax effect of amounts which are not deductible in calculating taxable income:		
Weighted deduction on research and development expenditure	(117.85)	(98.60)
Corporate social responsibility expenditure	25.83	23.74
Disallowance u/s 14A of Income Tax Act, 1961	70.40	69.33
Reversal of provision for probable claims	(854.08)	-
Dividend income from jointly controlled entities	(962.03)	(1,030.24)
Other items	41.04	(18.67)
Adjustments for current tax of prior periods	(40.00)	148.85
Income tax expense	2,382.37	1,772.87

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 35 : Employee benefits

(A) Defined benefit plans

a) 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 plan is a funded plan and the Company makes contributions to recognised funds 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:

<i>Rs. in lakhs</i>			
	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2016	1,001.20	(789.73)	211.47
Current service cost	139.00	-	139.00
Interest expense/(income)	72.89	(66.41)	6.48
Total amount recognised in profit or loss	211.89	(66.41)	145.48
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	20.12	20.12
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	41.97	-	41.97
Experience (gains)/losses	(25.77)	-	(25.77)
Total amount recognised in other comprehensive income	16.20	20.12	36.32
Employer contributions	-	(123.42)	(123.42)
Benefit payments	(133.36)	-	(133.36)
Closing defined benefit obligation as at March 31, 2017	1,095.93	(959.44)	136.49

<i>Rs. in lakhs</i>			
	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2017	1,095.93	(959.44)	136.49
Current service cost	141.01	-	141.01
Interest expense/(income)	73.44	(68.09)	5.35
Total amount recognised in profit or loss	214.45	(68.09)	146.36
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	3.45	3.45
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(25.76)	-	(25.76)
Experience (gains)/losses	(17.66)	-	(17.66)
Total amount recognised in other comprehensive income	(43.42)	3.45	(39.97)
Employer contributions	-	(54.76)	(54.76)
Benefit payments	(63.04)	-	(63.05)
Closing defined benefit obligation as at March 31, 2018	1,203.92	(1,078.84)	125.07

The net liability disclosed above relates to funded plan is as follows:

<i>Rs. in lakhs</i>		
	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	1,203.92	1,095.93
Fair value of plan assets	1,078.85	959.44
Non - current liability recognised in Balance Sheet	125.07	136.49

Valuation in respect of gratuity has been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	As at March 31, 2018	As at March 31, 2017
Discount rate	7.40%	6.90%
Salary escalation	8.00%	8.00%
Rate of return on plan assets	7.51%	7.70%
	18.00%	18.00%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

<i>Rs. in lakhs</i>		
	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(48.15)	(46.97)
(ii) 1% decrease in discount rate	52.75	51.57
(iii) 1% increase in rate of salary escalation	52.14	50.72
(iv) 1% decrease in rate of salary escalation	(48.49)	(47.09)

The above sensitivity analysis 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.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

The following payments are expected contributions to defined benefit plan in future years.
The weighted average duration of the defined benefit obligation is 5 years

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation		
Less than a year	236.00	192.88
Between 1 - 2 years	288.46	467.71
Between 2 - 5 years	617.92	287.78
Over 5 years	952.61	866.31
Total	2,094.99	1,814.68

Category of plan assets are as follows -

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Unquoted		
Insurer managed funds*	(1078.85)	(959.44)

* The Company maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2018 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year Rs. 8.85 lakhs (Previous year Rs. 54.76 lakhs).

b) Other retirement benefits

The company operates defined benefit pension plans. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' period of service and their salary in the final years leading up to retirement.

<i>Rs. in lakhs</i>	
	Present value of obligation
Opening defined benefit obligation as at April 1, 2016	1,131.14
Current service cost	183.44
Interest expense	90.51
Total amount recognised in profit or loss	273.95
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	41.16
Experience (gains)/losses	241.48
Total amount recognised in other comprehensive income	282.64
Benefit payments	(81.42)
Closing defined benefit obligation as at March 31, 2017	1,606.31

<i>Rs. in lakhs</i>	
	Present value of obligation
Opening defined benefit obligation as at April 1, 2017	1,606.31
Current service cost	108.97
Interest expense	121.53
Total amount recognised in profit or loss	230.50
<i>Remeasurements</i>	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(113.35)
Experience (gains)/losses	-
Total amount recognised in other comprehensive income	(113.35)
Benefit payments	(86.88)
Closing defined benefit obligation as at March 31, 2018	1,636.58

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

The net liability disclosed above relates to unfunded plan is as follows:

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Unfunded plans	1,636.58	1,606.31
Deficit before asset ceiling	1,636.58	1,606.31

Valuation in respect of pension has been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	As at March 31, 2018		As at March 31, 2017	
	Serving Managing Director	Retired Managing Directors	Serving Managing Director	Retired Managing Directors
Discount rate	8.10%	8.20%	7.50%	8.00%
Pension growth rate	6.00%	6.00%	6.00%	6.00%
Compensation growth rate	8.00%	-	8.00%	-
Expected average remaining working life (years)	29.52	22.09	30.55	22.79

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	<i>Rs. in lakhs</i>	
	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(149.25)	(173.56)
(ii) 1% decrease in discount rate	174.25	165.99
(iii) 1% increase in rate of Pension growth rate	41.92	(61.85)
(iv) 1% decrease in rate of Pension growth rate	(40.61)	59.35

The above **sensitivity analysis** 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.

The maturity profile of defined benefit obligation (pension)

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	
Defined benefit obligation (pension)		
Less than a year		90.44
Between 1 - 2 years		92.87
Between 2 - 5 years		293.76
Over 5 years		1,351.23
Total		1,828.30

(B) Defined Contribution Plans

The Company has recognised the following amounts in the Statement of Profit and Loss

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Contribution to Employees' Superannuation Fund	188.09	192.91
Contribution to Provident Fund/ Family Pension Fund (including contribution to social security)	459.25	480.91

(C) Risk exposure

Through its defined benefit obligations, the company is exposed to a number of risks, the most significant of which are detailed below:

- 1. Interest rate risk:** The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.
- 2. Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- 3. Demographic risk:** For example, as the plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Note 36: Segment Information

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosure about products and services, geographic areas and major customer. The Company is engaged mainly in the business of manufacturing and trading of automobile components, design and engineering services. Based on the "management approach" as defined in Ind AS 108, the 'Chief Operating Decision Maker (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India and other countries.

The revenue from operations for each of the major products is as follows:

Particulars	Rs. in lakhs	
	Year ended March 31,	
	2018	2017
- Components	99,372.49	85,374.72
- Tools, dies and Moulds	8,287.26	8,357.65
- Scrap	243.44	402.06
- Service	6,011.69	6,331.43
Total	1,13,914.88	1,00,465.86

The revenue by geographical market is as follows:

Location	Rs. in lakhs	
	Year ended March 31,	
	2018	2017
India	1,05,222.65	92,530.12
Europe	5,246.27	4,901.60
Others	3,445.97	3,034.14
Total	1,13,914.88	1,00,465.86

Note 37 Related party transactions

(a) Related parties and their relationship

Promoters/ Promoter group

- i) Tata Sons Limited (Ultimate holding company)
- ii) Tata Industries Limited
- iii) Tata Motors Limited
- iv) Tata Capital Limited

Subsidiaries

- i) Taco Holdings (Mauritius) Limited ("THML")
- ii) Taco Kunststofftechnik GmbH * (Subsidiary of THML)
- iii) Taco Grundstueckverwaltungs GmbH # (Subsidiary of THML)
- iv) Nanjing Tata AutoComp Systems Limited (Subsidiary of THML)
- v) Automotive Stampings and Assemblies Limited
- vi) TACO Engineering (UK) Limited (Liquidated on August 11, 2017)
- vii) TACO Engineering Services GMBH
- viii) Automotive Skills Training Foundation
- ix) Ryhpez Holding (Sweden) AB (w .e. f. August 8, 2016)
- x) TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB) (w .e. f. December 30, 2016)
- xi) TitanX Engine Cooling Holding AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f December 30, 2016) (merged with TitanX Holding AB (Sweden) w.e.f. March 19, 2018)
- xii) TitanX Engine Cooling, Inc. (US) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)
- xiii) TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)
- xiv) TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)
- xv) TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden)) (w .e. f. December 30, 2016)

* Under Control of Administrator till June 24, 2009, subsequently liquidated during the year on October 23, 2017

Under Control of Administrator till July 15, 2009, subsequently liquidated during the year on November 24, 2017

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

- i) Tata AIG General Insurance Company Limited
- ii) TC Travel and Services Limited (upto October 29, 2017)
- iii) Tata Consultancy Services Limited
- iv) Tata Capital Forex Limited (upto October 29, 2017)
- v) Tata International Limited
- vi) Tata Investment Corporation Limited
- vii) Tata Capital Pte. Limited
- viii) Bachi Shoes Limited
- ix) Tata Consulting Engineers Limited
- x) Tata Securities Limited

Other group companies

- i) Fiat India Automobiles Private Limited
- ii) Tata Communications Limited
- iii) Tata Technologies Limited
- iv) Tata Chemicals Limited
- v) Tata Teleservices Limited
- vi) Tata Teleservices (Maharashtra) Limited
- vi) The Indian Hotels Company Limited
- vii) Voltas Limited



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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

- Joint controlled entities**
- i) Tata Ficosa Automotive Systems Private Limited
 - ii) Tata Autocomp GY Batteries Private Limited
 - iii) Tata Autocomp Hendrickson Suspensions Private Limited
 - iv) Tata Autocomp Katcon Exhaust System Private Limited
 - v) TM Automotive Seating Systems Private Limited
 - vi) Tata Toyo Radiator Limited
 - vii) Taco Sasken Automotive Electronics Limited (Under Liquidation)

Key management personnel

Whole-time director

Mr. Ajay Tandon (Managing Director)

Non-executive directors

Mr. Praveen Kadle
Mr. Ramnath Mukhija
Ms. Vedika Bhandarkar
Mr. Hari Lakshminarayan Mundra
Mr. Gopichand Katragadda
Mr. Milind Shahane (from August 4, 2016)

(b) Transactions with related parties

Particulars	<i>Rs. in lakhs</i>			
	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
Sale of goods				
- Tata Motors Limited	55,695.08	49,329.66	(342.41)	161.85
- Fiat India Automobiles Private Limited	21,262.92	12,124.00	3,413.31	286.90
- Others	1,882.98	3,136.25	429.18	733.22
Purchase of goods and services				
- Tata Motors Limited	544.38	677.86	(53.34)	56.69
- Tata Toyo Radiator Limited	197.79	203.42	(13.05)	(4.48)
- Tata Securities Limited	6.41	1,074.17	-	-
- Others	5,522.31	1,381.88	(547.79)	(643.66)
Brand equity business promotion contribution				
- Tata Sons Limited	286.41	235.92	(257.77)	(212.33)
Sale of services				
- Tata Motors Limited	266.38	867.69	48.02	549.93
- Tata Toyo Radiator Limited	1,365.20	2,089.92	347.79	526.16
- Automotive Stampings and Assemblies Limited	134.32	185.43	48.21	191.44
- Tata Autocomp Hendrickson Suspensions Private Limited	1,192.21	1,788.25	327.16	219.01
- Tata Ficosa Automotive Systems Private Limited	291.62	510.86	69.13	75.46
- Tata Autocomp GY Batteries Private Limited	590.69	475.34	149.28	338.20
- TM Automotive Seating Systems Private Limited	71.81	17.12	33.06	9.97
- Tata Autocomp Katcon Exhaust System Private Limited	232.81	38.63	48.64	55.49
- Others	657.30	362.46	322.72	222.79
Sale of Property, plant and equipment				
- Tata Toyo Radiator Limited,**	27.16	2,967.28	14.14	-
- Tata Ficosa Automotive Systems Private Limited**	6.63	719.23	2.99	2.99
- Tata Autocomp Katcon Exhaust System Private Limited	-	2.82	-	2.99
- Nanjing Tata AutoComp Systems Limited	-	10.34	-	10.96
- Tata Autocomp Hendrickson Suspensions Private Limited **	17.08	1,867.22	8.90	0.00
- TM Automotive Seating Systems Private Limited	0.06	8.46	-	8.97
Purchase of Property, plant and equipment				
- Voltas Limited	4.30	-	-	-
Equity dividend paid				
- Tata Motors Limited	1,046.66	1,046.66	-	-
- Tata Investment Corporation Limited	54.40	54.40	-	-

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Tata AutoComp Systems Limited

Notes forming part of financial statements for the year ended March 31, 2018

Rs. in lakhs

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
- Tata Industries Limited	1,384.90	1,384.90	-	-
- Tata Sons Limited	573.51	573.51	-	-
- Tata Capital Limited	966.15	966.15	-	-
Interest received on inter corporate deposits and loans				
- Automotive Stampings and Assemblies Limited	403.03	277.85	-	-
- Tata Ficosa Automotive Systems Private Limited	72.98	46.75	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	167.72	16.92	-	-
- Tata Motors Limited	69.52	-	-	-
- Ryhpez Holding (Sweden) AB	3.60	-	3.60	-
Dividend received				
- Tata Toyo Radiator Limited	490.62	840.48	-	-
- Tata Autocomp Hendrickson Suspensions Private Limited	2,160.06	2,136.24	-	-
- Tata Ficosa Automotive Systems Private Limited	128.94	-	-	-
Inter corporate deposit given				
- Automotive Stampings and Assemblies Limited	-	-	1,300.00	1,300.00
- Tata Motors Limited	11,500.00	-	-	-
Inter corporate deposit received back				
- Automotive Stampings and Assemblies Limited	-	(78.00)	-	-
- Tata Motors Limited	(11,500.00)	-	-	-
Loans granted				
- Tata Ficosa Automotive Systems Private Limited	1,050.00	850.00	688.26	533.61
- Tata Autocomp Katcon Exhaust System Private Limited	1,000.00	1,300.00	1,460.00	1,300.00
- Automotive Stampings and Assemblies Limited	1,750.00	-	3,100.00	1,350.00
- Ryhpez Holding (Sweden) AB	8,780.95	-	8,784.55	-
Loans repaid				
- Tata Ficosa Automotive Systems Private Limited	(895.35)	(316.39)	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	(840.00)	-	-	-
Remuneration paid to key managerial personnel				
- Mr. Ajay Tandon				
Short-term employee benefits	288.35	238.24	(129.33)	(110.88)
Long-term employee benefits	23.07	17.64	(50.18)	(27.11)
Post-employment benefits	158.70	218.79	(729.70)	(663.05)
Commission paid to key managerial personnel				
- Mr. Praveen Kadle	14.92	6.93	-	-
- Mr. Ramnath Mukhija	12.67	7.33	-	-
- Ms. Vedika Bhandarkar	9.27	4.69	-	-
- Mr. Hari Lakshminarayan Mundra	12.49	6.81	-	-
- Mr. Gopichand Katragadda	10.65	4.69	-	-

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
Sitting fees paid to key managerial personnel				
- Mr. Praveen Kadle	6.00	8.50	-	-
- Mr. Ramnath Mukhija	9.00	10.50	-	-
- Ms. Vedika Bhandarkar	7.20	5.50	-	-
- Mr. Hari Lakshminarayan Mundra	8.00	10.50	-	-
- Mr. Gopichand Katragadda	5.40	7.90	-	-
Investment in equity shares				
- Tata Toyo Radiator Limited	-	-	1,632.00	1,632.00
- Taco Holding (Mauritius) Limited	-	-	6,307.20	6,307.20
- Tata Ficosa Automotive Systems Private Limited	-	-	1,875.00	1,875.00
- Automotive Stampings and Assemblies Limited	-	-	7,515.97	7,515.97
- Tata Autocomp GY Batteries Private Limited	2,000.00	-	7,150.08	5,150.08
- Tata Autocomp Hendrickson Suspensions Private Limited	-	-	621.00	621.00
- Taco Engineering Services GMBH	-	-	17.71	17.71
- TM Automotive Seating Systems Private Limited	-	-	500.00	500.00
- Tata Autocomp Katcon Exhaust System Private Limited	-	149.99	321.13	321.13
- Ryhpez Holding (Sweden) AB (w .e. f. August 8, 2016)	-	20,357.31	20,357.31	20,357.31

Note:

- The closing balances above are net of advances.
- The closing balances of investments in equity shares are net of provisions.
- All outstanding balances are unsecured and are repayable in cash.
- ** Represents sale value of land transferred to joint ventures appearing in capital work in progress as on March 31, 2017.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 38 : Contingent liabilities (To the extent not provided for)

Particulars	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Income tax matters under appeal	768.98	768.98
Sales tax matters under appeal	358.29	316.99
Excise duty matters*	143.10	143.10
Claims against company not acknowledged as debts	208.26	187.12
Statutory bonus for FY 2014-15 on retrospective amendment in the Payment of Bonus Act wherein high court has issued stay orders on similar cases	126.93	126.93
Possible claims arising out of agreements with former Joint Venture Partners	2,442.00	-

* The Company has received other show cause notices from the Excise department on various matters. The Company has/is in the process of replying, to these notices and does not expect any demand from the Excise department. It is not practicable for the company to estimate the timing of cash outflows, if any, in respect of the above pending disputed matters till it is resolved.

The Company has given the following financial guarantees:

- To bank amounting to USD 61,16 million (March 31, 2017: USD 61,16 million), for loan facility availed by one of its subsidiaries.
- Surety bond amounting to SEK 73 million (March 31, 2017: SEK 73 million), in favour of pension fund administrator for one of its subsidiaries.

The Company has pledged its investment of Rs 19,231 Lakhs in Ryhpez Holding (Sweden) AB with bank for loan facility availed by that subsidiary.

Note 39 : Capital Commitments

Particulars	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	1,890.19	4,743.52

Note 40 : Movements in provisions towards probable claims

	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
	Claims	Claims
Carrying amount at the beginning of the year	3,103.00	3,162.00
Additional provision made during the year	211.00	-
Amounts used / written back during the year	(2,653.00)	(59.00)
Carrying amounts at the end of the year	661.00	3,103.00

Note 41 : Earnings per share

		As at March 31, 2018	As at March 31, 2017
Net earnings attributable to equity shareholders	Rs. in lakhs	9,807.91	5,966.11
Weighted average no. of equity shares		20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	Rs.	4.87	2.96
Nominal value of an equity share	Rs.	10.00	10.00

Note 42 : Other Non-current assets include leasehold land acquired for proposed new plant to be set-up at Singur for supply of components to a customer at Singur. Consequent to the customer deciding to shift its plant from Singur, the Company suspended all its activities at Singur. The Company is of the opinion that no provision is necessary on this account.

Note 43 : During the year ended March 31, 2013, the Company divested its investments in two jointly controlled entities, namely, Tata Yazaki Autocomp Limited ("TYA") and Tata Johnson Controls Automotive Limited ("TJC") on January 11, 2013 and March 25, 2013, respectively and had recorded profit on sale of investments aggregating Rs. 66,469.30 lakhs, net of Rs. 3,162 lakhs provided towards claims in respect of certain matters relating to these jointly controlled entities.

Out of above, other Income of year ended March 31, 2018 includes an amount of Rs. 2,442.00 Lakhs in respect of reversal of provision made for possible claims in respect of certain matters relating to former jointly controlled entities.

Note 44 : The Company's expenditure on its research and development activity since grant of approval under report was as follows:

	Rs. in lakhs					
	Hinjewadi location R & D unit			Pirangut location R & D unit		
	April 01, 2017 to March 31, 2018	April 01 2016 to Nov 27 2016	Nov 28 2016 to March 31 2017	April 01, 2017 to March 31, 2018	April 01, 2016 to March 31, 2017	
(a) Capital expenditure	22.12	6.06	2.34	7.25	4.51	
(b) Revenue expenditure	444.75	356.76	125.07	149.10	131.48	

The company has received DSIR approval for its research and development facility at Pirangut location from September 30, 2015 to March 31, 2018 and for Hinjewadi location from November 28, 2016 to March 31, 2018.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 45 : Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows

Dues to Micro, Small and Medium Enterprises (MSMEs)	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal amount due to micro and small enterprises	470.26	210.61
- Interest on the principal amount due	4.14	2.34
	474.40	212.95
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
- Payments made to suppliers beyond the appointed date	5,745.33	3,755.12
- Interest on the principal amount	62.52	34.37
	5,807.85	3,789.49
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	-	-
The amount of Interest accrued and remaining unpaid at the end of each year	147.95	81.29
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the supplier.	66.66	36.71

Note 46 : Disclosure of loan to subsidiary during the year with respect to listing agreement for debt securities

Particulars	Rs. in lakhs			
	Balance outstanding as at		Maximum balance outstanding during the year	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Loans and advances in the nature of loans to subsidiary				
- Automotive Stampings and Assemblies Limited	4,400.00	2,650.00	4,400.00	2,728.00
- Ryhpez Holding (Sweden) AB	8,784.55	-	8,784.55	-

Note 47 : Interest in subsidiaries and jointly controlled entities

Name of the Company	Percentage of Holding (%)		Principal place of business / Country of Incorporation
	As at March 31, 2018	As at March 31, 2017	
Subsidiaries (Direct and Indirect):			
Automotive Skill Training Foundation (Sec.8 company)	100.00	100.00	India
Taco Engineering (UK) Ltd (Liquidated w.e.f. August 17)	-	100.00	UK
Taco Engineering Services GmbH	100.00	100.00	Germany
Taco Holdings (Mauritius) Limited ("THML")	100.00	100.00	Mauritius
Taco Kunststofftechnik GmbH (subsidiary of THML) (Under Control of Administrator till June 24, 2009, subsequently liquidated during the year on October 23, 2017)	100.00	100.00	Germany
Taco Grundstueckverwaltungs GmbH (subsidiary of THML) (Under Control of Administrator till July 15, 2009, subsequently liquidated during the year on November 24, 2017)	100.00	100.00	Germany
Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	100.00	100.00	China
Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
Ryhpez Holding (Sweden) AB (w.e.f August 8, 2016)	100.00	100.00	Sweden
TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB) (w.e.f December 30, 2016)	96.17	96.17	Sweden
TitanX Engine Cooling Holding AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f December 30, 2016) (merged with TitanX Holding AB (Sweden) w.e.f. March 19, 2018)	96.17	96.17	Sweden
TitanX Engine Cooling, Inc. (US) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	USA
TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	China
TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	Sweden
TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden)) (w.e.f. December 30, 2016)	96.17	96.17	Brazil
Jointly controlled entities :			
Tata Toyo Radiator Limited ("TTR")	51.00	51.00	India
Tata Ficos Automotive Systems Private Limited ("TF") (Formerly Known as Tata Ficos Automotive Systems Limited)	50.00	50.00	India
Tata AutoComp GY Batteries Private Limited ("TGY") (Formerly Known as Tata AutoComp GY Batteries Limited)	50.00	50.00	India
Tata Autocomp Hendrickson Suspensions Private Limited (Formerly Known as Taco Hendrickson Suspensions Private Limited)	50.00	50.00	India
Tata Autocomp Katcon Exhaust Systems Private Limited (w. e. f. May 19, 2015)	50.00	50.00	India
TM Automotive Sealing Systems Private Limited (w. e. f. May 22, 2015)	50.00	50.00	India
Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	50.00	50.00	India

Note 48 : During the year ended March 31, 2017, the Company had transferred and assigned its interest under the agreement to lease with Maharashtra Industrial Development Corporation (MIDC) to the joint venture companies i.e. Tata Toyo Radiator Ltd., Tata Autocomp Hendrickson Suspensions Pvt. Ltd., Tata Ficos Automotive Systems Pvt. Ltd. Accordingly after receiving the consent letter from MIDC on May 27, 2016 the company had transferred the cost of land based on the area assigned to each joint venture with a corresponding reduction in capital work in progress amounting to Rs 5,834.83 lakhs (includes common project cost amounting to Rs 284.83 lakhs). Additionally, the company had charged Project Management Charges of Rs. 1,632 Lakhs on account of investment in the project, which are clubbed under other income.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 49 : Fair Value Measurement

Financial Instrument by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
<i>Non-current</i>			
Investments	48,159.58	-	48,159.58
Loans	11,647.38	-	11,647.38
Other financial asset	377.62	-	377.62
<i>Current</i>			
Investments	-	12,149.68	12,149.68
Trade receivables	13,361.03	-	13,361.03
Cash and cash equivalents	1,725.36	-	1,725.36
Loans - current	3,701.78	-	3,701.78
Other financial asset	954.63	2.47	957.10
Financial Liabilities:			
<i>Non-current</i>			
Borrowings	10,000.00	-	10,000.00
Other financial liabilities	718.03	-	718.03
<i>Current</i>			
Borrowings	-	-	-
Trade Payable	28,677.30	-	28,677.30
Other financial liabilities	3,343.18	-	3,343.18

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
<i>Non-current</i>			
Investments	45,992.08	-	45,992.08
Loans	2,735.17	-	2,735.17
Other financial asset	319.94	-	319.94
<i>Current</i>			
Investments	-	23,664.35	23,664.35
Trade receivables	4,854.22	-	4,854.22
Cash and cash equivalents	584.89	-	584.89
Loans	1,794.58	-	1,794.58
Other financial asset	1,159.05	19.76	1,178.81
Financial Liabilities:			
<i>Non-current</i>			
Borrowings	10,000.00	-	10,000.00
Other financial liabilities - non current	992.36	-	992.36
<i>Current</i>			
Borrowings	6,546.82	-	6,546.82
Trade payable	21,580.74	-	21,580.74
Other financial liabilities	3,520.61	-	3,520.61

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

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 is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market 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.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Asset				
Investments in liquid mutual fund units	12,149.68	12,149.68	-	-
Derivative financial instruments - foreign currency forward	2.47	-	2.47	-

The following table presents fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018:

	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures	10,400.00	-	10,400.00	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

	As at March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Asset				
Investments in liquid mutual fund units	23,664.35	23,664.35	-	-
Derivative financial instruments - foreign currency forward	19.76	-	19.76	-

The following table presents fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2017:

	As at March 31, 2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures	10,400.00	-	10,400.00	-

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

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

Valuation technique used to determine fair value:

Specific valuation technique used to value financial instruments include

- the fair value of liquid mutual funds is based on quoted price.

- the fair value of forward foreign exchange contract is determined using forward foreign exchange rates as at balance sheet date.

- the fair value of debentures is calculated as the present value of the estimated future cash flows based on observable yield curves

Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the CFO, VP Finance and the valuation team.

Note 50: Disclosure relating to specified bank notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016:

	SBNs		Other denomination notes	Total
	Value of Rs. 500 Notes	Value of Rs. 1000 Notes		
Closing cash in hand as on 08.11.2016	0.33	0.18	1.89	2.40
(+) Permitted receipts	-	-	0.10	0.10
(-) Permitted payments	-	-	0.23	0.23
(-) Amount deposited in Banks	0.33	0.18	1.04	1.55
Closing cash in hand as on 30.12.2016	-	-	0.72	0.72

The above disclosure regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

Specified bank note (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the ministry of finance, Department of Economic affairs no. S.O. 3407(E), dated November 08, 2016.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 51 : Financial risk management

In the course of its business, the Company is exposed primarily to market risk, liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and Others. 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. The Company's risk management policy is to hedge around 50% to 70% of forecasted foreign currency sales and purchases for the subsequent 6 months. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at March 31, 2018			As at March 31, 2017		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Trade receivables	1,090.15	2,486.44	86.58	388.22	2,094.26	107.44
Bank balances	1.74	0.39	-	6.26	45.80	-
Other receivable	1.55	-	-	1.55	-	-
Reimbursements from related parties	55.80	-	-	146.72	-	-
Exposure to foreign currency risk (assets)	1,149.24	2,486.83	86.58	542.75	2,140.06	107.44
Financial liabilities						
Trade payables	471.79	267.39	27.43	956.83	232.06	8.32
Other payable	32.04	55.16	9.16	7.09	21.47	0.41
Exposure to foreign currency risk (liabilities)	503.83	322.55	36.59	963.92	253.53	8.73

Rs. in lakhs

Sensitivity

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

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD -Increase by 1% (31 March 2017-1%)*	6.45	(4.21)
INR/USD -Decrease by 1% (31 March 2017-1%)*	(6.45)	4.21
EUR sensitivity		
INR/EUR-Increase by 4% (31 March 2017-6%)*	86.57	113.19
INR/EUR-Decrease by 4% (31 March 2017-6%)*	(86.57)	(113.19)

*Holding all other variable constant

Forward contracts receivable / payable

	<i>Rs. in lakhs</i>	
	As at March 31, 2018	As at March 31, 2017
Forward contracts receivable		
USD	1,308.62	690.51
EUR	1,346.00	967.13
GBP	83.69	201.36
Forward contracts payable		
USD	435.12	1,708.05
EUR	11.67	104.50
GBP	-	-
CNH	127.56	-

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

(b) Interest rate risk

The Company's fixed rate borrowings and loans to subsidiary and jointly controlled entity are carried at amortised cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

(c) Price risk

(a) Exposure

The Company's exposure to current investments' price risk arises from investments held by the Company and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investment, the Company invests in liquid mutual funds. Liquid mutual funds invest mainly in short term debt instruments such as commercial deposits (CD), commercial paper (CP) and treasury bills, with maturities of up to 91 days only and carry very negligible interest rate risk and price risk.

(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, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet this. The Company invests its surplus funds in bank fixed deposit and liquid mutual funds which carry no / low mark to market risk.

Maturities of financial liabilities

The tables below analyse the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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	<i>Rs. in lakhs</i>			
	Less than 6	6 months to	More than 1	Total
		1 year	year	
March 31, 2018				
Non-derivatives				
Borrowings / debentures	-	-	10,000.00	10,000.00
Borrowings current	-	-	-	-
Trade payables	28,677.30	-	-	28,677.30
Other financial liabilities	3,343.18	-	-	3,343.18
Financial guarantee obligation *	5,659.84	-	39,780.97	45,440.81
Total non-derivative liabilities	37,680.32	-	49,780.97	87,461.29

* The company has given the financial guarantee for one of its subsidiary (refer note 38 for details). The company has disclosed the maximum exposure of financial guarantee to the earliest period in which the guarantee could be called.

Contractual maturities of financial liabilities	<i>Rs. in lakhs</i>			
	Less than 6	6 months to	More than 1	Total
		1 year	year	
March 31, 2017				
Non-derivatives				
Borrowings / debentures	-	-	10,000.00	10,000.00
Borrowings current	6,546.82	-	-	6,546.82
Trade payables	21,736.33	-	-	21,736.33
Other financial liabilities	3,520.61	-	-	3,520.61
Financial guarantee obligation *	5,284.96	-	39,655.28	44,940.24
Total non-derivative liabilities	37,088.72	-	49,655.28	86,744.00

(C) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk management

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks and liquid mutual fund with high credit ratings assigned by international and domestic credit rating agencies. The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Exposure to credit risk

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs 14,291.74 lakhs, Rs 17,549.49 lakhs as of March 31, 2018 and March 31, 2017 respectively. Credit risk has always been managed by the Company through credit approvals, establishing credit limits and continuously monitoring the creditworthiness of customers to which the Company grants credit terms in the normal course of business. The Company follows lifetime expected credit loss model (simplified approach) for recognition of impairment loss on trade receivables.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications as at March 31, 2018, that defaults in payment obligations will occur.

The Company follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortised cost or fair value through other comprehensive income other than trade receivables.

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the due date.

	As at March 31, 2018			As at March 31, 2017		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	10,204.71	-	10,204.71	13,273.02	-	13,273.03
Overdue up to 3 months	2,550.85	-	2,550.85	2,306.05	-	2,306.05
Overdue 3-6 months	142.05	26.77	115.28	550.08	92.46	457.62
Overdue more than 6 months	1,394.13	903.94	490.20	1,420.33	937.99	482.34
Total	14,291.74	930.71	13,361.03	17,549.49	1,030.45	16,519.04

The following table summarises the change in loss allowance measured using lifetime expected credit loss model

	Rs. in lakhs
Loss allowance on March 31, 2017	1,030.45
Changes in loss allowance	(99.74)
Loss allowance on March 31, 2018	930.71

Note 52 : Capital Management

(a) Risk management

The Company's objectives when managing capital are to:

- Safeguard their ability to continue as a going concern, so that 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.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non convertible debt securities and short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings. The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term debts as disclosed in notes 19 and 22 to the financial statements.

Particulars	As at March 31, 2018	As at March 31, 2017
Total debt (Rs. in lakhs)	10,000.00	16,546.82
Total equity (Rs. in lakhs)	85,317.34	80,131.25
Net debt to equity ratio	0.12	0.21

(b) Dividends

Particulars	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
(i) Equity shares		
Final dividend for the year ended March 31, 2018 of Rs 2.00 (March 31, 2017 – Rs 2.00) per fully paid share	4,025.63	4,025.63
(ii) Dividends not recognised at the end of the reporting period	4,025.63	4,025.63

In addition to the above dividends, since year end the directors have recommended the payment of a final dividend of Rs 2.00 per fully paid equity share (March 31, 2017 Rs. 4,025.63 lakhs). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

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Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2018

Note 53: Assets pledged as security

Particulars	Rs. in lakhs	
	As at March 31, 2018	As at March 31, 2017
Current		
Financial Assets		
First Charge		
Factored Receivables	-	6,546.82
Total current assets pledged as security	-	6,546.82
Non-Current		
Non Financial Assets		
First Charge		
Tangible assets	-	-
Intangible assets	-	-
Total Non-current assets pledged as security	-	-
Total Assets pledged as security	-	6,546.82

Note 54: Previous year figures have been regrouped / reclassified wherever necessary to confirm with the current year's classification / disclosure.

As per our report of even date attached

For B S R & Co. LLP
Chartered Accountants
ICAI Firm Registration No. 101248W / W-100022

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

sd/-

Praveen Kadle
Chairman

sd/-

Hari Mundra
Director

Place: Pune
Date: May 25, 2018

sd/-

Ajay Tandon
Managing Director and CEO

sd/-

Deepak Rastogi
Chief Financial Officer

sd/-

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018

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B S R & Co. LLP

Chartered Accountants

7th & 8th floor, Business Plaza,
Westin Hotel Campus,
36/3-B, Koregaon Park Annex,
Mundhwa Road, Ghorpadi,
Pune - 411001, India

Telephone +91 (20) 6747 7300
Fax +91 (20) 6747 7310

INDEPENDENT AUDITORS' REPORT

To the Members of Tata AutoComp Systems Limited

Report on the Audit of Consolidated Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of Tata AutoComp Systems Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures, which comprise the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss, Consolidated Statement of Changes in Equity and the Consolidated Cash Flow Statement, for the year then ended, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its joint ventures and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

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



B S R & Co (a partnership firm with
Registration No. BA61223) converted into
B S R & Co. LLP (a Limited Liability, Partnership
with LLP Registration No. AAB-8181)
with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N. M. Joshi Marg, Mahalaxmi
Mumbai - 400 011, India

Tata AutoComp Systems Limited **Independent Auditors' Report – 31 March 2018 (continued)**

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements.

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

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 2 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2018, and their consolidated profit (including other comprehensive income), consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.



Tata AutoComp Systems Limited **Independent Auditors' Report – 31 March 2018 (continued)**

Other Matters

1. The comparative financial statement of the Group and its joint ventures for the year ended 31 March 2017 prepared in accordance with Ind AS included in these consolidated financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial statements dated 19 May 2017 expressed an unmodified opinion
2. We did not audit the financial information of 3 subsidiaries, whose financial information reflect total assets of INR 189,723.94 Lakhs and net assets of INR 30,099.39 Lakhs as at 31 March 2018, total revenues of INR 173,401.58 Lakhs and net cash inflows amounting to INR 1,185.86 Lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the reports of the other auditors.
3. The above subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of these subsidiaries located outside India from accounting principles generally accepted in their respective countries to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of these subsidiaries located outside India is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements, as noted in the 'other matter' paragraph, we report, to the extent applicable, that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
 - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
 - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
 - d) In our opinion, the aforesaid consolidated financial statements comply with the Indian Accounting Standards specified under section 133 of the Act.



Tata AutoComp Systems Limited
Independent Auditors' Report – 31 March 2018 (continued)

Report on Other Legal and Regulatory Requirements (continued)

- e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and its joint ventures incorporated in India, none of the directors of the Group companies and its joint ventures incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements, as noted in the 'Other matter' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its joint ventures. Refer note 41 to the consolidated financial statements.
 - ii. The Group and its joint ventures did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiary companies and its joint ventures during the year ended 31 March 2018, except for one subsidiary, where there has been no delays.
 - iv. The disclosures in the consolidated financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the year ended 31 March 2017 have been disclosed.

For B S R & Co. LLP
Chartered Accountants

Firm's Registration No. 101248W/W-100022



Swapnil Dakshindas
Partner

Membership No. 113896

Place: Pune
Date: 25 May 2018

Tata AutoComp Systems Limited

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1(f) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of the Holding Company on the consolidated financial statements for the year ended 31 March 2018, we report that:

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

In conjunction with our audit of the consolidated financial statements of the Tata AutoComp Systems Limited as of and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the of the Holding company, its subsidiary companies and its jointly controlled companies, which are companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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



Tata AutoComp Systems Limited
Annexure A to the Independent Auditors' Report (continued)

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Holding Company, its subsidiaries and its jointly controlled companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No: 101248W/W-100022

sd/-

Swapnil Dakshindas

Partner

Place: Pune

Date: 25 May 2018

Membership No.: 113896



Tata AutoComp Systems Limited
Consolidated Balance Sheet
(All figures in INR Lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017 (Restated - Refer note 43)
ASSETS			
Non-current assets			
Property, plant and equipment	5	76,229.20	62,796.88
Capital work-in-progress	5	11,093.39	19,982.20
Goodwill		43,556.95	42,197.84
Other intangible assets	6	28,493.19	27,804.19
Investments accounted for using the equity method	44(c)	18,412.77	14,372.44
Financial assets			
(i) Loans	7	216.42	85.17
(ii) Other financial assets	8	513.00	400.83
Deferred tax assets	9	11,021.27	8,047.19
Current tax assets (net)	10	1,092.28	1,056.18
Other non-current assets	11	1,591.23	1,051.64
Total non-current assets		1,92,219.70	1,77,794.56
Current assets			
Inventories	12	29,122.57	25,038.79
Financial assets			
(i) Investments	13	12,149.67	23,664.35
(ii) Trade receivables	14	39,734.02	44,708.49
(iii) Cash and cash equivalents	15(a)	18,504.22	15,962.19
(iv) Bank balances other than (iii) above	15(b)	2.76	3.22
(v) Loans	7	1,979.99	1,811.77
(vi) Other financial assets	8	893.30	1,201.13
Other current assets	16	7,554.73	22,635.56
Total current assets		1,09,941.26	1,35,025.50
Total assets		3,02,160.96	3,12,820.06
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	20,128.14	20,128.14
Other equity	18	65,141.59	61,647.04
Equity attributable to the owners of the Company		85,269.73	81,775.18
Non-controlling interests		888.55	2,160.39
Total equity		86,158.28	83,935.57
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	78,457.12	81,638.50
Provisions	20	13,391.47	14,451.68
Deferred tax liabilities	21	7,402.89	5,369.53
Total non-current liabilities		99,251.48	1,01,459.71
Current liabilities			
Financial liabilities			
(i) Borrowings	22	14,714.06	25,641.98
(ii) Trade payables	23	77,430.04	63,921.86
(iii) Other financial liabilities	24	9,741.12	7,106.72
Provisions	20	4,759.52	7,216.83
Current tax liabilities (net)	25	203.80	150.49
Other current liabilities	26	9,902.66	23,386.90
Total current liabilities		1,16,751.20	1,27,424.78
Total liabilities		2,16,002.68	2,28,884.49
Total equity and liabilities		3,02,160.96	3,12,820.06

Summary of significant accounting policies 2-4
See accompanying notes to consolidated financial statements 5-55

The notes referred to above form integral part of consolidated financial statements

As per our report of even date.

For **B S R & Co. LLP**
Chartered Accountants
Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

sd/-
Praveen Kadle
Chairman
(DIN 00016814)

sd/-
Hari Mundra
Director
(DIN 00287029)

Place: Pune
Date: May 25, 2018

sd/-
Ajay Tandon
Managing Director and CEO
(DIN 00128667)

sd/-
Deepak Rastogi
Chief Financial Officer

sd/-
Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018

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Tata AutoComp Systems Limited
Consolidated Statement of Profit and Loss
(All figures in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017 (Restated)
Revenue from operations (Refer note 2.2)	27	3,16,303.00	1,85,538.53
Other income	28	7,954.22	6,125.39
Total income		3,24,257.22	1,91,663.92
Expenses			
Cost of materials consumed	29	1,84,279.22	99,953.46
Purchases of stock-in-trade		9,335.90	12,535.26
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	30	288.91	(1,100.82)
Excise duty (Refer note 2.2)		2,624.61	11,426.48
Employee benefits expense	31	63,927.62	29,973.51
Finance costs	32	6,310.35	3,341.05
Depreciation and amortization expense	33	15,689.40	6,411.04
Other expenses	34	40,168.29	25,444.18
Total expenses		3,22,604.30	1,87,984.16
Profit before share of net profits of investments accounted for using equity method and tax		1,652.92	3,679.76
Share of net profit of jointly controlled entities accounted for using the equity method		5,877.37	3,944.95
Profit before exceptional item and tax		7,530.29	7,624.71
Exceptional items (Refer note 51)		-	1,284.00
Profit before tax		7,530.29	8,908.71
Tax expense	35	870.86	2,599.00
Current tax		2,626.77	1,847.23
Short provision for tax in respect of earlier period		(40.00)	-
Deferred tax		(1,715.91)	751.77
Profit for the year		6,659.43	6,309.71
Other Comprehensive Income (OCI)			
Items that will be reclassified to profit or loss			
Exchange differences in translating financial statements of foreign operations		737.02	(1,131.07)
Effective portion of (losses) on hedging instruments in cash flow hedges		(1,636.99)	-
Income tax relating to items that will be reclassified to profit or loss		295.20	-
Items that will not be reclassified subsequently to profit or loss			
Remeasurements gains / (losses) of post-employment benefit obligations		940.54	(269.13)
Income tax relating to items that will not be reclassified to profit or loss		(29.87)	133.21
Other OCI		-	(120.36)
Share of OCI of jointly controlled entities accounted for using the equity method		2.65	(21.76)
Other comprehensive profit / (loss) for the period, net of tax		308.55	(1,409.11)
Total Comprehensive Income for the period (TCI)		6,967.98	4,900.60
Profit attributable to :			
Owners of the company		7,869.77	6,386.04
Non-controlling interest		(1,210.34)	(76.33)
		6,659.43	6,309.71
Other comprehensive income attributable to:			
Owners of the company		370.05	(1,397.18)
Non-controlling interest		(61.50)	(11.93)
		308.55	(1,409.11)
Total comprehensive income is attributable to:			
Owners of the company		8,239.82	4,988.86
Non-controlling interest		(1,271.84)	(88.26)
		6,967.98	4,900.60
Earnings per equity share			
Nominal value of an equity share (INR)		10.00	10.00
Basic and diluted (INR)	48	3.91	3.17

Summary of significant accounting policies 2-4

See accompanying notes to consolidated financial statements 5-55

The notes referred to above form integral part of consolidated financial statements

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 25, 2018

SR

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-
Praveen Kadle
Chairman
(DIN 00016814)

sd/-
Hari Mundra
Director
(DIN 00287029)

sd/-
Ajay Tandon
Managing Director and CEO
(DIN 00128667)

sd/-
Ashish Boradkar
Company Secretary

Place: Pune
Date: May 25, 2018



Tata AutoComp Systems Limited
Consolidated Cash Flow Statement
(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Profit before tax	7,530.29	8,908.71
Adjustments for:		
Depreciation and amortisation expense	15,689.40	6,411.04
Gain on sale of property, plant and equipment (net)	(1.29)	(41.24)
Gain on sale of investments (net)	(1,126.32)	(2,678.59)
Share of profit of equity accounted investees	(5,877.37)	(3,128.95)
Interest income	(336.59)	(141.28)
Finance costs	6,310.35	3,341.05
Cash flow hedges - gains reclassified from OCI (net of tax)	(1,341.79)	-
Net effect of exchange difference on translation of assets and liabilities of foreign operations	(395.55)	(394.79)
	20,451.13	12,275.95
Changes in operating assets and liabilities:		
Trade receivables	7,024.28	(12,469.98)
Inventories	(2,768.03)	(1,881.57)
Trade payables	10,837.75	5,267.65
Other financial assets non-current	(104.27)	112.68
Other financial assets current	347.74	183.55
Other non-current assets	(69.72)	(106.91)
Other current assets	15,626.01	(2,893.35)
Provisions non-current	(1,036.08)	(297.63)
Provisions current	(3,055.73)	(67.34)
Other financial liabilities current	1,753.94	3,016.44
Other current liabilities	(12,552.90)	3,706.98
Cash generated from operations	36,454.12	6,846.47
Income taxes paid (net of refund)	(1,789.21)	833.82
Net cash flow from operating activities (A)	34,664.91	7,680.29
B. Cash flow from investing activities		
Acquisition of subsidiary, net of cash acquired	-	(38,445.35)
Purchase of property, plant and equipment, intangible assets and capital work-in-progress	(17,160.64)	(3,833.63)
Purchase of current investments	(26,560.00)	(49,008.95)
Proceeds from sale of current investments	39,201.00	64,723.21
Investment in joint venture	(2,000.00)	(190.94)
Loans to employees and related parties	(298.97)	(1,789.08)
Fixed deposit with banks (net) having maturity over 3 months	(33.37)	24.07
Proceeds from sale of property, plant and equipment	793.84	49.08
Distributions received from joint ventures	2,779.62	2,976.72
Interest received	329.47	181.92
Net cash used in investing activities (B)	(2,949.05)	(25,312.95)
C. Cash flow from financing activities		
Borrowings availed / (repaid) (net)	(19,548.93)	38,955.78
Finance cost paid	(5,991.21)	(3,332.11)
Dividend paid (including dividend distribution tax)	(4,745.27)	(4,783.69)
Net cash flow used in financing activities (C)	(30,285.41)	30,839.98
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,430.45	13,207.32
Cash and cash equivalents at the beginning of the year	15,962.19	2,815.44
Effect of exchange rate changes on cash and cash equivalents	1,111.58	(60.57)
Cash and cash equivalents at the end of the year	18,504.22	15,962.19
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	3.19	16.19
Cheques on hand	49.20	249.62
Balances with banks	18,451.83	15,696.38
	18,504.22	15,962.19

Note : Figures in brackets represents outflow of cash and cash equivalent

As per our report of even date.

For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 25, 2018

20

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-
Praveen Kadle
Chairman
(DIN 00016814)

sd/-
Ajay Tandon
Managing Director and CEO
(DIN 00128667)

sd/-
Ashish Boradkar
Company Secretary

sd/-
Hari Mundra
Director
(DIN 00287029)

sd/-
Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: May 25, 2018



Tata AutoComp Systems Limited
Consolidated statement of changes in equity
(All figures in INR Lakhs, unless otherwise stated)

Equity share capital

As at April 1, 2016	20,128.14
Changes in equity share capital during 2016-17	-
As at March 31, 2017	20,128.14
Changes in equity share capital during 2017-18	-
As at March 31, 2018	20,128.14

Other equity

	Attributable to owners of Company							Total other equity	Attributable to non controlling interest	Total
	Reserves and surplus					Items of OCI				
	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserve	Retained earnings	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges			
Balance as at April 1, 2016	11,937.29	5,462.50	69.39	2,200.00	41,702.38	70.30	-	61,441.86	536.08	61,977.94
Profit for the year	-	-	-	-	6,386.04	-	-	6,386.04	(76.33)	6,309.71
Other comprehensive income (net of tax)	-	-	-	-	(266.10)	-	-	(266.10)	(11.93)	(278.03)
Non controlling interest on acquisition of subsidiary	-	-	-	-	-	-	-	-	1,712.57	1,712.57
Dividend on equity shares	-	-	-	-	(4,025.63)	-	-	(4,025.63)	-	(4,025.63)
Dividend distribution tax	-	-	-	-	(758.06)	-	-	(758.06)	-	(758.06)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	(1,131.07)	-	(1,131.07)	-	(1,131.07)
As at March 31, 2017	11,937.29	5,462.50	69.39	2,275.00	42,963.63	(1,060.77)	-	61,647.04	2,160.39	63,807.43
As at April 1, 2017	11,937.29	5,462.50	69.39	2,275.00	42,963.63	(1,060.77)	-	61,647.04	2,160.39	63,807.43
Profit for the year	-	-	-	-	7,869.77	-	-	7,869.77	(1,210.34)	6,659.43
Other comprehensive income (net of tax)	-	-	-	-	974.82	-	(1,341.79)	(366.97)	(61.50)	(428.47)
Dividend on equity shares	-	-	-	-	(4,025.63)	-	-	(4,025.63)	-	(4,025.63)
Dividend distribution tax	-	-	-	-	(719.64)	-	-	(719.64)	-	(719.64)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	737.02	-	737.02	-	737.02
As at March 31, 2018	11,937.29	5,462.50	69.39	2,350.00	46,987.95	(323.75)	(1,341.79)	65,141.59	888.55	66,030.14

Summary of significant accounting policies

2-4

See accompanying notes to consolidated financial statements

5-55

The notes referred to above form integral part of consolidated financial statements

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-

Swapnil Dakshindas
 Partner
 Membership No. 113896

sd/-

Praveen Kadle
 Chairman
 (DIN 00016814)

sd/-

Hari Mundra
 Director
 (DIN 00287029)

sd/-

Ajay Tandon
 Managing Director and CEO
 (DIN 00128667)

sd/-

Deepak Rastogi
 Chief Financial Officer

sd/-

Ashish Boradkar
 Company Secretary

Place: Pune

Date: May 25, 2018

Place: Pune

Date: May 25, 2018

ek





Tata AutoComp Systems Limited
Notes to consolidated financial statements
(All figures in INR Lakhs, unless otherwise stated)

Note 1 : Corporate Information

Tata AutoComp Systems Limited (the "Company") is a public Company domiciled in India and incorporated under the provisions of the Companies Act, 2013. The registered address of the Company is Taco House, Damle Road, Deccan Gymkhana, Pune, Maharashtra, 411014. The consolidated financials statements relate to Tata Auto comp Systems Limited (the "Holding Company" or the "Parent" or "TACO") its subsidiaries and jointly controlled entities (together referred to as "the Group"). The Group provides products and services in the automotive industry to Indian and Global customers. The Group designs, manufactures and supplies a variety of components, assemblies to automotive original equipment manufacturers ("OEM") and other customers. The Holding Company's debentures are listed on the Wholesale Debt Market of the National Stock Exchange.

As at March 31, 2018, the Holding Company caters to its customers through its five operating divisions, eleven subsidiaries (direct and indirect) and seven joint ventures with leading companies in the global auto component industry (together known as the "TACO Group"). One jointly controlled entity is under liquidation.

Sr. No	Name of the Company	Percentage of Holding (%)		Country of incorporation
		As at		
		March 31, 2018	March 31, 2017	
Subsidiaries (Direct and Indirect):				
1	Automotive Skill Training Foundation	100.00	100.00	India
2	Taco Engineering (UK) Ltd (Liquidated on August 11, 2017)	-	100.00	UK
3	Taco Engineering Services GmbH	100.00	100.00	Germany
4	Taco Holdings (Mauritius) Limited ("THML")	100.00	100.00	Mauritius
5	Taco Kunststofftechnik GmbH (subsidiary of THML) (Under liquidation w.e.f. July 24, 2009, hence excluded from consolidation w.e.f., on July 1, 2009), (Liquidated on October 23, 2017)	-	100.00	Germany
6	Taco Grundstuckverwaltungs GmbH (subsidiary of THML) (Under liquidation w.e.f. July 1, 2009, hence excluded from consolidation w.e.f., on July 1, 2009), (Liquidated on November 24, 2017)	-	100.00	Germany
7	Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	100.00	100.00	China
8	Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
9	Ryhpez Holding (Sweden) AB (w.e.f. August 8, 2016)	100.00	100.00	Sweden
10	TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB) (w.e.f. December 30, 2016)	96.17	96.17	Sweden
11	TitanX Engine Cooling Holding AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. December 30, 2016) (merged with TitanX Holding AB (Sweden) w.e.f. March 19, 2018)	-	96.17	Sweden
12	TitanX Engine Cooling, Inc. (US) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	USA
13	TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	China
14	TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	96.17	96.17	Sweden
15	TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden)) (w.e.f. December 30, 2016)	96.17	96.17	Brazil
Jointly controlled entities :				
1	Tata Toyo Radiator Limited ("TTR")	51.00	51.00	India
2	Tata Fiosa Automotive Systems Private Limited ("TF")	50.00	50.00	India
3	Tata AutoComp GY Batteries Private Limited ("TGY")	50.00	50.00	India
4	Tata Auto comp Hendrickson Suspensions Private Limited	50.00	50.00	India
5	Tata Auto comp Katcon Exhaust System Private Limited	50.00	50.00	India
6	TM Automotive Seating Systems Private Limited	50.00	50.00	India
7	Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	50.00	50.00	India

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Tata AutoComp Systems Limited
Notes to consolidated financial statements
(All figures in INR Lakhs, unless otherwise stated)

Note 2 : Significant Accounting Policies

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

2.1 (a) Basis of Preparation

(i) Compliance with Ind AS

The consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on May 25, 2018.

(ii) Basis of preparation

The financial statements have been prepared on a historical cost basis, except for the following items:

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- net defined benefit (asset)/ liability – present value defined benefit obligations less fair value of plan assets less

(b) Principles of consolidation and equity accounting

(i) Subsidiaries

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The acquisition method of accounting is used to account for business combinations by the Group.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercountry transactions, balances and unrealized gains on transactions between Group companies are eliminated. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated statement of changes in equity and balance sheet respectively.

(ii) Joint arrangements

Under Ind AS 111 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. Group only has joint ventures.

Joint ventures

Interests in joint ventures are accounted for using the equity method (see below), after initially being recognized at cost in the consolidated balance sheet.

(iii) Equity method

Under the equity method of accounting, the investments are initially recognized at cost and adjusted thereafter to recognize the Group's share of the post-acquisition profits or losses of the investee in profit and loss, and the Group's share of other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint ventures are recognized as a reduction in the carrying amount of the investment.

When the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognize further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains on transactions between the Group and its joint ventures are eliminated to the extent of the Group's interest in these entities. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity accounted investments are tested for impairment in accordance with the policy described in note 2(13) below.

(iv) Changes in ownership interests

The Group treats transactions with non-controlling interests that do not result in a loss of control as transactions with equity owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognized within equity.

When the Group ceases to consolidate or equity account for an investment because of a loss of control, joint control or significant influence, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognized in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as a joint venture or financial asset. In addition, any amounts previously recognized in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognized in other comprehensive income are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control or significant influence is retained, only a proportionate share of the amounts previously recognized in other comprehensive income are reclassified to profit or loss where appropriate.

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Tata AutoComp Systems Limited
Notes to consolidated financial statements
(All figures in INR Lakhs, unless otherwise stated)

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties upto June 30, 2017. With the onset of Goods and Service Tax (GST) w.e.f. July 1, 2017, the amount disclosed as revenue is net of GST collected on behalf of third parties.

The Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below. The Group bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Sale of goods:

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. The Group does not provide any extended warranties or maintenance contracts to its customers.

Sale of tools:

The tooling contracts entered by the Group with customers are regarded a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are the fixed price contracts which are required to be measured and recognized as per the principles laid down under Ind AS 11 and the Group follows the same.

Advances received for tools are reported as customer advances until all conditions for revenue recognition are met.

Income from engineering services:

Revenue is recognized on the basis of time / work completed, since typical Service Level Agreements (SLA) provides for time and material billing model.

Income from administrative services:

Revenue is recognized when the services are rendered in accordance with the agreements with the respective Group companies.

2.3 Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The consolidated financial statements are presented in Indian rupee (INR), which is Tata Auto comp Systems Limited's functional and presentation currency.

2.4 Foreign currency transactions and translation

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 recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. 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 gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equity instruments held at fair value through profit or loss are recognized in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equity investments classified as FVOCI are recognized in other comprehensive income.

Group companies

The results and financial position of foreign operations (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities are translated at the closing rate at the date of that balance sheet
- income and expenses are translated at average exchange rates (unless this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions), and
- All resulting exchange differences are recognized in other comprehensive income.

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

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Tata AutoComp Systems Limited
Notes to consolidated financial statements
(All figures in INR Lakhs, unless otherwise stated)

2.5 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 recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to statement of profit and 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 method to allocate their cost, net of their residual values, over their estimated useful lives. The useful lives have been determined based on technical evaluation done by the management's expert which are in line with those specified by Schedule II to the Companies Act, 2013 except in respect of the following assets:

Class of Asset	Useful life as followed by the Group (In Years)
Plant and equipment	
- Moulds and dies, Material handling equipment etc.	3 to 10 (irrespective of the shift)
- Injection Moulding machine, Paint shop equipment,	12 to 15 (irrespective of the shift)
Computers and peripherals	
- Servers and networks	3 to 4
- End use devices such as desktop, laptops etc.	3 to 4
Vehicles	4
Furniture and fittings	2 to 5
Buildings	20 to 30

- Improvements to leased premises are depreciated over the balance tenure of leasehold land.
- Leasehold land is amortized on a straight line basis over the period of the lease.

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.

2.6 Intangible assets

Intangible assets are recognized at historical cost. Intangible assets acquired in a business combination are recognized at fair value at the acquisition date. The assets having finite useful life are carried at cost less accumulated amortization and impairment losses (if any). Amortization is calculated using the straight-line method over the expected useful life of the intangible assets.

a) Computer software	4 years
b) Relating to specific vehicle program	On the basis of volumes specified by/ agreed with the customers or on the basis of useful life of the asset, whichever rate is higher
c) Customer relationships	7 years
d) Patents	7 years

Research and development cost:

Research expenditure and development expenditure that do not meet the criteria mentioned below are recognized as an expense as incurred.

The Group capitalizes the expenditure as an intangible assets when 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 asset,
- 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 capitalized as part of the asset include employee costs and an appropriate portion of relevant overheads.

Development costs for development work reported as assets are amortized over their estimated useful lives; generally 4 / 5 years.

Goodwill

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or Groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or Groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

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Tata AutoComp Systems Limited
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2.7 Borrowing

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other gains/(losses).

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.8 Borrowing cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

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

Other borrowing costs are expensed in the period in which they are incurred.

2.9 Leases

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the 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.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Group as lessee are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

2.10 Inventories

Raw materials, stores and spares, work in progress, traded, tools and finished goods are stated at the lower of cost and net realizable value. Cost of raw material, traded goods, tools and stores and spares is determined on weighted average method. 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 weighted average basis. Costs of purchased inventory are determined after deducting rebates and discounts. Net realizable 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.

2.11 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 recognized 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 current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore 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 recognized in profit or loss.

The obligations are presented as current liabilities in the balance sheet if the entity 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 Group operates the following post-employment schemes:

(a) defined benefit plans such as gratuity, pension, post-employment healthcare plans; and

(b) defined contribution plans such as provident fund, pension plan.

(c) Profit sharing and bonus schemes.

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(a) Defined benefit plans

Gratuity and pension

The liability or asset recognized 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 liability recognized in the balance sheet in respect of defined benefit pension plan is the present value of the defined benefit obligation at the end of the reporting period. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR 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 benefits which are denominated in currency other than INR, the cash flows are discounted using market yields determined by reference to high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and 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 recognized 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 recognized immediately in profit or loss as past service cost.

Other post-employment benefits

Some Group companies provide healthcare benefits for their employees after retirement. Entitlement to these benefits is normally based on the employee remaining in service until retirement and that the employment has lasted for a certain number of years. The expected cost of these benefits is allocated over the period of employment using the same accounting method as for defined benefit plans. Actuarial gains and losses arising from experience-based adjustments and changes in actuarial assumptions are reported in "Other comprehensive income" during the period in which they are incurred. These obligations are reassessed annually by independent actuaries.

Severance pay

Severance pay is payable when an employee's service has been terminated by the Group before the normal retirement age or when an employee accepts voluntary redundancy in exchange for such compensation. The Group recognizes compensation upon termination at the earliest of the following occasions: (a) when the Group is no longer able to recall the offer of compensation; and (b) when the Group recognizes expenditure for a restructuring that falls within the scope of application for Ind AS 37 and that involves payment of severance pay. In the event that the Group has given an offer to encourage voluntary redundancies, the compensation upon termination is calculated based on the number of employees expected to accept the offer. Benefits maturing more than 12 months after the end of the reporting period are discounted at the present value.

(b) Defined contribution plans

Provident fund :

The Group pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation fund contribution administered by Life Insurance Corporation of India (LIC). The Group has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

Defined contribution pension plan

Few Group companies have defined contribution pension plan. Defined contribution pension plan is a pension plan according to which the Group pays fixed contributions to a separate legal entity. The Group has no legal or informal obligation to pay further contributions if the legal entity in question does not have sufficient assets to pay all employee benefits which are related to the employee's service during the current or previous periods.

For defined contribution pension plans, the Group pays contributions to publicly or privately administered pension insurance plans on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The contributions are recognized as personnel costs when they fall due for payment. Prepaid premiums are reported as an asset to the extent to which the Group may benefit from cash repayments or decreases in future payments

(c) Profit sharing and bonus schemes

Few Group companies recognizes a liability and an expense for bonuses and profit shares, based on a formula that takes into account the profit attributable to the Group's shareholders after certain adjustments. The Group recognizes a provision when there is a legal or informal obligation due to previous practices.

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2.12 Financial instruments

(i) Classification

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- those measured at amortized cost.

The classification depends on the entity'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 Group 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 Group reclassifies debt investments when and only when its business model for managing those assets changes.

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition.

(ii) Measurement

At initial recognition, the Group 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 Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- **Amortized 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 amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **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 recognized in profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- **Fair value through profit or loss:** Assets that do not meet the criteria for amortized 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 recognized in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Financial liabilities at FVTPL** are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group'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 recognized in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at fair value through profit or loss are recognized in other gain/ (losses) 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.

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(iii) Impairment of financial assets

The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and FVOCI debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

(iv) Derecognition

A financial asset is derecognized only when

- The Group has transferred the rights to receive cash flows from the financial asset or
- 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 entity has transferred an asset, the Group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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

The Group derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

(v) Finance Income

Interest income

Interest income is recognized using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Group estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

Dividend income

Dividends are recognized 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 Group, and the amount of the dividend can be measured reliably.

Derivatives that are not designated as hedges

The Group 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/expenses.

(vi) 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 recognized amounts and there is an intention to settle on a net basis or realize 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 Group or the counterparty.

(vii) Hedge accounting

The subsidiary Company Ryhpez uses foreign currency forward contracts and interest rate derivatives to hedge its risks associated with foreign currency fluctuations on principal and interest payments relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in the other comprehensive income in cash flow hedging reserve within equity. The ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss in the periods in which the forecasted transactions occurs. Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecast transactions, any cumulative gain or loss on the hedging instrument recognized in equity is retained there until the forecast transaction occurs.

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is immediately transferred to the Statement of Profit and Loss for the year.

2.13 Impairment

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized 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.

Reversal of impairment loss

An impairment loss for financial assets is reversed if the reversal can be related objectively to an event occurring after the impairment loss has been recognized. Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date. In respect of non-financial assets, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. The carrying value of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying value that would have been determined (net of any accumulated depreciation or amortization) had no impairment loss been recognized for the said asset in previous years. The reversal of impairment loss is recognized in the Statement of Profit and Loss.

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes 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. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

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2.15 Trade receivables

These amounts represent receivable for goods and services provided by the Group prior to the end of financial year which are not received. Trade receivable are presented as current assets unless payment is not due within 12 months after the reporting period. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.16 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.17 Share capital

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.

2.18 Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized 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.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Group
- by the weighted average number of equity shares outstanding during the financial year.

(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:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

2.20 Income tax

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 for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. 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 consolidated financial statements. However, deferred tax liabilities are not recognized 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 realized or the deferred income tax liability is settled.

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

Deferred tax liabilities are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where the Group is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Deferred tax assets are not recognized for temporary differences between the carrying amount and tax bases of investments in subsidiaries, branches and associates and interest in joint arrangements where it is not probable that the differences will reverse in the foreseeable future and taxable profit will not be available against which the temporary difference can be utilized.

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 realize the asset and settle the liability simultaneously.

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

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2.21 Provisions

Provisions are recognized when the Group 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 recognized for future operating losses.

Provisions for restructuring are recognized by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the Group will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

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 recognized 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 recognized as interest expense.

The measurement of provision for restructuring includes only direct expenditures arising from the restructuring, which are both necessarily entailed by the restructuring and not associated with the on-going activities of the Group.

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

2.22 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker or decision making Group.

2.23 Business Combination

The acquisition method of accounting is used to account for all business combinations, regardless of whether equity instruments or other assets are acquired. The consideration transferred for the acquisition of a subsidiary comprises the

- fair values of the assets transferred;
- liabilities incurred to the former owners of the acquired business;
- equity interests issued by the Group; and
- fair value of any asset or liability resulting from a contingent consideration arrangement.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquired entity on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. Acquisition-related costs are expensed as incurred.

The excess of the

- consideration transferred;
- amount of any non-controlling interest in the acquired entity, and
- acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts are less than the fair value of the net identifiable assets of the business acquired, the difference is recognized in other comprehensive income and accumulated in equity as capital reserve provided there is clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. In other cases, the bargain purchase gain is recognized directly in equity as capital reserve.

Where settlement of any part of cash consideration is deferred, the amounts payable in the future are discounted to their present value as at the date of exchange. The discount rate used is the entity's incremental borrowing rate, being the rate at which a similar borrowing could be obtained from an independent financier under comparable terms and conditions. Contingent consideration is classified either as equity or a financial liability. Amounts classified as a financial liability are subsequently remeasured to fair value with changes in fair value recognized in profit or loss.

2.24 Government Grants

Grant from the government are recognized at their fair value where there is reasonable assurance that the grant will be received and the company will comply with all attached conditions.

Government grants relating to the purchases of property, plant and equipment are included in non-current liability as deferred income and are credited to Profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

2.25 Rounding of amounts

All amounts disclosed in the consolidated financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

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Note 3: Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. This note provide an overview of the areas that involve a higher degree of judgment 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 judgments is mentioned below.

Estimates, judgments and assumptions 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 Group and that are believed to be reasonable under the circumstances.

Significant Judgments

1 Revenue Recognition - Sale of Tools

The tooling contract entered with customers is regarded as a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are fixed price contracts which are required to be measured and recognized as per the principle laid down under Ind AS 11. These principle require the recognition of revenue and expenses under "Percentage of Completion Method". However management has assessed that in case of the Group's tooling contracts the contract costs to complete the contract and the stage of contract completion at the end of the reporting period cannot be measured reliably except at the stage of completion of the tool.

This has resulted in deferment of revenue as per "Percentage of Completion Method".

2 Legal Contingency

The Group has received some orders and notices from tax authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. Management regularly analyses current information about these matters and makes provisions for probable contingent losses including the estimate of legal expense to resolve the matters. In making the decision regarding the need for loss provisions, management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.

3 Segment Reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in financial statements based on the internal reporting reviewed by Chief Operating Decision Maker (CODM) to assess performance and allocate resources.

Operating segments are defined as 'Business Units' of the Group about which separate financial information is available that is evaluated regularly by the chief operating decision-maker, or decision-making Group, in deciding how to allocate resources and in assessing performance.

The Group operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of auto component parts from which the Group derives its revenues. The management considers that these business units have similar economic characteristics that is the nature of the products and services, the nature of the production processes and nature of the regulatory environment etc.

4 Leasehold Land classification

The Group has entered into lease agreement for land at its facilities. The lease period is of around 79-90 years in respect of these premises and the agreements have renewal options. These lands are situated in industrial estates, where the land is generally transferred through lease contracts and the upfront lease payment amounts are significantly equal to the fair value of land. Accordingly, significant risk and rewards associated with the land are considered to be transferred to the lessee. Based on these considerations and overall evaluation of the agreements with the lessor, the management believes that these lease contracts meet the conditions of finance lease.

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Significant estimates and assumptions

- 1 Goodwill Impairment : Key assumptions used for value-in-use calculations**
The Group tests whether goodwill has suffered any impairment on an annual basis. The recoverable amount of a cash generating unit (CGU) is determined based on value-in-use calculations which require the use of assumptions. The calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth. These growth rates are consistent with forecasts included in industry reports specific to the industry in which each CGU operates.
- 2 Impairment of financial assets**
The impairment provisions for financial assets disclosed under note 37 based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- 3 Fair valuation of financial instruments**
When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model (DCF). The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 36 for further disclosures.
- 4 Defined benefit plan**
The cost of the defined benefit gratuity plan, other retirement benefits, the present value of the gratuity obligation and other retirement benefit obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 39.
- 5 Deferred Tax**
At each balance sheet date, the Group assesses whether the realization of future tax benefits is sufficiently probable to recognize deferred tax assets. This assessment requires the use of significant estimates with respect to assessment of future taxable income. The recorded amount of total deferred tax assets could change if estimates of projected future taxable income or if changes in current tax regulations are enacted. Accordingly Group has created deferred tax asset on unused tax losses and other deductible temporary differences since they are considered as reasonably certain. The Group investigates each year if there is an impairment requirement as regards deferred tax assets regarding loss carry forwards. In addition, the Group investigates if it is appropriate to capitalize new deferred tax assets regarding the year's carry forward loss. Deferred tax assets are reported only for loss carry forwards when it is probable that these amounts can be utilized against future taxable surpluses and against fiscal, temporary differences.
- 6 Non-recognition of deferred tax liability on undistributed profits of subsidiary and jointly controlled entities**
Certain subsidiaries and jointly controlled entities of the Group have undistributed earnings which, if paid out as dividends, would be subject to tax in the hands of the recipient. An assessable temporary difference exists, but no deferred tax liability has been recognized as the parent entity is able to control the timing of distributions from this subsidiaries and jointly controlled entities is not expected to distribute these profits in the foreseeable future.
- 7 Business combinations and intangible assets**
Ind AS 103 requires the identifiable intangible assets and contingent consideration to be fair valued in order to ascertain the net fair value of identifiable assets, liabilities and contingent liabilities of the acquire. Significant estimates are required to be made in determining the value of contingent consideration and intangible assets. These valuations are conducted by independent valuation experts. Refer note 43 on business combination.
- 8 Claims payables and receivable to customers**
The Group has made accruals in respect of unsettled prices for some of its raw materials purchase contracts and finished goods, scrap sales contracts. These accruals are made considering the past settlement formula with the vendors and customers respectively and the applicable metal prices from published sources. The management has assessed and believes that the timing of cash outflow pertaining to this accruals are uncertain and hence considered the same as payable on demand and classified under current liabilities. As the liability and assets is payable on demand, management has concluded that no discounting is necessary.

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Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 4 : Standards issued but not yet effective

Standards issued but not yet effective upto the date of issuance of the Company's financial statements which are applicable to the Company are listed below. The listing of standards issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective i.e. April 1, 2018

Amendment to Ind AS 21 – The Effects of Changes in Foreign Exchange Rates

The amendment has been incorporated in Ind AS 21 as Appendix B which clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary prepayment asset or deferred income liability. If there are multiple payments or receipts in advance, a date of transaction is established for each payment or receipt. The Company is evaluating the impact of this amendment on its financial statements.

Ind AS 115 – Revenue from Contract with Customers

Ind AS 115 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Ind AS 115 will supersede the current revenue recognition standard Ind AS 18 Revenue, Ind AS 11 Construction Contracts when it becomes effective.

The core principle of Ind AS 115 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligation in contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation

Under Ind AS 115, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

The Company is evaluating the impact of this amendment on its financial statements and will apply the standard using the cumulative effective method, with the effect of initially applying IND AS 115 being recognized as an adjustment to the opening balance of retained earnings of the annual reporting period.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 5 : Property, plant and equipment

	Freehold Land	Leasehold Land	Buildings	Improvements to leasehold premises	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Computer and peripherals	Computer and peripherals- Leased	Tools, Jigs and Fixtures	Total
As at March 31, 2017												
Gross carrying amount												
Opening gross carrying amount	1,886.04	392.86	9,392.75	411.80	267.55	25,493.24	193.77	299.65	219.13	-	19.49	38,576.28
Foreign currency translation difference	(27.98)	-	(190.27)	-	(37.77)	(857.70)	0.72	(11.47)	(0.19)	-	(231.06)	(1,355.72)
Acquisition of subsidiary	507.50	-	5,311.75	108.64	305.74	19,466.76	363.38	-	11.10	247.65	1,122.49	27,445.01
Additions	-	-	2,145.60	3.92	50.38	2,546.48	49.84	78.37	21.91	11.56	1,506.90	6,414.96
Disposals	-	-	-	-	-	149.36	55.97	6.39	1.19	52.27	-	265.18
Closing gross carrying amount	2,365.56	392.86	16,659.83	524.36	585.90	46,499.42	551.74	360.16	250.76	206.94	2,417.82	70,815.35
Accumulated depreciation												
Opening accumulated depreciation	-	10.24	485.20	30.19	32.37	3,150.85	76.50	88.14	94.28	-	4.26	3,972.03
Foreign currency translation difference	-	(3.84)	(99.54)	(0.23)	(32.49)	(481.39)	(1.17)	(3.69)	(0.23)	(1.69)	(233.84)	(858.11)
Depreciation charge during the year	-	12.29	753.85	32.70	49.30	3,893.94	100.02	78.73	79.54	40.93	119.88	5,161.18
Disposals	-	-	-	-	0.45	149.36	53.36	-	1.19	52.27	-	256.63
Closing accumulated depreciation	-	18.69	1,139.51	62.66	48.73	6,414.04	121.99	163.18	172.40	(13.03)	(109.70)	8,018.47
Net carrying amount	2,365.56	374.17	15,520.32	461.70	537.17	40,085.38	429.75	196.98	78.36	219.97	2,527.52	62,796.88
As at March 31, 2018												
Gross carrying amount												
Opening gross carrying amount	2,365.56	392.86	16,659.83	524.36	585.90	46,499.42	551.74	360.16	250.76	206.94	2,417.82	70,815.35
Foreign currency translation difference	57.82	-	44.43	7.77	(107.82)	(1,492.96)	17.74	(8.90)	1.40	14.68	(854.78)	(2,320.62)
Additions	-	6,563.04	5,179.90	78.72	304.19	7,067.20	75.37	32.60	101.98	-	2,953.84	21,756.84
Disposals	-	-	-	6.61	7.93	909.76	134.32	18.08	90.50	-	-	1,167.20
Closing gross carrying amount	2,423.38	6,955.90	21,884.16	604.24	774.34	51,163.90	510.53	365.78	263.64	221.62	3,916.88	89,084.37
Accumulated depreciation												
Opening accumulated depreciation	-	18.69	1,139.51	62.66	48.73	6,414.04	121.99	163.18	172.40	(13.03)	(109.70)	8,018.47
Foreign currency translation difference	-	(5.60)	(365.81)	0.40	(201.51)	(2,044.43)	(2.98)	(19.13)	0.62	(83.17)	(1,641.98)	(4,383.49)
Depreciation charge during the year	-	28.93	855.52	31.82	173.33	6,505.44	64.25	62.58	56.91	8.25	1,787.81	9,574.84
Disposals	-	-	-	6.61	7.70	134.20	119.04	16.66	90.44	-	-	374.65
Closing accumulated depreciation	-	42.02	1,629.22	88.27	12.85	10,740.85	64.22	189.97	139.49	(87.95)	36.24	12,855.17
Net carrying amount	2,423.38	6,913.88	20,254.94	515.97	761.49	40,423.05	446.31	175.81	124.15	309.57	3,880.64	76,229.20

b. Capital work-in-progress

Capital work-in-progress as at March 31, 2018 amounts to INR 11,093.39 Lakhs comprising majority of Holding Company's addition to land and other development related cost, expansion of existing plant capacity at one of the foreign and Indian subsidiary, while that as at March 31, 2017 amounts to INR 19,982.20 Lakhs comprising majority of Holding Company's land and other development related cost.

Leased assets

Furniture, fittings and equipment includes the following amounts where the group is a lessee under a finance lease:

	As at March 31, 2018	As at March 31, 2017
Furniture, fittings and equipment		
Gross block	981.41	916.41
Accumulated depreciation	239.08	143.61
Net carrying amount	742.33	772.80

The group's finance leases relates primarily to furniture, fittings and equipments. Sub leases does not occur. The group's leasing agreement has a duration of 2 to 8 years. When the group has the risk and benefits that are related to ownership, the lease agreement are recorded as asset and related commitment are valued at present value of minimum lease fees. The commitment of future lease fees is recorded as liability. The lease asset is depreciated accordance to the group's principal for such assets. The lease fees is split between interest expense and amortization.

Refer to note 53 for information on property, plant and equipment pledged as security by the group.

Refer to note 46 for disclosure on contractual commitments for the acquisition of property, plant and equipment.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 6 : Intangible assets

	Acquired intangible asset	Internally generated intangible asset			Total
	Computer software	Engineering and development cost	Patents	Customer Contracts	
As at March 31, 2017					
Gross carrying amount					
Opening gross carrying amount	500.00	1,498.24	-	-	1,998.24
Adjustments to opening balance (Refer Note 43)	-	(2,674.22)	-	-	(2,674.22)
Additions	98.95	1,892.35	-	-	1,991.30
Foreign currency translation difference	(21.91)	(462.68)	-	-	(484.59)
Acquisition of subsidiary	342.21	20,447.63	1,295.90	6,124.77	28,210.51
Closing gross carrying amount	919.25	20,701.32	1,295.90	6,124.77	29,041.24
Accumulated depreciation					
Opening accumulated depreciation	192.93	62.63	-	-	255.56
Depreciation charge during the year	131.41	826.98	33.98	257.49	1,249.86
Foreign currency translation difference	(11.80)	(244.55)	(1.40)	(10.62)	(268.37)
Closing accumulated depreciation	312.54	645.06	32.58	246.87	1,237.05
Net carrying amount	606.71	20,056.26	1,263.32	5,877.90	27,804.19
As at March 31, 2018					
Gross carrying amount					
Opening gross carrying amount	919.25	20,701.32	1,295.90	6,124.77	29,041.24
Additions	75.36	5,499.21	-	-	5,574.57
Foreign currency translation difference	422.47	(2,152.61)	84.17	1,357.06	(288.91)
Closing gross carrying amount	1,417.08	24,047.92	1,380.07	7,481.83	34,326.90
Accumulated depreciation					
Opening accumulated depreciation	312.54	645.06	32.58	246.87	1,237.05
Depreciation charge during the year	210.70	4,575.99	230.15	1,097.71	6,114.56
Foreign currency translation difference	(58.18)	(1,484.45)	3.02	21.71	(1,517.90)
Closing accumulated depreciation	465.06	3,736.60	265.75	1,366.30	5,833.71
Net carrying amount	952.02	20,311.32	1,114.32	6,115.53	28,493.19

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the CGU below for impairment testing:

Carrying amount of goodwill allocated to each of the CGUs:

Goodwill	ASAL (Refer note A)	Ryhpez (Refer note B)	Total
March 31, 2018	2,499.96	41,056.99	43,556.95
March 31, 2017	2,499.96	39,697.88	42,197.84

Note A: Goodwill relating to ASAL is accounted at the time of business acquisition of the same. ASAL is a manufacturer and supplier of sheet metal components, welded assemblies and modules for automobiles. The Group perform its annual impairment test for the years ended March 31, 2018 and March 31, 2017 for the Goodwill relating to ASAL.

Note B: On December 30, 2016, Ryhpez Holding (Sweden) AB (100% subsidiary of TACO) acquired Sweden based TitanX Holding AB. This acquisition enabled the Group in expanding globally and fortifying presence in the cooling and emission control segment. This business acquisition had resulted in provisional Goodwill of INR 34,679.70 lakhs. The Group had not tested this Goodwill as at March 31, 2017 as the Group expected to finalize identifying and measuring the identifiable assets acquired and liabilities assumed at their acquisition date fair value within the measurement period of 12 months from the date of acquisition as defined in Ind AS 103. Subsequently, during the year Goodwill has been finalized amounting to INR 41,056.99 lakhs. Accordingly, the Group has performed its annual impairment test for the year ended March 31, 2018 for this Goodwill.

Note C: The Group considers the relationship between ASAL's and Ryhpez' s business valuation and its book value of equity, among other factors, when reviewing for the indicators of impairment. The Group on reporting date analyses if ASAL's and Ryhpez' s business valuation is below its book value of equity indicating a potential impairment of goodwill and impairment of assets of ASAL and Ryhpez.

Key assumptions used for value in use calculations

The valuation has been arrived at by taking the weighted average of values arrived at under following valuation method:

- (a) Net assets based method and
- (b) Discounted cash flows.

The calculation of value in use is sensitive to the following assumptions:

- ▶ Sales growth
- ▶ Raw material consumption
- ▶ Discount rates
- ▶ Free cash flow to the firm
- ▶ Growth rates used to extrapolate cash flows beyond the forecast period

Sales growth : The group has prepared customer wise sales growth projections based on the broad outlook received from the customers. It is observed from this estimate that the group expects auto industry sales to grow in the medium to long term.

Raw material consumption: Raw material consumption has been factored in the financial projections based on trends noticed in past two financial years.

Discount rates - Discount rates represent the current market assessment of the risks specific to ASAL and Ryhpez respectively, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of ASAL and Ryhpez respectively and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment. The cost of debt is based on the interest-bearing borrowings of ASAL and Ryhpez respectively.

Free cash flow to the firm: Free cash flow to the firm (FCFF) has been calculated by reducing capital expenditure and working capital adjustments for the projected period from January 2018 to March 2022.

Growth rate estimates: Terminal value of future cash flows has been calculated using standard growth rate formula.

Impairment assessment may contain and/ or are based on estimates of future financial performance or opinions that may represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from those and the variations may be material. Also refer note 1 of significant estimates and assumptions.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 7 : Financial assets - loans

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to jointly controlled entities	1,931.84	216.42	1,748.44	85.17
Loans to employees	21.87	-	8.48	-
Advance to employees	26.28	-	54.85	-
Total	1,979.99	216.42	1,811.77	85.17

Note 8 : Financial assets - others

	As at March 31, 2018		As at March 31, 2017	
	Current	Non-current	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	77.23	474.04	62.26	368.99
Considered doubtful	-	14.29	-	14.29
	77.23	488.33	62.26	383.28
Less : Provision for doubtful deposits	-	14.29	-	14.29
	77.23	474.04	62.26	368.99
Unbilled revenue	398.42	-	246.31	-
Other receivable from related parties	290.02	-	397.68	-
Interest accrued on loans/ deposits	20.14	-	13.02	-
Claims receivable	-	13.00	280.84	8.34
Bank deposits*#	31.88	18.21	-	16.26
Others	72.93	7.75	181.26	7.24
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts**	2.68	-	19.76	-
Total	893.30	513.00	1,201.13	400.83

* Bank deposits that are maturing after three months but less than twelve months have been classified under current and maturing after twelve months have been classified as non-current.

** Derivatives not designated as hedge.

Held as lien by bank against bank guarantee.

Note 9 : Deferred tax assets

	As at March 31, 2018	As at March 31, 2017
Deferred tax assets		
Tax losses carried forward	9,792.00	5,962.46
Unabsorbed depreciation	832.72	940.63
Provision for employee benefits	1,558.81	2,619.50
MAT credit available for set off against future taxable income	91.00	887.47
Less: Provision for doubtful MAT credit	(91.00)	(91.00)
Other items	1,120.33	2,449.53
	13,303.86	12,768.59
Deferred tax liabilities		
Capitalized development expenditure	-	2,471.63
Property, plant and equipment	2,282.59	2,249.77
	2,282.59	4,721.40
Net deferred tax assets	11,021.27	8,047.19

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Movement in temporary differences (deferred tax assets and liabilities)

	As at March 31, 2018	As at March 31, 2017
Opening balance	8,047.19	1,337.02
<i>(Charged)/credited to profit or loss</i>		
Tax losses carried forward	3,829.54	192.81
Unabsorbed depreciation	(107.91)	115.63
Provision for employee benefits	(1,030.82)	(100.15)
Capitalized development expenditure	2,471.63	-
Property, plant and equipment	(32.82)	(634.94)
Others	(1,379.78)	(426.52)
	3,749.84	(853.17)
<i>(Charged)/credited to OCI</i>		
Remeasurement of defined benefit obligation	(29.87)	16.43
Investments in subsidiaries	-	31.87
Tax on pension benefits	-	18.10
On the overvaluation of assets	-	(33.82)
	(29.87)	32.58
Utilisation of MAT credit	(796.47)	(377.36)
Acquisition of subsidiary	-	3,531.62
Reversal of deferred tax liability on undistributed reserve	-	606.11
Revaluation of assets	-	4,320.59
Opening balance adjustments	50.58	(550.20)
Closing deferred tax assets / (liabilities) (net)	11,021.27	8,047.19

Note 10 : Current tax assets (net)

	As at March 31, 2018	As at March 31, 2017
Opening balance	1,056.18	3,249.33
Refund received net of taxes paid	-	(1,672.97)
Tax expense relating to current year	(2,476.27)	(1,402.08)
Tax reversal / (expense) relating to earlier years	40.00	(148.85)
MAT credit utilized	796.47	377.36
Taxes paid during the year	1,675.90	653.39
Closing balance	1,092.28	1,056.18

Note 11 : Other non-current assets

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	1,065.31	625.56
Considered doubtful	15.06	15.06
	1,080.37	640.62
Less: Provision for doubtful capital advances	15.06	15.06
	1,065.31	625.56
Balances with statutory/government authorities		
Considered good	227.93	193.03
Considered doubtful	212.07	212.07
	440.00	405.10
Less: Provision for doubtful balances	212.07	212.07
	227.93	193.03
Prepaid rental on operating lease (refer note 49)	108.63	108.63
Prepaid expenses	39.14	12.87
Security deposit - Octroi	36.21	36.21
Claims receivable		
Considered good	114.01	75.34
Considered doubtful	55.72	55.72
	169.73	131.06
Less: Provision for doubtful claims receivable	55.72	55.72
	114.01	75.34
Total	1,591.23	1,051.64

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 12 : Inventories

	As at March 31, 2018	As at March 31, 2017
Raw materials (includes goods-in-transit of INR 35.40 Lakhs; March 31, 2017: INR Nil)	11,316.78	8,263.16
Work-in-progress	5,537.98	4,538.29
Finished goods (includes goods-in-transit of INR 102.15 Lakhs; March 31, 2017: INR 79.05 Lakhs) *	5,189.24	4,033.46
Traded goods	1,053.26	583.42
Stores and spares	3,142.26	3,709.31
Tools (under development)	2,008.34	2,966.76
Others	874.71	944.39
Total	29,122.57	25,038.79

* Write-downs of inventories to net realizable value amounted to INR 7.18 Lakhs (March 31, 2017 INR 12.92 Lakhs). These were recognized as an expense during the year and included in Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools' in the statement of profit and loss.

Note 13 : Current Investments

	As at March 31, 2018	As at March 31, 2017
Investment in liquid mutual funds carried at fair value through profit or loss Unquoted		
1,01,176.816 (March 31, 2017: 2,23,177.756) units of Tata Money Market Fund - Direct Plan - Growth	2,770.60	5,720.13
221,762.123 (March 31, 2017: 909,896.648) units of Aditya Birla Sun Life Floating Rate Fund Short Term Plan - Growth - Direct Plan	514.08	1,973.15
1,01,075.5384 (March 31, 2017: 197,902.398) units of Kotak Floater Short Term - Direct Plan - Growth	2,882.63	5,282.76
12,41,347.392 (March 31, 2017: 22,23,351.392) units of ICICI Prudential Money Market Fund - Direct Plan - Growth	2,983.22	5,003.06
1,76,602.364 (March 31, 2017: 3,57,820.170) units of Indiabulls Liquid Fund - Direct Plan Growth	2,999.14	5,685.25
Total	12,149.67	23,664.35

	As at March 31, 2018	As at March 31, 2017
Aggregate amount of unquoted investments	12,149.67	23,664.35

Information about the Group's exposure to market risk and fair value measurement is included in note 37





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 14 : Trade receivable

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	39,734.02	44,708.49
Unsecured, considered doubtful	1,328.76	1,911.76
Total	41,062.78	46,620.25
Less: Allowance for doubtful trade receivables	1,328.76	1,911.76
Net trade receivables	39,734.02	44,708.49

Of the above, trade receivables from related parties are as follows:

	As at March 31, 2018	As at March 31, 2017
Total trade receivables from related parties	6,166.21	7,615.02
Less: Loss allowance	-	-
Net trade receivables	6,166.21	7,615.02

Transferred receivables

The carrying amounts of the trade receivables include receivables which are subject to a factoring arrangement. Under this arrangement, the group has transferred the relevant receivables to the factor in exchange for cash and is prevented from selling or pledging the receivables. However, the group has retained late payment and credit risk. The group therefore continues to recognise the transferred assets in their entirety in its balance sheet. The amount repayable under the factoring agreement is presented as secured borrowing.

The relevant carrying amounts are as follows:

	As at March 31, 2018	As at March 31, 2017
Total transferred receivables	-	8,601.26
Associated secured borrowing (note 22)	-	8,601.26

Note 15 (a) : Cash and cash equivalents

	As at March 31, 2018	As at March 31, 2017
Balances with banks		
- in current accounts	16,950.87	15,533.31
- in EEFC accounts	0.96	58.28
- in deposits accounts (with original maturity of 3 months or less)	1,500.00	104.79
Cheques on hand	49.20	249.62
Cash on hand	3.19	16.19
Total	18,504.22	15,962.19

Note 15 (b): Bank balances other than (iii) above

	As at March 31, 2018	As at March 31, 2017
Bank balances		
- Margin money deposits (with maturity more than 3 months but less than 12 months) (restricted)	0.96	0.96
- Balance with bank in unpaid dividend accounts (restricted)	1.80	2.26
Total	2.76	3.22

Note 16 : Other current assets

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	4,699.20	7,746.35
Considered doubtful	151.49	166.51
	4,850.69	7,912.86
Less: Provision for doubtful advances	151.49	166.51
	4,699.20	7,746.35
Balances with Statutory / Government Authorities	1,145.62	12,634.63
Prepaid expenses	1,630.53	2,242.31
DEPB Licence	79.38	12.27
Total	7,554.73	22,635.56

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 17: Share capital

	As at March 31, 2018	As at March 31, 2017
Authorised		
329,600,000 (March 31, 2017: 329,600,000) equity shares of INR 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2017: 70,000,000) 8% preference shares of INR 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2017: 2,400,000) 7.5% preference shares of INR 10/- each	240.00	240.00
8,000,000 (March 31, 2017: 8,000,000) 0.1% preference shares of INR 10/- each	800.00	800.00
	41,000.00	41,000.00
Issued, subscribed and fully paid up		
201,281,358 (March 31, 2017: 201,281,358) equity shares of INR 10/- each fully paid.	20,128.14	20,128.14

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

	As at March 31, 2018		As at March 31, 2017	
	Number of shares (in lakhs)	Equity share capital (par value)	Number of shares (in lakhs)	Equity share capital (par value)
Equity shares				
At the commencement and at the end of the year	2,012.81	20,128.14	2,012.81	20,128.14

(b) Shares held by holding, subsidiary and associate of holding company

	As at March 31, 2018	As at March 31, 2017
28,675,598 equity shares (March 31, 2017 : 28,675,598 shares) held by Tata Sons Limited, the ultimate holding company,	2,867.57	2,867.57
120,272,540 equity shares (March 31, 2017 : 120,272,540 shares) held by subsidiaries of the company's ultimate holding company	12,027.25	12,027.25
52,333,170 equity shares (March 31, 2017 : 52,333,170 shares) held by Associate of the company's ultimate holding company	5,233.32	5,233.32
Total	20,128.14	20,128.14

(c) Details of shares held by shareholders holding more than 5% of equity shares of the Company

Name of the shareholder	Number of shares held as on March 31, 2018		Number of shares held as on March 31, 2017	
	Number of shares held as on March 31, 2018	% holding	Number of shares held as on March 31, 2017	% holding
Tata Industries Limited	6,92,45,153	34.40%	6,92,45,153	34.40%
Tata Motors Limited	5,23,33,170	26.00%	5,23,33,170	26.00%
Tata Capital Limited	4,83,07,333	24.00%	4,83,07,333	24.00%
Tata Sons Limited	2,86,75,598	14.25%	2,86,75,598	14.25%

(d) Terms and rights attached to equity shares:

The Company has one class of issued capital i.e. equity shares having a par value of INR 10 per share. Each equity 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.

(e) Dividends

	As at March 31, 2018	As at March 31, 2017
Equity shares		
<i>Dividends recognized at the end of reporting period</i>		
Final dividend for the year ended March 31, 2017, of INR 2 (March 31, 2016 INR 2) per fully paid-up equity share	4,025.63	4,025.63

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 18 : Other equity

	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve		
At the commencement and at the end of the year	5,462.50	5,462.50
Securities premium account		
At the commencement and at the end of the year	69.39	69.39
Debenture redemption reserve		
At the commencement of the year	2,275.00	2,200.00
Appropriations during the year	75.00	75.00
At the end of the year	2,350.00	2,275.00
General reserve		
At the commencement and at the end of the year	11,937.29	11,937.29
Retained earnings		
At the commencement of the year	42,963.63	41,702.38
Profit for the year	7,869.77	6,386.04
Items of other comprehensive income recognised directly in retained earnings, net of tax	974.82	(266.10)
Appropriations		
Dividend on equity shares	(4,025.63)	(4,025.63)
Dividend distribution tax	(719.64)	(758.06)
Transfer to debenture redemption reserve	(75.00)	(75.00)
	46,987.95	42,963.63
Other comprehensive income		
Exchange differences on translation of foreign operations		
At the commencement of the year	(1,060.77)	70.30
Exchange differences on translating financial statement of foreign operations	737.02	(1,131.07)
At the end of the year	(323.75)	(1,060.77)
Effective portion of cash flow hedges		
At the commencement of the year		
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	(1,341.79)	-
At the end of the year	(1,341.79)	-
Total other equity	65,141.59	61,647.04

Nature and purpose of reserves

General reserve

The general reserves are the retained earnings of a Company which are kept aside out of Company's profits to meet future (known or unknown) obligations. The general reserve is a free reserves which can be utilized for any purpose after fulfilling certain conditions.

Capital redemption reserve

Capital Redemption Reserve was created for redemption of preference shares. The Company may issue fully paid - up bonus shares to its members out of the capital redemption reserve account.

Securities premium account

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.

Debenture redemption reserve (DRR)

The Group has issued redeemable non-convertible debentures. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended), require the group to create DRR out of profits of the group available for payment of dividend. DRR is required to be created for an amount which is equal to 25% of the value of debentures issued. According to the Companies (Share capital and Debentures) Rules, 2014 (as amended), a Company should on or before the 30th day of April in each year, invest or deposit, a sum which will not be less than fifteen percent of the amount of its debentures maturing during the year ending on the 31st day of March of the next year. Till reporting date, the group was not required to make any such deposit/ investment.

Exchange differences on translation of foreign operations

Exchange differences arising on translation of the foreign operations are recognised in other comprehensive income as described in accounting policy and accumulated in a separate reserve within equity. The cumulative amount is reclassified to profit or loss when the net investment is disposed-off.

Effective portion of cash flow hedges

This comprises the effective portion of the cumulative net change in the fair value of the cash flow hedging instruments related to hedge transaction that have not yet accrued.

Note 19 : Non - current borrowings

	As at March 31, 2018	As at March 31, 2017
Term Loan		
Secured		
From banks	70,883.22	72,324.31
From related party	1,034.89	1,634.00
Long term maturities of finance lease obligations		
Obligation under finance lease	198.28	431.87
Unsecured		
Non Convertible Debentures	10,367.07	10,367.07
	82,481.46	84,757.25
Less: Current maturities of long-term debt (included in note 24)	2,099.72	1,094.46
Less: Interest accrued (included in note 24)	381.30	388.05
Less: Transaction cost	1,543.32	1,636.24
Total	78,457.12	81,638.50



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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Details of security and repayment terms of non current borrowings

Nature of facility	Coupon/Interest	Balance as on March 31, 2018	Balance as on March 31, 2017	Nature of security	Terms of repayment
Term Loan	10.30%	630.53	875.00	Secured by exclusive first charge by way of hypothecation of specific press machinery at Halol Plant.	Phased Repayment with quarterly instalments ending in September, 2020
Term Loan	10.80%/ 11.25%	1,034.89	1,634.00	Secured by first and exclusive hypothecation on plant and machinery (except for specific presses hypothecated against loan from State Bank of India,) of Pantnagar plant of the Company.	Phased repayment with quarterly instalments from September 2015 and ending in December 2019.
Term Loan	PBOC + 60 bps	1,496.31	1,972.33	Secured by land and building	2 years
Term Loan	9.50%	855.09	1,243.26	Secured by first charge on plant and machinery at Chakan and Halol plant (except machinery already hypothecated to SBI for Term loan of INR 1,000 Lakhs) and first charge on plant and machinery to be acquired at Chakan plant out of term loan.	Phased repayment after 1 year moratorium period in quarterly fifteen instalments ending in December 2019
Term Loan	2.25%+LIBOR	35,882.73	35,926.09	Shares held in TitanX holding AB and corporate guarantee issued guaranteed by holding company.	5 years
Term Loan	2.90%+LIBOR	32,018.56	32,307.63	All the assets of all subsidiaries of TitanX Engine Cooling Holding AB (except China), Cross guarantees from all subsidiaries	5 years
Obligation under finance lease	5.09%	196.28	431.87	Lease liabilities are effectively secured as the rights to lease assets recognised in financial statements revert to the lessor in the event of default.	3 years
1,000 unsecured Redeemable Non Convertible Debentures of INR 1,000,000 each fully paid	10.15%	10,367.07	10,367.07	Nil	Repayable in May 2020
		82,481.46	84,757.25		
Less : Current maturities of long-term borrowings (included in note 24)		2,099.72	1,094.46		
Less : Interest accrued (included in note 24)		381.30	388.05		
Less: Transaction cost		1,543.32	1,636.24		
Total		78,457.12	81,638.50		

Note 20 : Provisions

	As at March 31, 2018		As at March 31, 2017	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Compensated absences	3,991.11	681.36	3,802.68	828.97
Gratuity (refer note 39)	-	364.35	-	353.25
Retirement benefits (refer note 39)	89.51	11,502.71	86.88	12,855.52
Other provisions (refer note 47)				
Provision for probable claims	661.00	-	3,103.00	-
Provision for other contingencies	-	-	209.74	-
Provision for warranty	17.90	843.05	14.53	413.94
Total	4,759.52	13,391.47	7,216.83	14,451.68

Note 21 : Deferred tax liabilities

	As at March 31, 2018	As at March 31, 2017
Undistributed profit of jointly controlled entities	564.00	1,048.93
Revaluation of assets	3,937.85	4,320.60
Other items	2,901.04	-
Net deferred tax liabilities	7,402.89	5,369.53

Movement in temporary differences (deferred tax liabilities)

	As at March 31, 2018	As at March 31, 2017
Opening balance	5,369.53	1,150.34
<i>Charged/(credited) to profit and loss:</i>		
Undistributed profit of jointly controlled entities	(484.93)	(101.41)
Revaluation of assets	(382.75)	4,320.60
Other items	2,901.04	-
Closing balance	7,402.89	5,369.53

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 22 : Financial liabilities - current borrowings

	As at March 31, 2018	As at March 31, 2017
Secured		
Factored receivable	-	8,601.26
Loans from banks repayable on demand	13,321.68	17,040.72
From related party repayable on demand	1,415.06	-
	14,736.74	25,641.98
Less: Interest accrued	22.68	-
Total	14,714.06	25,641.98

Details of security and repayment terms of current borrowings

Nature of Facility	Coupon/Interest	Balance as on March 31, 2018	Balance as on March 31, 2017	Nature of Security	Terms of repayment
Cash Credit facility	10.10% / 10.80%	526.94	769.16	Loans from Banks repayable on demand are secured by hypothecation of current assets and second charge on the fixed assets of Chakan Plant of the Company.	Repayable on Demand
Cash Credit facility	9.65% / 10.40%	458.08	88.46	Loans from Banks repayable on demand are secured by hypothecation of current assets and second charge on the fixed assets of Chakan Plant of the Company.	Repayable on Demand
WCDD	9.00%	1,007.66	-	Loans from Banks repayable on demand are secured by hypothecation of current assets and second charge on the fixed assets of Chakan Plant of the Company.	Repayable on Demand
WCDD	10.20%	1,415.06	-	Loan from related party is secured by first and exclusive hypothecation of plant and machinery (except for specific presses) of Panlnagar plant of the Company.	Repayable on Demand
Working capital loan (USD)	LIBOR(6M) + 325 bps	-	973.47	Secured by plant and machinery	Repayable on Demand
Working capital loan (RMB)	PBOC + 125 bps	3,962.06	1,918.72	Secured by plant and machinery	Repayable on Demand
Revolving Credit Facility	2.90%+LIBOR	7,366.94	13,290.91	All the assets of all subsidiaries of TitanX Engine Cooling Holding AB (except China) Cross guarantees from all subsidiaries	Can be paid at the end of each month and can be drawn again
Factored receivable	10.10%	-	2,054.44	Factored receivable is secured by first charge on trade receivable subject to factoring arrangement.	3 months
Factored receivable	8.10%	-	6,546.82	Factored receivable is secured by first charge on trade receivable subject to factoring arrangement.	3 months
		14,736.74	25,641.98		
Less : Interest accrued (included in note 24)		22.68	-		
Total		14,714.06	25,641.98		

Note 23 : Trade payables

	As at March 31, 2018	As at March 31, 2017
Trade payables		
- Acceptances	4,142.40	3,666.63
- Other than related party	71,783.64	59,987.66
- To related party	1,504.00	267.57
Total	77,430.04	63,921.86

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 37

Note 24 : Other financial liabilities

	As at March 31, 2018	As at March 31, 2017
Creditors for capital goods	1,492.45	1,914.55
Accrued employee liabilities	2,419.60	2,015.00
Interest accrued on borrowings	707.19	389.05
Current maturities of long-term borrowings	2,099.72	1,094.46
Current maturities of finance lease obligations	129.09	374.51
Unpaid dividend	1.80	2.26
Security deposit	156.05	112.75
Derivative contracts*	1,463.86	5.96
Claims payable to customers	381.61	-
Other payable	889.75	1,199.18
Total	9,741.12	7,106.72

* Derivatives not designated as hedges- Foreign currency forward contracts

The Group's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 37

Note 25 : Current tax liabilities

	As at March 31, 2018	As at March 31, 2017
Opening balance	150.49	39.95
Tax expense relating to current year	150.50	198.36
Taxes paid during the year	(113.21)	(77.75)
Foreign currency translation difference	16.02	(10.07)
Closing balance	203.80	150.49

Note 26 : Other current liabilities

	As at March 31, 2018	As at March 31, 2017
Advance from customer	5,438.52	7,574.26
Deferred grant income (INR 3 Lakhs released to statement of profit and loss during year end March 31, 2018)	24.00	27.00
Statutory dues	3,580.99	14,565.09
Warranty dues	-	94.12
Excess of loss over investment in joint venture	-	494.14
Others	859.15	632.29
Total	9,902.66	23,386.90

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 27 : Revenue from operations (Refer note 2.2)

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)		
Finished goods	2,94,026.63	1,62,387.92
Traded goods	10,794.22	14,430.24
Sale of services	8,728.34	7,308.58
Other operating revenues	2,753.81	1,411.79
Total	3,16,303.00	1,85,538.53

Note 28 : Other income

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income from financial assets at amortised cost	336.59	141.28
Net gain on sale of current investments mandatorily measured at fair value through profit or loss	1,126.32	2,678.59
Gain on sale of property, plant and equipments	2.33	41.24
Gain on account of foreign currency transaction (net)	3,671.11	1,571.74
Sundry provisions and credit balances no longer required, written back (Refer note 50)	2,610.33	252.68
Provision for doubtful debts/ advances written back	133.00	-
Other non-operating income	74.54	1,439.86
Total	7,954.22	6,125.39

Note 29 : Cost of materials consumed

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory of raw materials at the beginning of the year	8,723.33	3,693.59
Opening stock on acquisition of subsidiary	-	4,417.52
Add: Purchases	1,87,002.16	1,00,565.68
Less: Inventory of raw materials at the end of the year	11,255.49	8,723.33
Foreign currency translation difference	(190.78)	-
Total	1,84,279.22	99,953.46

Note 30 : Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Work-in-progress	4,673.74	1,991.37
Finished goods	4,214.32	1,365.44
Stock-in-trade	583.42	782.15
Stores and spares	1,851.01	0.00
Tools	3,044.13	1,617.09
Others	984.09	57.99
Opening stock on acquisition of subsidiary	-	8,435.85
	15,350.71	14,249.89
Closing stock		
Work-in-progress	5,447.80	4,673.74
Finished goods	5,036.71	4,214.32
Stock-in-trade	1,053.26	583.42
Stores and spares	1,417.14	1,851.01
Tools	1,956.57	3,044.13
Others	871.43	984.09
	15,782.91	15,350.71
Foreign currency translation difference	701.11	-
Total	268.91	(1,100.82)

Note 31 : Employee benefits expense

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries and wages	45,913.33	24,633.25
Contributions to provident fund and other fund	6,242.10	1,401.21
Staff welfare expenses	11,772.19	3,939.05
Total	63,927.62	29,973.51

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 32 : Finance costs

	Year ended March 31, 2018	Year ended March 31, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	5,786.42	3,141.27
Other borrowing costs	523.93	199.78
Total	6,310.35	3,341.05

Note 33 : Depreciation and amortisation expense

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	9,574.84	5,161.18
Amortisation of intangible assets	6,114.56	1,249.86
Total	15,689.40	6,411.04

Note 34 : Other expenses

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores, spares and consumables	4,050.65	2,684.63
Power and fuel	7,196.68	3,900.01
Rent and service charges	1,238.56	1,181.77
Repairs and maintenance :		
Buildings	2,411.00	600.48
Machinery	3,473.95	1,912.45
Others	443.68	177.37
Insurance	163.98	421.31
Rates and taxes	490.47	470.65
Communication expenses	240.81	252.27
Travelling and conveyance	1,438.46	1,087.18
Printing and stationery	7.10	3.02
Freight and forwarding	5,687.58	3,099.20
Commission	94.95	43.74
Corporate social responsibility expenditure [Refer Note 34 (b)]	74.72	67.74
Legal and professional fees [Refer Note 34 (a)]	3,682.05	3,780.76
Bad debts written off	-	100.82
Provision for doubtful trade receivables and advances	66.84	26.47
Loss on foreign currency transaction and translation	24.16	147.54
Loss on sale of property, plant and equipment	1.04	-
Processing charges	2,211.79	708.93
Contract labour charges	4,111.71	3,583.55
Miscellaneous expenses	7,238.67	3,053.17
Less capitalization of R&D	(3,435.07)	(1,264.06)
Less: Recoveries from joint ventures and subsidiaries	(768.51)	(594.82)
Total	40,168.29	25,444.18

34 a) Legal and Professional fees include payment to auditors

	Year ended March 31, 2018	Year ended March 31, 2017
As Auditor		
Audit fees	208.23	226.40
Tax audit fees	16.71	12.59
Other services	12.84	13.92
Reimbursement of expenses	-	4.34
Total	237.78	257.25

* Paid to predecessor auditor

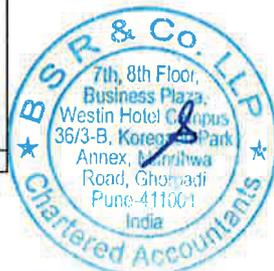
34 b) Corporate social responsibility expenditure

Gross amount required to be spent by the Company during the year INR 73.99 lakhs (March 31, 2017 INR 67.74 lakhs).
Amount spent during the year are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Maharashtra Drought Relief (Paryay NGO)	9.00	8.00
TATA Medical Center, Kolkata	15.00	15.00
Cancer Treatment of Children ST Judes	3.00	3.00
Ration support to SASA orphanage, Pune	3.83	1.88
MD India online for health check up of mechanics	8.00	8.90
Support to school building	17.82	9.26
Soil checking for Chakan site	-	0.12
Creating greenery at Chakan	-	0.22
Provision for tree plantation at Chakan	-	21.19
Sir Ratan Tata Trust	9.88	-
Support to 2 Ellis Batches at Symbiosis School	3.00	-
Tata Community Initiatives Trust	25.70	-
Woolen Cloths distribution to ZP School	0.58	-
Other	0.11	0.17
Total	95.91	67.74

* Amount spent during the current year includes the unspent amount of previous year INR 21.19 Lakhs

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 35 : Income tax expense

	Year ended March 31, 2018	Year ended March 31, 2017
(a) Income tax expense		
Current tax		
Current tax on profits for the year	2,589.53	1,833.94
Adjustments for current tax of prior periods	(2.76)	13.29
Total current tax expense	2,586.77	1,847.23
Deferred tax		
Decrease (increase) in deferred tax assets	(1,788.62)	218.24
(Decrease) increase in deferred tax liabilities	72.71	533.53
Total deferred tax expense/(benefit)	(1,715.91)	751.77
Income tax expense	870.86	2,599.00

Reconciliation of tax expense and the accounting profit :

	Year ended March 31, 2018	Year ended March 31, 2017
Profit before income tax expense	7,530.29	8,908.71
Tax Rate of 34.61% (2016-2017 – 34.61%)	2,606.23	3,083.30
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	25.83	23.74
Disallowance u/s 14A of Income Tax Act, 1961	70.40	69.33
Reversal of provision for probable claims	(854.08)	-
Dividend income from jointly control entities	(962.03)	(1,030.24)
Unrecognized tax benefits on tax losses	1,611.47	99.35
Weighted deduction on research and development expenditure	(289.12)	(234.16)
Consolidated adjustments	1,096.76	1,341.53
Other items	(857.69)	74.25
Share of results of joint ventures	(2,034.16)	(1,365.35)
Impact of tax rate difference between group rate and local rate	376.25	32.55
Deferred tax charge on undistributed income of jointly controlled entities	81.00	504.70
Income tax expense	870.86	2,599.00

Tax Losses

One of the subsidiary in India, subsidiaries in China and Brazil does not have taxable income in current and previous year, hence no tax expenses have been recognized. Further since it is not probable that future taxable amounts will be available to utilize the deferred tax assets in respect of following unused tax losses and unabsorbed depreciation, hence no deferred tax assets have been recognised.

	Year ended March 31, 2018	Year ended March 31, 2017
Unused tax losses for which no deferred tax asset has been recognised :		
- Business Losses	7,168.74	4,526.78
- Unabsorbed depreciation	5,084.28	3,780.82
Potential tax benefit	3,775.42	2,548.52

The potential tax benefit is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income.

Unused tax losses with respect to unabsorbed depreciation do not have an expiry date.
For subsidiaries in Brazil and China, business losses carry forwards do not have an expiry date.

Unused tax losses with respect to business losses in one of the subsidiary in India have following expiry dates:

Expiry Date	Amounts
March 31, 2023	1,379.30
March 31, 2024	1,088.30
March 31, 2026	3,505.04
Total	5,972.64

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 36 : Fair value measurement

Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2018 were as follows:

	Amortised cost	Fair value through profit or loss	Total carrying value
Financial assets:			
<i>Non-current</i>			
Loans	216.42	-	216.42
Other financial assets	513.00	-	513.00
<i>Current</i>			
Trade receivables	39,734.02	-	39,734.02
Cash and cash equivalents	18,504.22	-	18,504.22
Bank balance other than cash and cash equivalents	2.76	-	2.76
Investments	-	12,149.67	12,149.67
Loans	1,979.99	-	1,979.99
Other financial assets	890.62	2.68	893.30
Financial liabilities:			
<i>Non-current</i>			
Borrowings	78,457.12	-	78,457.12
<i>Current</i>			
Borrowings	14,714.06	-	14,714.06
Trade payables	77,430.04	-	77,430.04
Other financial liabilities	8,277.26	1,463.86	9,741.12

The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

	Amortised cost	Fair value through profit or loss	Total carrying value
Financial assets:			
<i>Non-current</i>			
Loans	85.17	-	85.17
Other financial assets	400.83	-	400.83
<i>Current</i>			
Trade receivables	44,708.49	-	44,708.49
Cash and cash equivalents	15,962.19	-	15,962.19
Bank balance other than cash and cash equivalents	3.22	-	3.22
Investments	-	23,664.35	23,664.35
Loans	1,811.77	-	1,811.77
Other financial assets	1,181.37	19.76	1,201.13
Financial liabilities:			
<i>Non-current</i>			
Borrowings	81,638.50	-	81,638.50
<i>Current</i>			
Borrowings	25,641.98	-	25,641.98
Trade payables	63,921.86	-	63,921.86
Other financial liabilities	7,100.76	5.96	7,106.72

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

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 group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - The fair value of financial instruments that are not traded in an active market 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.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2018:

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	12,149.67	12,149.67	-	-
Derivative financial instruments - foreign currency forward	2.68	-	2.68	-
Liabilities				
Derivative financial instruments - foreign currency forward	1,463.86	-	1,463.86	-

The following table presents fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2018:

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures	10,400.00	-	10,400.00	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2017:

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	23,664.35	23,664.35	-	-
Derivative financial instruments - foreign currency forward	19.76	-	19.76	-
Liabilities				
Derivative financial instruments - foreign currency forward	5.96	-	5.96	-

The following table presents fair value hierarchy of assets and liabilities measured at amortised cost for which fair values are disclosed as at March 31, 2017:

Particulars	As at March 31, 2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures	10,400.00	-	10,400.00	-

The carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalent, loans, other current financial assets, short term borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. The group has availed long term borrowings from banks and financial institutions. The group has determined the fair value of these loans based on discounted cash flows using a current borrowing rate. The carrying values approximates their respective fair values. Similarly the fair value of non-current financial assets also approximates its carrying value.

Valuation technique used to determine fair value:

Specific valuation technique used to value financial instruments include

- the fair value of liquid mutual funds is based on quoted price.
- the fair value of forward foreign exchange contract is determined using forward foreign exchange rates as at balance sheet date.
- the fair value of debentures is calculated as the present value of the estimated future cash flows based on observable yield curves.

Valuation processes

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values. Discussions of valuation processes and results are held between the Group CFO, VP Finance and the valuation team.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 37 : Financial risk management

In the course of its business, the Group is exposed primarily to market risk, liquidity risk and credit risk, which may adversely impact the fair value of its financial instruments. The Group has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as credit risks, liquidity risks and etc. The risk management - Create a stable business planning environment by reducing the impact of currency fluctuations on the Group's business plan, - Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) Foreign currency risk

The Group operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to USD, EUR, SEK, RMB and others. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Group's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Group's risk management policy is to hedge around 50% to 70% of forecasted foreign currency sales and purchases for the subsequent 6 months. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

The Group's exposure to foreign currency risk at the end of the reporting period expressed in INR, are as follows:

	As at March 31, 2018					As at March 31, 2017				
	USD	EUR	SEK	RMB	Others	USD	EUR	SEK	RMB	Others
Financial assets										
Trade receivables	1,133.67	5,523.18	15,376.98	5,113.54	86.58	503.78	2,966.69	14,968.20	7,464.71	107.44
Cash and cash equivalents	4.96	695.23	15,144.94	696.22	-	29.50	146.65	14,821.33	411.46	-
Other financial assets	1.55	-	-	78.10	-	1.55	-	-	65.60	-
Exposure to foreign currency risk (assets)	1,140.19	6,218.41	30,521.92	5,887.85	86.58	534.83	3,113.35	29,789.53	7,941.77	107.44
Financial liabilities										
Trade payables	572.26	340.27	27,497.71	9,382.70	27.43	1,348.83	378.17	22,617.88	8,973.11	8.32
Other financial liabilities	32.04	55.16	410.65	1,290.14	9.16	7.09	21.47	766.35	959.38	0.41
Borrowings	82,708.04	-	325.37	5,458.37	-	76,630.32	-	5,337.93	3,891.05	-
Exposure to foreign currency risk (liabilities)	83,312.33	395.43	28,233.73	16,131.21	36.59	77,986.24	399.64	28,722.17	13,823.52	8.73

Sensitivity

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

	Impact on profit after tax	
	As at March 31, 2018	As at March 31, 2017
USD sensitivity		
INR/USD -Increase by 1% *	(821.72)	(774.51)
INR/USD -Decrease by 1% *	821.72	774.51
EUR sensitivity		
INR/EUR -Increase by 6% *	349.38	162.82
INR/EUR -Decrease by 6% *	(349.38)	(162.82)
SEK sensitivity		
INR/SEK -Increase by 1% *	22.88	10.67
INR/SEK -Decrease by 1% *	(22.88)	(10.67)
RMB sensitivity		
INR/RMB -Increase by 1% *	(102.43)	(58.82)
INR/RMB -Decrease by 1% *	102.43	58.82

*Holding all other variables constant

Forward contracts

	As at March 31, 2018	As at March 31, 2017
Forward contracts receivable		
USD	1,308.62	690.51
EUR	1,346.00	967.13
GBP	83.69	201.36
Forward contracts payable		
USD	66,569.78	1,708.05
EUR	11.67	104.50
RMB	127.56	-
Interest rate swap		
USD	1,142.96	-

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

(b) Interest rate risk

The Group has fixed rate borrowings and variable rate borrowings. The fixed rate borrowings are carried at amortized cost and accordingly not subject to interest rate risk as defined in Ind AS 107, as neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

In case of long term foreign currency loans with floating rate:

- Few companies within the Group manages their cash flow interest rate risk using floating to fixed interest rate swaps. Under these swaps, those companies agree with other parties to exchange the difference between fixed contract rates and floating interest amounts calculated by reference to agreed notional principal amounts.
- Few companies within the Group manages cashflows, which is partially neutralised by cash funds incurring variable interest.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

	31-Mar-18	31-Mar-17
Variable rate borrowings	82,113.70	86,937.88
Fixed rate borrowings	13,157.20	21,437.06
Total borrowings	95,270.90	1,08,374.94

As at the end of the reporting period, the Group has the following variable rate borrowings outstanding :

	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loans (in INR)	9.35%	2,930.35	3.06%	10.14%	2,185.28	2.02%
Non-current borrowings (in RMB)	5.35%	1,496.31	1.57%	5.35%	1,972.33	1.82%
Current loan (in RMB)	5.90%	3,962.06	4.16%	5.60%	1,918.72	1.77%
Current loan (in USD)	-	-	-	4.68%	973.47	0.90%
Non-current borrowings (in USD)	3.55%	35,882.73	37.66%	3.24%	35,926.09	33.15%
Non-current borrowings (in USD)	4.20%	32,018.56	33.61%	3.89%	32,307.63	29.81%
Revolving credit facility (in USD)	4.20%	7,367.02	7.73%	3.89%	13,290.60	12.26%
Less - Transaction cost		1,543.32			1,636.24	
Net exposure to cash flow interest rate risk		82,113.70			86,937.88	

Increase in benchmark rates by 0.50 % will reduce profit by INR 409.35 lakhs for the year ended March 31, 2018. Decrease in benchmark rates by 0.50 % will increase profit by INR 409.35 lakhs for the year ended March 31, 2018.

Increase in benchmark rates by 0.50 % will reduce profit by INR 433.46 lakhs for the year ended March 31, 2017. Decrease in benchmark rates by 0.50 % will increase profit by INR 433.46 lakhs for the year ended March 31, 2017.

(c) Price risk

(a) Exposure

The Group's exposure to current investments' price risk arises from investments held by the Group and classified in the balance sheet at fair value through profit or loss. To manage its price risk arising from investment, the Group invests in liquid mutual funds. Liquid mutual funds invest mainly in short term debt instruments such as commercial deposits (CD), commercial paper (CP) and treasury bills, with maturities of up to 91 days only and carry very negligible interest rate risk and price risk.

(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, the Group treasury maintains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of the Group's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Group's liquidity management policy involves projecting cash flows in major currencies and considering the level of liquid assets necessary to meet this. The Group invests its surplus funds in bank fixed deposit and liquid mutual funds which carry no / low mark to market risk.

Maturities of financial liabilities

The tables below analyse the Group's financial liabilities into relevant maturity groupings based on their contractual maturities for:

- all non-derivative financial liabilities, and
- 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

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 years and above	Total
March 31, 2018				
Non-derivatives				
Borrowings	16,813.86	16,882.78	61,574.33	95,270.97
Trade payables	77,430.04	-	-	77,430.04
Other financial liabilities	6,177.54	-	-	6,177.54
Total non-derivative liabilities	1,00,421.44	16,882.78	61,574.33	1,78,878.55
Derivatives (net settled)				
Foreign exchange forward contracts	1,463.86	-	-	1,463.86
Total derivative liabilities	1,463.86	-	-	1,463.86

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 years and above	Total
March 31, 2017				
Non-derivatives				
Borrowings / debentures	25,786.24	3,073.47	79,515.24	1,08,374.94
Trade payables	63,921.86	-	-	63,921.86
Other financial liabilities	6,006.30	-	-	6,006.30
Total non-derivative liabilities	95,714.40	3,073.47	79,515.24	1,78,303.10
Derivatives (net settled)				
Foreign exchange forward contracts	5.96	-	-	5.96
Total non-derivative liabilities	5.96	-	-	5.96

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)

(C) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of credit worthiness.

Credit risk management

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks and liquid mutual fund with high credit ratings assigned by international and domestic credit rating agencies. The Group considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an on-going basis throughout each reporting period.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure.

Financial assets that are neither past due nor impaired

None of the Group's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications as at March 31, 2018, that defaults in payment obligations will occur.

The Group follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortised cost or fair value through other comprehensive income other than trade

The ageing of trade receivable as on balance sheet date is given below. The age analysis has been considered from the due date.

	As at March 31, 2018			As at March 31, 2017		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	32,377.04	231.82	32,145.22	34,828.74	709.10	34,119.63
Overdue up to 3 months	5,752.03	-	5,752.03	7,567.08	-	7,567.08
Overdue 3-6 months	611.61	33.65	577.96	1,681.72	96.91	1,584.81
Overdue more than 6 months	2,322.10	1,063.28	1,258.82	2,542.71	1,105.74	1,436.96
Total	41,062.78	1,328.76	39,734.02	46,620.25	1,911.76	44,708.49

The following table summarises the change in loss allowance measured using lifetime expected credit loss model

Loss allowance on April 1, 2016	1,044.31
Changes in loss allowance	867.45
Loss allowance on March 31, 2017	1,911.76
Changes in loss allowance	(583.00)
Loss allowance on March 31, 2018	1,328.76

Note 38 : Capital management

(a) Risk management

The group's objectives when managing capital are to :

- Safeguard their ability to continue as a going concern, so that 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.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The group determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, nonconvertible debt securities and short-term borrowings. The group's policy is aimed at optimum combination of short-term and long-term borrowings. The group monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the group.

Total debt includes all long and short-term debts as disclosed in notes 19 and 22 to the financial statements.

Particulars	As at	As at
	March 31, 2018	March 31, 2017
Total debt	95,270.90	1,08,374.94
Total equity	86,158.28	83,935.57
Net debt to equity ratio	1.11	1.29

Loan covenants

With respect to borrowing availed by one of the subsidiary from Tata Capital Financial Services Limited, the subsidiary is required to comply with following financial covenants:

- Total outside liabilities as a percentage of total net worth should not exceed 10.40 times.
- Total long term debt as a percentage of total tangible net worth should not exceed 3 times.

As at March 31, 2018 the subsidiary has breached the above covenants which has been, waived by Tata Capital Financial Services Limited. However as at March 31, 2017 the subsidiary had met the above covenants.

All other covenants have been met by the group.

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Tata AutoComp Systems Limited
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Note 39 : Employee benefits

(A) Defined benefit plans

a) Gratuity- India

The group 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 plan is a funded plan and the Company makes contributions to recognised funds 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:

	Present value of obligation	Fair value of plan assets	Net
April 1, 2016	1,484.50	(1,144.05)	340.45
Current service cost	182.86	-	182.86
Interest expense/(income)	109.39	(94.14)	15.25
Total amount recognised in profit or loss	292.25	(94.14)	198.11
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	30.26	30.26
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	65.53	-	65.53
Experience (gains)/losses	8.75	-	8.75
Total amount recognised in other comprehensive income	74.28	30.26	104.54
Employer contributions	-	(125.89)	(125.89)
Benefit payments	(163.95)	-	(163.95)
March 31, 2017	1,687.08	(1,333.83)	353.25

	Present value of obligation	Fair value of plan assets	Net
April 1, 2017	1,687.08	(1,333.83)	353.25
Current service cost	187.71	-	187.71
Interest expense/(income)	113.35	(94.00)	19.35
Total amount recognised in profit or loss	301.06	(94.00)	207.06
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	4.41	4.41
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(40.43)	-	(40.43)
Experience (gains)/losses	(12.13)	-	(12.13)
Total amount recognised in other comprehensive income	(52.56)	4.41	(48.15)
Employer contributions	-	(59.26)	(59.26)
Benefit payments	(88.55)	-	(88.55)
March 31, 2018	1,847.03	(1,482.68)	364.35

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

	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	1,847.03	1,687.08
Fair value of plan assets	1,482.68	1,333.83
Non-current liability recognized in balance sheet	364.35	353.25

Valuation in respect of gratuity has been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	As at March 31, 2018	As at March 31, 2017
Discount rate	7.40%	6.90%
Salary escalation rate	8.00%	8.00%
Rate of return on plan assets	8.00%	7.70%

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would affected the defined benefit obligation by the amounts shown below:

	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(75.60)	(73.04)
(ii) 1% decrease in discount rate	82.78	80.18
(iii) 1% increase in rate of salary escalation	81.83	78.86
(iv) 1% decrease in rate of salary escalation	(76.14)	(73.23)

The above sensitivity analysis 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 while 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.

The following payments are expected contributions to defined benefit plan (gratuity) in future years

The weighted average duration of the defined benefit obligation is 5 years.

	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation		
Less than a year	355.93	300.34
Between 1 - 2 years	402.48	570.82
Between 2 - 5 years	933.78	576.30
Over 5 years	1,398.26	1,246.91
Total	3,090.45	2,694.37

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Tata AutoComp Systems Limited
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Category of planned asset

	As at March 31, 2018	As at March 31, 2017
Unquoted Insurer managed funds*	100%	100%

* The Group maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2018 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year INR 13.82 (March 31, 2017 INR 59.10).

b) Other retirement benefits - India

The Group operates defined benefit pension plans. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement.

	Present value of obligation
April 1, 2016	1,131.14
Current service cost	183.44
Interest expense/(income)	90.51
Total amount recognised in profit or loss	273.94
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	41.16
Experience (gains)/losses	241.48
Total amount recognised in other comprehensive income	282.64
Benefit payments	(81.42)
March 31, 2017	1,606.30

	Present value of obligation
April 1, 2017	1,606.31
Current service cost	108.97
Interest expense/(income)	121.53
Total amount recognised in profit or loss	230.50
Remeasurements	
(Gain)/loss from change in demographic assumptions	-
(Gain)/loss from change in financial assumptions	(113.35)
Experience (gains)/losses	-
Total amount recognised in other comprehensive income	(113.35)
Benefit payments	(86.88)
March 31, 2018	1,636.58

The net liability disclosed above relates to unfunded plan is as follows:

	As at March 31, 2018	As at March 31, 2017
Unfunded plans (Liabilities recognized in balance sheet)	1,636.58	1,606.30

Valuation in respect of pension has been carried out by independent actuary, as at the balance sheet date, based on the following assumptions:

	As at March 31, 2018		As at March 31, 2017	
	Serving Managing Director	Retired Managing Directors	Serving Managing Directors	Retired Managing Directors
Discount rate	8.10%	8.20%	7.50%	8.00%
Pension growth rate	6.00%	6.00%	6.00%	6.00%
Compensation growth rate	8.00%	-	8.00%	-
Expected average remaining working life (years)	29.52	22.09	30.55	22.79

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(149.25)	(173.56)
(ii) 1% decrease in discount rate	174.25	165.99
(iii) 1% increase in rate of pension growth rate	41.92	(61.85)
(iv) 1% decrease in rate of pension growth rate	(40.61)	59.35

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.

The following payments are expected contributions to defined benefit plan (pension) in future years

The weighted average duration of the defined benefit obligation is 5 years.

	As at March 31, 2018	As at March 31, 2017
Defined benefit obligation		
Less than a year	90.44	89.78
Between 1 - 2 years	92.87	187.92
Between 2 - 5 years	293.76	195.14
Over 5 years	1,351.23	881.80
Total	1,828.30	1,354.64

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

c) Pension Schemes- Sweden and USA

The Group has defined benefit schemes in Sweden and USA. The level of benefit depends on the employees length of service and salary at time of retirement. In the Swedish schemes the pension payments are normally linked to the consumer price index while the American schemes are normally not inflation adjusted when the payments from the schemes are actually made. The American pension plan is funded on pay-as-you-go basis and considered as unfunded as per Ind AS 19. The Swedish pension scheme is unfunded and it is therefore the Group that pays out the remuneration at maturity.

	Present value of obligation	Fair value of plan assets	Net
Acquired liability as on December 30, 2016	6,914.54	660.15	6,254.39
Current service cost	3.44	-	3.44
Interest expense/(income)	50.49	7.23	43.26
Total amount recognised in profit or loss	53.93	7.23	46.70
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest (Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	231.89	(7.06)	238.96
Experience (gains)/losses	-	-	-
Total amount recognised in other comprehensive income	231.89	(7.06)	238.96
Employer contributions	-	18.94	(18.94)
Benefit payments	(81.79)	(19.62)	(62.17)
Exchange difference	(199.39)	(26.75)	(172.64)
March 31, 2017	6,919.18	632.89	6,286.29

	Present value of obligation	Fair value of plan assets	Net
April 1, 2017	6,919.18	632.89	6,286.29
Opening balance adjustments	2,650.50	(632.89)	3,283.39
Current service cost	234.71	-	234.71
Interest expense/(income)	301.76	-	301.76
Total amount recognised in profit or loss	3,186.97	(632.89)	3,819.86
<i>Remeasurements</i>			
(Gain)/loss from change in demographic assumptions, financial assumption and Experience (gains)/losses	(779.04)	-	(779.04)
Total amount recognised in other comprehensive income	(779.04)	-	(779.04)
Employer contributions	-	-	-
Benefit payments	-	-	-
Exchange difference	625.91	-	625.91
March 31, 2018	9,953.01	-	9,953.01

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

	As at March 31, 2018	As at March 31, 2018
Present value of funded obligations	-	1,174.01
Fair value of plan assets	-	(632.89)
Deficit of funded plan	-	541.12
Unfunded plans (Non-current liability recognized in balance sheet)	9,953.01	5,745.17

	As at March 31, 2018	As at March 31, 2017
Discount rate USA / Sweden	4.05%/2.4%	4.05% / 2.50%
Salary escalation rate USA / Sweden	0% / 0%	2.5% / 1.8%

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at		
(i) 1% increase in discount rate	(430.97)	(948.43)
(ii) 1% decrease in discount rate	479.88	1,064.69
(iii) 1% increase in rate of salary escalation	474.37	998.47
(iv) 1% decrease in rate of salary escalation	(429.83)	(901.11)

The above sensitivity analysis 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 while 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.

(B) Defined contribution plans

The Group has recognised the following amounts in the statement of profit and loss

	As at March 31, 2018	As at March 31, 2017
Contribution to employees' superannuation fund	207.28	713.33
Contribution to provident fund/family pension fund (including contribution to social security)	4,920.39	653.01
Contribution to labour welfare fund	0.45	-
Contribution to employee's state insurance scheme	17.76	20.04

(C) Risk exposure

Through its defined benefit plans, the company is exposed to a number of risks, the most significant of which are detailed below :

- 1. Interest rate risk:** The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will increase.
- 2. Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- 3. Demographic risk:** For example, as the plan is open to new entrants, an increase in membership will increase the defined benefit obligation. Also, the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 40: Segment Information

Ind AS 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosure about products and services, geographic areas and major customer. The group is engaged mainly in the business of manufacturing and trading of automobile components, design and engineering services. Based on the "management approach" as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) considers entire business as single operating segment. The group's operating divisions are managed from India. The principal geographical areas in which the group operates are India, Europe, and other countries.

The revenue from external customer for each of the major products is as follows:-

	Year ended March 31, 2018	Year ended March 31, 2017
- Components, assemblies and sub-assemblies	2,92,724.70	1,62,483.74
- Tools, dies and moulds	10,169.30	12,038.93
- Scrap	4,729.00	3,707.28
-Service	8,680.00	7,308.58
Total	3,16,303.00	1,85,538.53

Revenue by geographical market

	Year ended March 31, 2018	Year ended March 31, 2017
India	1,38,640.20	1,27,601.82
Europe	94,984.04	24,301.12
Others	82,678.76	33,635.59
Total	3,16,303.00	1,85,538.53

Note 41 : Contingent liabilities (To the extent not provided for)

	As at March 31, 2018	As at March 31, 2017
Income tax matters under appeal	768.98	768.98
Sales tax matters under appeal	358.29	317.00
Excise duty matters*	261.37	281.81
Claims against company not acknowledged as debts	595.92	187.12
Labour matter**	213.87	205.44
Credit guarantee for pension liabilities	-	79.04
Possible claims arising out of agreements with former Joint Venture Partners	2,442.00	-
Others	179.36	179.36

* The group has received other show cause notices from the Excise department on various matters. The Company has/is in the process of replying, to these notices and does not expect any demand from the Excise department. It is not practicable for the company to estimate the timing of cash outflows, if any, in respect of the above pending disputed matters till it is resolved.

** There are certain pending cases in respect of labour matters, the impact of which is not quantifiable and is not expected to be material.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 42 : Related party transactions

(a) Related parties and their relationship

Promoters/ Promoter group

- i) Tata Sons Limited (Ultimate Holding Company)
- ii) Tata Industries Limited
- iii) Tata Motors Limited
- iv) Tata Capital Limited

Fellow subsidiaries (with whom transactions have taken place during the financial year)

- i) Tata AIG General Insurance Company Limited
- ii) TC Travel and Services Limited (upto October 29, 2017)
- iii) Tata Consultancy Services Limited
- iv) Tata Capital Forex Limited (formerly TT Holdings & Services Limited)
- v) Tata International Limited
- vi) Tata Investment Corporation Limited
- vii) Tata Capital Pte. Limited
- viii) Bachi Shoes Limited
- ix) Tata Consulting Engineers Limited
- x) Tata Securities Limited
- xi) Tata Capital Financial Services Limited

Other related parties (Group Companies)

- i) Fiat India Automobiles Private Limited
- ii) Tata Communications Limited
- iii) Tata Technologies Limited
- iv) Tata Chemicals Limited
- v) Tata Teleservices Limited
- vi) Tata Teleservices (Maharashtra) Limited
- vii) The Indian Hotels Company Limited
- viii) Voltas Limited
- ix) TAL Manufacturing Solutions Limited
- x) Tata Steel Limited
- xi) Tata Steel Processing and Distribution Limited
- xii) Chery Jaguar Land Rover Automotive Co, Limited

Joint controlled entities

- i) Tata Ficos Automotive Systems Private Limited
- ii) Tata Autocomp GY Batteries Private Limited
- iii) Tata Autocomp Hendrickson Suspensions Private Limited
- iv) Tata Autocomp Katcon Exhaust System Private Limited
- v) TM Automotive Seating Systems Private Limited
- vi) Tata Toyo Radiator Limited
- vii) Taco Saska Automotive Electronics Limited (Under liquidation)

Key management personnel (KMP)

Whole-time director

- i) Mr. Ajay Tandon (Managing Director)

Non-executive directors

- i) Mr. Praveen Kadle
- ii) Mr. Ramnath Mukhija
- iii) Ms. Vedika Bhandarkar
- iv) Mr. Hari Lakshminarayan Mundra
- v) Mr. Gopichand Katragadda
- vi) Mr. Milind Shahane (w.e.f., August 4, 2016)

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

(b) Transactions with related parties

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
Sale of goods				
- Tata Motors Limited	73,206.39	68,294.19	1,442.04	2.58
- Fiat India Automobiles Private Limited	26,682.46	15,596.38	4,351.70	841.05
- Other group companies	9,124.10	6,574.74	1,624.61	1,410.38
Purchase of goods and services				
- Tata Motors Limited	812.41	2,465.54	85.81	184.61
- Fiat India Automobiles Private Limited	4,522.52	147.36	(409.80)	(61.71)
- Tata Steel Processing And Distribution Co, Ltd	3,103.46	1,570.87	(64.64)	(7.95)
- Tata Steel Limited	641.20	1,190.97	3.22	(98.56)
- Tata Toyo Radiator Ltd.	194.63	203.47	(9.51)	(4.65)
- Tata Securities Limited	6.41	1,074.17	-	-
- Other group companies	2,584.06	983.55	(87.50)	(66.98)
Brand equity business promotion contribution				
- Tata Sons Limited	286.41	235.92	257.77	(212.33)
Sale of services				
- Tata Motors Limited	297.88	1,105.35	48.02	549.93
- Tata Toyo Radiator Limited	1,362.04	2,090.87	347.79	526.16
- Tata Autocomp Hendrickson Suspensions Private Limited	1,191.52	1,788.25	327.16	219.01
- Tata Ficosa Automotive Systems Private Limited	287.87	510.86	69.13	75.46
- Tata Autocomp GY Batteries Private Limited	587.98	475.34	147.98	338.20
- TM Automotive Seating Systems Private Limited	57.72	17.12	33.06	9.97
- Tata Autocomp Katcon Exhaust System Private Limited	232.37	38.63	48.64	55.49
- Other group companies	249.09	17.44	159.83	0.14
Sale of property, plant and equipment				
- Tata Toyo Radiator Ltd.**	27.16	2,967.28	14.14	-
- Tata Ficosa Automotive Systems Private Limited**	6.63	719.23	3.41	2.99
- Tata Autocomp Katcon Exhaust System Private Limited	-	2.82	-	2.99
- Tata Autocomp Hendrickson Suspensions Private Limited **	17.08	1,867.22	8.90	0.00
- TM Automotive Seating Systems Private Limited	0.06	8.46	-	8.97
Purchase of property, plant and equipment				
- Voltas Limited	4.30	-	-	-
Interest paid on loans/ inter corporate deposit				
- Tata Capital Financial Services Limited	241.70	188.18	(16.03)	1.43
Equity dividend paid				
- Tata Motors Limited	1,046.66	1,046.66	-	-
- Tata Investment Corporation Limited	54.40	54.40	-	-
- Tata Industries Limited	1,384.90	1,384.90	-	-
- Tata Sons Limited	573.51	573.51	-	-
- Tata Capital Limited	966.15	966.15	-	-
Interest received on inter corporate deposits and loans				
- Tata Motors Limited	69.52	-	-	-
- Tata Ficosa Automotive Systems Private Limited	72.98	46.75	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	167.72	16.92	-	-

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
Loan availed				
- Tata Capital Financial Services Limited	4,900.00	-	(2,434.05)	1,634.00
Loan repaid				
- Tata Capital Financial Services Limited	4,100.00	240.00	-	-
Dividend received				
- Tata Toyo Radiator Limited	490.62	840.48	-	-
- Tata Autocomp Hendrickson Suspensions Private Limited	2,160.06	2,136.24	-	-
- Tata Ficosa Automotive Systems Private Limited	128.94	-	-	-
Loans granted				
- Tata Ficosa Automotive Systems Private Limited	1,050.00	850.00	688.26	533.61
- Tata Autocomp Katcon Exhaust System Private Limited	1,000.00	1,300.00	1,460.00	1,300.00
Loans repaid				
- Tata Ficosa Automotive Systems Private Limited	895.35	316.39	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	840.00	-	-	-
Inter corporate deposit given				
- Tata Motors Limited	11,500.00	-	-	-
Inter corporate deposit received back				
- Tata Motors Limited	11,500.00	-	-	-
Remuneration paid to KMP				
- Mr. Ajay Tandon				
Short-term employee benefits	288.35	238.24	(129.33)	(110.88)
Long-term employee benefits	23.07	17.64	(50.18)	(27.11)
Post-employment benefits	158.70	218.79	(729.70)	(663.05)
Sitting fees paid to KMP				
- Mr. Praveen Kadle	6.00	8.50	-	-
- Mr. Ramnath Mukhija	9.00	10.50	-	-
- Mr. Vedika Bhandarkar	7.20	5.50	-	-
- Mr. Hari Lakshminarayan Mundra	8.00	10.50	-	-
- Mr. Gopichand Katragadda	5.40	7.90	-	-
Commission paid to KMP				
- Mr. Praveen Kadle	14.92	6.93	-	-
- Mr. Ramnath Mukhija	12.67	7.33	-	-
- Mr. Vedika Bhandarkar	9.27	4.69	-	-
- Mr. Hari Lakshminarayan Mundra	12.49	6.81	-	-
- Mr. Gopichand Katragadda	10.65	4.69	-	-
Investment in equity shares				
- Tata Toyo Radiator Limited	-	-	1,632.00	1,632.00
- Tata Ficosa Automotive Systems Private Limited	-	-	1,875.00	1,875.00
- Tata Autocomp GY Batteries Private Limited	2,000.00	-	7,150.08	5,150.08
- Tata Autocomp Hendrickson Suspensions Private Limited	-	-	621.00	621.00
- TM Automotive Seating Systems Private Limited	-	-	500.00	500.00
- Tata Autocomp Katcon Exhaust System Private Limited	-	149.99	321.13	321.13

Note:

- The closing balances above are net of advances.
- The closing balances of investments in equity shares are net of provisions.
- All outstanding balances are unsecured and are repayable in cash.
- ** Represents sale value of land transferred to joint ventures appearing in capital work in progress as on March 31, 2017.
- For borrowing terms and conditions refer note 19 and 22

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 43 : Business combination

(a) Summary of acquisition

On December 30, 2016, Rhypez Holding (Sweden) AB (100% subsidiary of TACO) acquired Sweden based TitanX Holding AB, supplier of powertrain cooling solutions to the commercial vehicle industry. This acquisition enabled the Group in expanding globally and fortifying presence in the cooling and emission control segment.

During the previous year ended March 31, 2017, given how recently the acquisition was finalized, the purchase price had been allocated to TitanX's assets and liabilities on a provisional basis as per Ind AS 103 - Business Combinations. The Group expected to finalize identifying and measuring the identifiable assets acquired and liabilities assumed at their acquisition date fair value within the measurement period of 12 months from the date of acquisition as defined in Ind AS 103.

The Group had during the interim period ended September 30, 2017 finalised the values of assets and liabilities which were hitherto provisional. Adjustments to the provisional amounts, determined when finalising the purchase price allocation, had been recognised as if accounting for the business combination was completed to the acquisition date thereby restating the March 31, 2017 Consolidated Balance Sheet. Post finalizing the purchase price allocation as mentioned above, the Company noted certain errors in the Purchase Price allocation finalised on September 30, 2017. As per the Provision of the para 50 of IND-AS 103, the Company can revise the accounting for the business combination, after the measurement period ends, only to correct an error in accordance with IND-AS 8 "Accounting Policies, changes in accountings estimates and errors". Accordingly, the Company has restated the amount of Goodwill which was finalized on September 30, 2017 with the corresponding impact in the opening consolidated Balance Sheet.

Details of purchase consideration paid was as follows:

Purchase consideration	TitanX Holding AB
Cash paid	47,105.52
Total	47,105.52

The assets and liabilities recognised as a result of the acquisition along with the finalised values are as follows:

	TitanX Holding AB Provisional	TitanX Holding AB Final (as of Sept 30, 2017)	TitanX Holding AB Revised
	Fair value		
Land	507.50	507.50	507.50
Freehold buildings	5,311.75	5,311.75	5,311.75
Plant and machinery	29,805.15	29,805.15	29,805.15
Intangible assets: Patents and Customer contracts	7,420.67	-	7,420.67
Other intangible assets	20,789.84	17,123.34	18,115.62
Other non-current assets	7.24	7.24	7.24
Inventories	12,323.17	12,182.80	12,105.34
Trade receivables	10,888.65	10,447.88	9,744.58
Cash and cash equivalents	8,660.17	8,660.17	8,660.17
Deferred tax assets	8,271.65	6,494.13	7,543.88
Deferred tax liabilities	(4,186.14)	(2,086.24)	(4,012.71)
Other current assets	4,808.82	4,808.82	4,808.82
Post-employee benefit obligations, net of plan assets	(13,210.65)	(13,210.65)	(12,096.18)
Non-current financial liabilities	(36,863.56)	(36,863.56)	(36,863.56)
Non current provisions	(765.50)	(765.50)	(765.50)
Current provisions	(6,682.44)	(6,682.44)	(6,764.25)
Trade payables	(23,724.64)	(23,724.64)	(23,967.17)
Bank overdraft	(6,105.44)	(6,105.44)	(6,105.44)
Other current liabilities	(4,335.56)	(4,335.56)	(4,335.56)
Net identifiable assets	12,920.69	1,574.76	9,120.33

Calculation of Goodwill

	TitanX Holding AB
Consideration transferred	47,105.52
Non-controlling interest in the acquired entity	494.86
Less: Net identifiable assets acquired	12,920.69
Provisional Goodwill disclosed as at March 31, 2017	34,679.70
Add : Impact of change in values of assets and liabilities	11,345.93
Less: Changes in Non-controlling interest in the acquired entity	(418.80)
Finalised Goodwill Value as at September 30, 2017	45,606.83
Add : Rectification of error in calculation of non-controlling interest	1,347.51
Less: Rectification of errors to the impact of change in values of assets and liabilities	(7,545.58)
Add: Changes in non-controlling interest in the acquired entity	289.00
Restated Goodwill Value as at March 31, 2017	39,697.76
Impact of foreign exchange fluctuation	1,359.23
Goodwill Value as at March 31, 2018	41,056.99

Accounting policy choice for non-controlling interests

The group recognises non-controlling interests in an acquired entity either at fair value or at the non-controlling interest's proportionate share of the acquired entity's net identifiable assets. This decision is made on an acquisition-by-acquisition basis. For the non-controlling interests in TitanX holding BV, the group elected to recognise the non-controlling interests at its proportionate share of the acquired net identifiable assets.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 44 : Interests in other entities

(a) Subsidiaries

The group's subsidiaries at 31 March 2018 are set out below

Sr. No	Name of the Company	Principal Activity	Country of incorporation	Ownership interest held by the group		Ownership interest held by the non-controlling interests	
				March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
Subsidiaries (Direct and Indirect):							
1	Automotive Skill Training Foundation	Training foundation	India	100.00	100.00	-	-
2	Taco Engineering (UK) Ltd (Liquidated on August 11, 2017)	Non-operative	UK	100.00	100.00	-	-
3	Taco Engineering Services GmbH	Engineering Services	Germany	100.00	100.00	-	-
4	Taco Holdings (Mauritius) Limited ("THML")	Investment company	Mauritius	100.00	100.00	-	-
5	Taco Kunststofftechnik GmbH (subsidiary of THML) (Under liquidation w.e.f. July 24, 2009, hence excluded from consolidation w.e.f. on July 1, 2009), (Liquidated on October 23, 2017)	Non-operative	Germany	100.00	100.00	-	-
6	Taco Grundstueckverwaltungs GmbH (subsidiary of THML) (Under liquidation w.e.f. July 1, 2009, hence excluded from consolidation w.e.f. on July 1, 2009), (Liquidated on November 24, 2017)	Non-operative	Germany	100.00	100.00	-	-
7	Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	Plastic interiors and exteriors manufacture	China	100.00	100.00	-	-
8	Automotive Stampings and Assemblies Limited ("ASAL")	Stampings and assemblies Manufacturing	India	75.00	75.00	25.00	25.00
9	Ryhpez Holding (Sweden) AB (w.e.f. 8th August 2016)	Investment company based in Sweden	Sweden	100.00	100.00	-	-
10	TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB) (w.e.f. December 30, 2016)	Investment company based in Sweden	Sweden	96.17	96.17	3.83	3.83
11	TitanX Engine Cooling Holding AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. December 30, 2016) (merged with TitanX Holding AB (Sweden) w.e.f. March 19, 2018)	Manufacture of engine Oil Coolers, transmission oil coolers and retarder oil coolers	Sweden	96.17	96.17	3.83	3.83
12	TitanX Engine Cooling, Inc. (US) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	Manufacture of Engine cooling modules	USA	96.17	96.17	3.83	3.83
13	TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	Manufacture of Oil Cooler	China	96.17	96.17	3.83	3.83
14	TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Engine Cooling Holding AB (Sweden)) (from December 30, 2016 till March 18, 2018) (Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. March 19, 2018)	Manufacture of Engine cooling modules	Sweden	96.17	96.17	3.83	3.83
15	TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden)) (w.e.f. December 30, 2016)	Manufacture of Engine cooling modules	Brazil	96.17	96.17	3.83	3.83

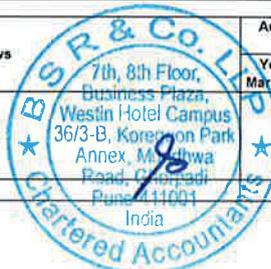
(b) Non-controlling interests (NCI)

Set out below is summarised financial information for each subsidiary that has non-controlling interests that are material to the group. The amounts disclosed for each subsidiary are before inter-company eliminations.

Summarised balance sheet	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current assets	6,787.68	8,610.77	47,572.08	46,178.43
Current liabilities	16,359.84	13,031.74	47,980.15	49,531.47
Net current assets	(9,572.16)	(4,220.97)	(408.07)	(3,353.05)
Non-current assets	10,909.57	11,667.43	1,13,670.18	1,09,160.82
Non-current liabilities	4,228.45	5,689.59	94,758.44	84,148.81
Net non-current assets	6,681.12	5,977.84	18,911.73	25,012.01
Net assets	(2,891.04)	1,756.87	18,503.67	21,658.96
Accumulated NCI	(722.76)	439.22	1,651.27	1,728.75

Summarised statement of profit and loss	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Revenue	33,559.24	32,907.02	1,46,479.19	32,824.88
Profit for the year	(4,656.08)	(287.06)	(2,250.65)	(119.10)
Other comprehensive income	8.17	(68.22)	(2,422.15)	133.84
Total comprehensive income	(4,647.91)	(355.28)	(4,672.80)	14.73
Profit allocated to NCI	(1,181.98)	(88.82)	(109.87)	0.56
Dividends paid to NCI	-	-	-	-

Summarised cash flows	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB	
	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2018	Year ended March 31, 2017
Cash flows from operating activities	408.37	1,796.09	78.80	(9,594.50)
Cash flows from investing activities	(275.12)	(726.69)	(63.87)	(2,817.63)
Cash flows from financing activities	(112.93)	(1,313.56)	(24.31)	7,503.48
Net increase/ (decrease) in cash and cash equivalents	20.32	(244.16)	(9.38)	(4,908.64)



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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

(c) Interests in joint ventures

Set out below are the joint ventures of the group as at 31 March 2018.

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Value	
					As at March 31, 2018	As at March 31, 2017
Tata Toyo Radiator Limited ("TTR")	India	51%	Joint venture	Equity method	6,853.26	6,045.56
Tata Ficosa Automotive Systems Private Limited ("TF") (Formerly Known as Tata Ficosa Automotive Systems Limited)	India	50%	Joint venture	Equity method	2,740.12	2,218.85
Tata AutoComp GY Batteries Private Limited ("TGY") (Formerly Known as Tata AutoComp GY Batteries Limited)	India	50%	Joint venture	Equity method	1,638.67	-
Tata Autocomp Hendrickson Suspensions Private Limited (Formerly Known as Taco Hendrickson Suspensions Private Limited)	India	50%	Joint venture	Equity method	6,181.31	5,383.57
Tata Autocomp Katcon Exhaust System Private Limited (w. e. f. May 19, 2015)	India	50%	Joint venture	Equity method	429.35	214.38
TM Automotive Seating Systems Private Limited (w. e. f. May 22, 2015)	India	50%	Joint venture	Equity method	570.06	510.09
Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	India	50%	Joint venture	Equity method	-	-
Total					18,412.77	14,372.44

- 1 Tata Ficosa Automotive Systems Private Limited is engaged in the business of manufacture and sale of and trading in automotive parts like mirrors, washer systems, cables, gear shifters etc. Its product compliments the overall product portfolio of the group.
- 2 Tata Toyo Radiator Limited engaged in manufacturing of Heat Exchange Systems and components used therein. The Company has diverse product base viz. Aluminium Radiators, Heater Core, Intercoolers, Condensers, Exhaust Gas Recirculation (EGR) Coolers and Engine Cooling Systems having wide range of application from Cars, Utility Vehicles, Commercial Vehicles, Agriculture Machinery and Gensets.
- 3 Tata AutoComp Katcon Exhaust System Private Limited provides products and services in the automotive industry to Indian and Global customers. The Company manufactures Catalytic Converters for Passenger Vehicles Segment which helps group in overall diversification in the auto components industry.
- 4 TM Automotive Seating Systems Private Limited designs, validates, manufacture and supply seating systems and related products for Commercial Vehicles Segment.
- 5 Tata AutoComp GY Batteries Private Limited is engaged in the business of manufacture and sale of and trading in lead acid storage batteries.
- 6 Tata Autocomp Hendrickson Suspensions Private Limited is into manufacture of lift axles and high technology metal and rubber suspensions for medium and heavy commercial vehicle segment trucks and buses application. The plant is situated in Chakan, Pune.

(i) Commitments and contingent liabilities in respect of joint ventures

Particulars	As at March 31, 2018	As at March 31, 2017
Commitments – joint ventures		
Commitment to provide funding for joint venture's capital commitments, if called	4,275.15	2,581.90
Contingent liabilities – joint ventures		
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	2,001.24	3,792.82

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

(ii) Reconciliation to carrying amounts

	Tata Toyo Radiator Limited		Tata Ficoso Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata Autocomp Hendrickson Suspensions Private Limited		Tata Autocomp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Opening net assets	12,733.76	11,916.69	4,643.92	3,609.26	(988.33)	583.97	11,295.65	10,794.90	428.75	237.28	1,020.17	1,018.81
Capital invested	-	-	-	-	4,000.00	-	-	-	-	299.97	-	-
Profit for the year	2,719.12	2,801.43	1,359.98	1,042.07	266.24	(1,560.90)	6,804.61	5,650.66	429.92	(108.50)	120.49	9.12
Other comprehensive income	13.75	(9.08)	(7.11)	(7.45)	(0.56)	(11.35)	(0.54)	(7.68)	0.02	-	(0.53)	(7.76)
Dividends paid	(1,157.85)	(1,984.00)	(310.39)	-	-	-	(5,199.69)	(5,133.34)	-	-	-	-
Notional profit on Downstream Transaction	(871.00)	(871.00)	(206.18)	(206.18)	-	-	(537.40)	(537.40)	-	-	-	-
Closing net assets	13,437.77	11,854.04	5,480.23	4,437.70	3,277.34	988.28	12,362.63	10,767.13	858.69	428.75	1,140.13	1,020.17
Group's share in %	51%	51%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Group's share in INR	6,853.26	6,045.56	2,740.12	2,218.85	1,638.67	-	6,181.31	5,383.57	429.35	214.38	570.06	510.09
Carrying amount	6,853.26	6,045.56	2,740.12	2,218.85	1,638.67	-	6,181.31	5,383.57	429.35	214.38	570.06	510.09

Summarised financial information for joint ventures

The tables below provide summarised financial information for joint ventures. The information disclosed reflects the amounts presented in the financial statements of the relevant joint ventures and not TACO's share of those amounts.

Summarised balance sheet	Tata Toyo Radiator Limited		Tata Ficoso Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata Autocomp Hendrickson Suspensions Private Limited		Tata Autocomp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Current assets												
Cash and cash equivalents	396.03	293.10	158.20	558.70	338.90	360.60	330.10	153.50	282.37	203.01	919.29	831.71
Other assets	15,987.22	13,064.33	5,812.30	4,591.50	10,664.43	8,623.70	16,791.89	13,981.74	3,301.53	1,554.06	1,691.79	383.54
Total current assets	16,383.25	13,357.43	5,970.50	5,150.20	11,003.33	8,984.30	17,121.99	14,115.24	3,583.90	1,757.07	2,611.08	1,215.25
Total non-current assets	25,108.47	22,171.62	7,312.06	6,354.90	6,672.19	6,017.52	6,391.70	6,778.70	66.00	262.91	857.56	271.87
Current liabilities												
Financial liabilities (excluding trade payables)	3,304.01	4,397.78	1,175.00	702.30	1,972.48	3,552.80	125.60	3,300.20	2,405.88	1,300.00	75.82	62.41
Other liabilities	15,301.08	11,686.58	5,344.74	4,919.54	10,462.05	10,101.53	10,186.00	6,055.55	379.02	281.22	2,216.41	384.49
Total current liabilities	18,605.09	16,084.36	6,519.74	5,621.84	12,434.51	13,654.33	10,311.60	9,355.75	2,784.90	1,581.22	2,292.23	446.91
Non-current liabilities												
Financial liabilities (excluding trade payables)	7,650.00	5,943.25	881.50	85.20	333.12	1,849.30	-	-	-	-	-	-
Other liabilities	929.04	769.33	194.90	154.06	672.59	486.50	302.00	242.55	5.31	-	36.38	20.04
Total non-current liabilities	8,579.04	6,712.58	1,076.40	239.26	1,005.71	2,335.80	302.00	242.55	5.31	-	36.38	20.04
Net assets	14,307.59	12,732.11	5,886.42	4,643.90	3,235.30	(988.31)	12,900.09	11,295.64	858.69	428.75	1,140.13	1,020.17

Summarised statement of profit and loss

	Tata Toyo Radiator Limited		Tata Ficoso Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata Autocomp Hendrickson Suspensions Private Limited		Tata Autocomp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited	
	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017	As at March 31, 2018	As at March 31, 2017
Revenue	84,994.18	61,457.42	21,970.00	20,557.66	45,748.01	39,634.40	41,725.20	40,005.20	9,917.41	1,372.08	1,954.48	924.30
Interest income	248.40	209.13	14.40	8.10	6.08	11.70	9.12	3.50	0.08	0.09	33.80	39.79
Depreciation and amortisation	2,147.03	1,909.30	369.30	338.20	775.80	707.70	321.70	299.70	8.34	5.42	51.40	4.88
Interest expense	718.03	672.25	102.70	51.15	617.38	782.00	-	-	179.95	16.92	0.00	0.43
Income tax expense	1,153.88	1,043.81	627.56	414.70	-	-	3,481.04	2,745.70	105.90	-	38.03	4.08
Profit for the year	2,719.12	2,801.91	1,359.98	1,042.12	266.24	(1,560.90)	6,804.61	5,650.63	429.92	(108.50)	120.49	9.12
Other comprehensive income	13.75	(10.00)	(7.11)	(7.50)	(0.56)	(11.40)	(0.54)	(7.68)	0.02	-	(0.53)	(7.76)
Total comprehensive income	2,732.87	2,791.91	1,352.87	1,034.62	265.68	(1,572.30)	6,804.07	5,642.95	429.94	(108.50)	119.96	1.36
Dividends received	490.62	840.48	128.94	-	-	-	2,160.06	2,136.24	-	-	-	-

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 45 : Additional information required by Schedule III

For the year ended March 31, 2018

Name of the entity in the group	Net Asset, i.e., total asset minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Tata AutoComp Systems Limited	99.02%	85,317.34	147.28%	9,807.91	40.01%	123.45	142.53%	9,931.36
Subsidiaries :								
Automotive Stampings and Assemblies Limited ("ASAL")	(2.52%)	(2,168.28)	(52.44%)	(3,492.06)	1.99%	6.13	(50.03%)	(3,485.93)
Taco Engineering Services GmbH	0.07%	62.12	0.45%	30.18	0.00%	-	0.43%	30.18
Taco Engineering (UK) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Automotive Skill Training Foundation	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Taco Holdings (Mauritius) Limited ("THML")	13.39%	11,533.33	18.52%	1,100.35	0.00%	-	15.79%	1,100.35
Ryhpez Holding (Sweden) AB (w.e.f. 8th August 2016)	19.56%	16,853.10	(33.10%)	(2,204.07)	(764.41%)	(2,358.60)	-65.48%	(4,562.67)
Non-controlling interest in all subsidiaries	1.03%	888.55	(18.17%)	(1,210.34)	(19.93%)	(61.50)	(18.25%)	(1,271.84)
Joint Ventures* :								
Tata Toyo Radiator Limited ("TTR")	7.95%	6,852.74	20.82%	1,386.75	2.27%	7.01	20.00%	1,393.77
Tata Ficoso Automotive Systems Private Limited ("TF")	3.18%	2,740.12	10.21%	679.99	(1.15%)	(3.55)	9.71%	676.44
Tata AutoComp GY Batteries Private Limited ("TGY")	1.90%	1,638.67	2.00%	133.12	(0.09%)	(0.28)	1.91%	132.84
Tata AutoComp Hendrickson Suspensions Private Limited	7.17%	6,181.31	51.09%	3,402.31	(0.09%)	(0.27)	48.82%	3,402.03
Tata AutoComp Katcon Exhaust System Private Limited	0.50%	429.35	3.23%	214.96	0.00%	0.01	3.09%	214.97
TM Automotive Seating Systems Private Limited	0.66%	570.06	0.90%	60.25	(0.09%)	(0.27)	0.86%	59.98
Sub total		1,30,898.41		9,909.35		(2,287.88)		7,621.47
Less: Adjustment on account of elimination / conversion of foreign operation	(51.93%)	(44,740.11)	(48.80%)	(3,249.91)	841.49%	2,596.43	(9.38%)	(653.48)
Total	100.00%	86,158.30	100.00%	6,659.44	100.00%	308.55	100.00%	6,967.99

* Share in net assets of joint ventures accounted using equity method

For the year ended March 31, 2017

Name of the entity in the group	Net Asset, i.e., total asset minus total liabilities		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated Profit & Loss	Amount	As % of consolidated other comprehensive income	Amount	As % of consolidated total comprehensive income	Amount
Parent								
Tata AutoComp Systems Limited	95.47%	80,131.25	94.55%	5,966.12	14.52%	(204.58)	117.57%	5,761.54
Subsidiaries :								
Automotive Stampings and Assemblies Limited ("ASAL")	1.57%	1,317.65	(3.41%)	(215.30)	3.63%	(51.17)	(5.44%)	(266.46)
Taco Engineering Services GmbH	0.03%	25.64	(0.12%)	(7.88)	0.00%	-	(0.16%)	(7.88)
Taco Engineering (UK) Ltd	0.00%	0.08	1.07%	67.80	0.00%	-	1.38%	67.80
Automotive Skill Training Foundation	-	-	0.00%	-	0.00%	-	0.00%	-
Taco Holdings (Mauritius) Limited ("THML")	11.14%	9,352.62	17.84%	1,125.73	0.00%	-	22.97%	1,125.73
Ryhpez Holding (Sweden) AB (w.e.f. 8th August 2016)	23.75%	19,931.43	(1.82%)	(114.54)	(9.13%)	128.71	0.29%	14.17
Non-controlling interest in all subsidiaries	2.57%	2,160.39	(1.21%)	(76.33)	0.85%	(11.93)	(1.80%)	(88.26)
Joint Ventures* :								
Tata Toyo Radiator Limited ("TTR")	7.20%	6,045.56	22.65%	1,428.97	0.36%	(5.10)	29.08%	1,423.87
Tata Ficoso Automotive Systems Private Limited ("TF")	2.64%	2,218.85	8.26%	521.06	0.27%	(3.75)	10.56%	517.31
Tata AutoComp GY Batteries Private Limited ("TGY")	(0.59%)	(494.14)	(12.37%)	(780.45)	0.40%	(5.70)	(16.04%)	(786.15)
Tata AutoComp Hendrickson Suspensions Private Limited	6.41%	5,383.57	44.78%	2,825.32	0.27%	(3.84)	57.57%	2,821.47
Tata AutoComp Katcon Exhaust System Private Limited	0.26%	214.38	(0.86%)	(54.25)	0.00%	-	(1.11%)	(54.25)
TM Automotive Seating Systems Private Limited	0.61%	510.09	0.07%	4.58	0.28%	(3.68)	0.01%	0.68
Sub total		1,26,797.36		10,690.81		(161.24)		10,529.57
Less: Adjustment on account of elimination / conversion of foreign operation	(51.07%)	(42,861.79)	(69.43%)	(4,381.10)	88.56%	(1,247.67)	(114.86%)	(5,628.97)
Total	100.00%	83,935.57	100.00%	6,309.71	100.00%	(1,409.11)	100.00%	4,900.60

* Share in net assets of joint ventures accounted using equity method

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 46 : Commitments

(a) Capital commitments

	As at March 31, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	4,256.61	4,877.97

(b) Leases

The group has various operating leases for office/ factory facilities that are renewable on a periodic basis. The group finance lease relates mainly to machinery, IT equipment and vehicles

(a) Lease payments in respect of operating leases included in Statement of Profit and Loss are INR 901.56 lakhs (March 31, 2017: INR 834.17 lakhs)

(b) Total of future minimum lease payments in respect of non-cancellable operating leases

	Year ended March 31, 2018	Year ended March 31, 2017
Payable in less than one year	1,894.27	1,911.15
Payable between one and five years	2,132.26	3,779.45
Payable after more than five years	604.75	1,430.48
Total	4,631.28	7,121.08

(c) Total of future minimum lease payments in respect of finance leases

	Year ended March 31, 2018	Year ended March 31, 2017
Within less than one year	129.09	374.51
Between one and five years	196.28	431.87
After more than five years	-	-
Total	325.37	806.38

Note 47 : Movements in other provisions

	Probable claims	Warranty	Other contingencies
Carrying amount at the beginning of the year	3,103.00	428.47	209.74
Additional provision made during the year	211.00	433.52	-
Amounts used / written back during the year	(2,653.00)	(1.04)	(209.74)
Carrying amounts at the end of the year	661.00	860.95	-

Brief description of the nature of the obligation and the expected timing of any resulting outflows of economic benefits :

i) Warranty :

Warranty cost are accrued at the time products are sold, based on percentage of accepted warranty claims to sales. The provision is discharged over the warranty period from the date of sale.

ii) Probable claims :

For claims refer note 50

iii) Other contingencies

Other provisions relating to day to day business activities.

Note 48 : Earnings per share

		As at March 31, 2018	As at March 31, 2017
Profit attributable to owners of the Company		7,869.77	6,386.04
Weighted average number of equity shares		20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	INR	3.91	3.17
Nominal value of an equity share	INR	10.00	10.00

Note 49 : Other non-current asset include leasehold land acquired for proposed new plant to be set-up at Singur for supply of components to a customer at Singur. Consequent to the customer deciding to shift its plant from Singur, the Company suspended all its activities at Singur. The Company is of the opinion that no provision is necessary in this respect.

Note 50 : During the year ended March 31, 2013, the group divested its investments in two jointly controlled entities, namely, Tata Yazaki Autocomp Limited ("TYA") and Tata Johnson Controls Automotive Limited ("TJC") on January 11, 2013 and March 25, 2013, respectively and had recorded profit on sale of investments aggregating INR 66,469.30 lakhs, net of INR 3,162 lakhs provided towards claims in respect of certain matters relating to these jointly controlled entities.

'Out of above, other Income of period ended March 31, 2018 includes an amount of INR 2,442.00 Lakhs in respect of reversal of provision made for possible claims in respect of certain matters relating to former jointly controlled entities.

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 51 : Exceptional items

During the previous year ended March 31, 2017, the one of the subsidiary had received a one time compensation of INR 1,284 lakhs towards settlement of its claims.

Note 52: During the previous year ended March 31, 2017, the Tata Autocomp Systems Limited had transferred and assigned its interest under the agreement to lease with Maharashtra Industrial Development Corporation (MIDC) to the joint venture companies i.e. Tata Toyo Radiator Ltd., Tata Autocomp Hendrickson Suspensions Pvt. Ltd., Tata Ficosa Automotive Systems Pvt. Ltd. Accordingly after receiving the consent letter from MIDC on May 27, 2016 the Company had transferred the cost of land based on the area assigned to each joint venture with a corresponding reduction in capital work in progress amounting to INR 5,834.83 lakhs (includes common project cost amounting to INR 284.83 lakhs). Additionally, the Company had charged Project Management Charges of INR 1,632 Lakhs on account of investment in the project, which is clubbed under other income.

Note 53 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2018	As at March 31, 2017
Current		
Financial assets		
<i>First charge</i>		
Factored receivables	-	8,601.26
Cash and cash equivalents	15,144.94	14,821.33
Other receivables	30,079.91	30,972.17
Non-financial assets		
<i>First charge</i>		
Inventories	21,416.29	18,719.61
Total current assets pledged as security	66,641.14	73,114.37
Non-current		
<i>First charge</i>		
Plant and machinery	28,776.22	28,216.61
Land	824.06	767.46
Building	8,569.68	8,039.82
Intangible asset	25,138.95	25,659.46
Other assets	13,308.95	12,969.77
<i>Second charge</i>		
Land	23.55	23.56
Building	1,183.56	1,198.31
Total non-currents assets pledged as security	77,824.98	76,874.97
Total assets pledged as security	1,44,466.12	1,49,989.34

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Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 54: Disclosure relating to specified bank notes (SBNs) held and transacted during the period from November 08, 2016 to December 30, 2016:

	SBNs		Other denomination notes	Total
	Value in INR 500 Notes	Value in INR 1000 Notes		
Closing cash in hand as on 08.11.2016	1.29	0.18	3.76	5.23
(+) Permitted receipts	-	-	0.10	0.10
(-) Permitted payments	-	-	0.23	0.23
(-) Amount deposited in Banks	1.29	0.18	2.00	3.47
Closing cash in hand as on 30.12.2016	-	-	1.63	1.63

The above disclosure regarding holdings as well as dealings in specified bank notes during the period from November 08, 2016 to December 30, 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited consolidated financial statements for the period ended March 31, 2017 have been disclosed.

Specified bank note (SBNs) means the bank notes of denominations of the existing series of the value of five hundred rupees and one thousand rupees as defined under the notification of the Government of India, in the ministry of finance, Department of Economic affairs no. S.O. 3407(E), dated November 08, 2016.

Note 55:

The figures for the previous year have been regrouped / rearranged as necessary to conform to current year's presentation and disclosure.

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm Registration Number: 101248W / W-100022

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: May 25, 2018

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For and on behalf of the Board of Directors of
Tata AutoComp Systems Limited
CIN U34100PN1995PLC158999

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Ajay Tandon
Managing Director and CEO
(DIN 00128667)

sd/-

Ashish Boradkar
Company Secretary

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: May 25, 2018