



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY THIRD ANNUAL GENERAL MEETING OF TATA AUTOCOMP SYSTEMS LIMITED WILL BE HELD ON TUESDAY, JULY 02, 2019, 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, 2019 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, 2019 together with Report of the Auditors thereon.
3. To declare final dividend, if any, on Equity shares.
4. To appoint a Director in place of Mr. Praveen Purushottam Kadle (DIN 00016814) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

5. 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 2019-20.

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 2019-20 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.”

6. To appoint Mr. Ankur Verma 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. Ankur Verma (DIN 07972892), who was appointed as Additional Director by the Board w.e.f. July 30, 2018 under Section 161 of the Companies Act, 2013 (“Act”) and in respect of whom the Company

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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: contact@tataautocomp.com website: www.tataautocomp.com



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.”

7. Re-appointment of Mr. Ramnath Ramdittamal Mukhija as Non-executive Independent Director of the Company

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

RESOLVED THAT in accordance with the provision of Section 149, 152 Schedule IV and all other applicable provisions of Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules 2014 (inclining any statutory modification or reenactment thereof for the time being in force) Mr. Ramanth Ramdittamal Mukhija (DIN: 00001653) whose period of office has expired on February 04, 2019, who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold the office for a second term effective from February 21, 2019 up to March 31, 2020.

8. Re-appointment of Mr. Hari Lakshminarayan Mundra as Non-executive Independent Director of the Company

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

RESOLVED THAT in accordance with the provision of Section 149, 152 Schedule IV and all other applicable provisions of Companies Act, 2013 read with the Companies (Appointment & Qualification of Directors) Rules 2014 (inclining any statutory modification or reenactment thereof for the time being in force) Mr. Hari Lakshminarayan Mundra (DIN: 00287029) whose period of office as an Independent Director is expiring on September 12, 2019, who has submitted a declaration that he meets the criteria for independence as prescribed in Section 149(6) of the Act and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature for the office of a Director, be and is hereby re-appointed as a Non-Executive Independent Director of the Company to hold the office for a second term of 5 years effective from September 13, 2019 up to September 12, 2024.

9. Change in Terms and Conditions of appointment of Mr. Arvind Hari Goel, Managing Director and Chief Executive Officer.

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 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder,

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(including any statutory modification(s) or re-enactment thereof for the time being in force), read with Schedule V to the Companies Act, 2013, the Articles of Association of the Company, pursuant to approval of Board of Directors and subject to approval of Central Government, if any, consent of the members of the Company be and is hereby accorded for a payment of Performance Incentive as set out in Explanatory statement annexed to the Notice convening the 23rd Annual General Meeting, for the Financial Year 2018-19, subject to deduction of tax at source to Mr. Arvind Hari Goel, Managing Director and Chief Executive Officer, and in partial modification of the earlier resolution, dated July 26, 2018 and subject to the approval of Central Government, if any, consent of the members be and is hereby accorded to ratify and, confirm the revision and increment with effect from April 1, 2019, in the Basic Salary of Mr. Arvind Hari Goel, Managing Director and Chief Executive Officer, with all other terms and conditions of appointment and remuneration for the balance tenure of his appointment as per details set out in Explanatory statement annexed to the Notice.

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial year during the currency of the tenure of Mr. Arvind Hari Goel, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, bonus, perquisites and allowances, retiral benefits as specified above.”

RESOLVED FURTHER THAT the Members do hereby authorize the Board of Directors of the Company to approve annual increments and to make such modifications in the terms of remuneration to Mr. Arvind Hari Goel as may be permissible under Schedule V of the Companies Act, 2013 (as may be amended from time to time) or by way of any government guidelines or instructions, the intention being that no further approval of the Company shall be required so long as remuneration of the Managing Director is not in excess of the maximum permissible limits under relevant laws, rules, regulations, guidelines or instructions as may be promulgated or issued after the date of this meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution.”

10. Appointment of Ms. Rati Farhad Forbes as Non-executive Independent Director of the Company

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

“RESOLVED THAT Ms. Rati Farhad Forbes (DIN 00137326), who was appointed as Additional Director by the Board w.e.f. April 30, 2019 under Section 149, 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 her candidature for the office of director, be and is hereby appointed as Director of the Company”.

RESOLVED FURTHER THAT pursuant to the provisions of Sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Rati Farhad Forbes (DIN 00137326), who has submitted a declaration that she meets the criteria for

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independence as provided in Section 149(6) of the Act and is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, to hold office for 5 (five) consecutive years with effect from April 30, 2019 upto April 29, 2024.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper and expedient 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 : April 30, 2019
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. Praveen Purushottam Kadle

Mr. Praveen Purushottam Kadle is the Chairman of Tata AutoComp Systems Limited, which is Tata Group's arm in auto component business. An Honours Graduate in Commerce & Accountancy from the Bombay University, Mr. Kadle is member of the Institute of Chartered Accountants of India, Institute of Cost & Works Accountants of India and Institute of Company Secretaries of India.

Mr. Kadle has been working with the Tata Group for the last 27 years, first being Chief Financial Officer of Tata's Joint Venture with IBM in India for five years, then with Tata Motors Limited as Vice President (Finance). In 2001, Mr. Kadle was appointed as Executive Director – Finance and Corporate Affairs on the Board of Tata Motors Limited. During his tenure with Tata Motors Limited, Mr. Kadle played a major role in the turnaround and growth of Tata Motors and was also instrumental in the turnaround and financial restructuring of Tata Finance Limited. In 2008, Mr Kadle started Tata Capital Limited which was Group's re-entry into Financial services which he managed till 31st March 2018. Over the last 10 years, Mr Kadle made Tata Capital Limited into a successful full-fledged corporate and retail leading and private equity arm for the Tata Group.

Mr. Kadle is a member of the Board on various Tata and non-Tata companies, and is actively involved with various public charitable institutions notably as the Board Member and Honorary Treasurer of Child Rights & You (CRY).

Mr. Kadle has been awarded with several recognitions for his contribution to Tata Motors Limited, prominent being 'CNBC-TV 18's Country's best performing CFO in the Auto & Auto Ancillaries sector for 2006', 'The Best CFO of the year 2005 in India' by Business Today, 'CFO of the year 2004' by IMA (formerly known as Economist Intelligence Unit) etc. In 2015, Mr. Kadle, was awarded the prestigious "Indian Business Leader of the year" by Horasis- the Global visions community an independent international organisation.

No other Directors and Key Managerial Personnel or their relatives other than Mr. Praveen Kadle 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.

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.



Item No 5

The Board of Directors at their meeting held on April 30, 2019, 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 2019-20 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. 5 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2019-20.

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. 5 of the accompanying notice for approval of the members as Ordinary Resolution.

Item No 6

Pursuant to Section 161 of the Companies Act, 2013, Mr. Ankur Verma 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. Ankur Verma are concerned or 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.

Brief Profile of Mr. Ankur Verma is given hereunder:

Mr. Ankur Verma, a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta has around 20 years of experience in Investment Banking, Capital Markets and Corporate Strategy. At present, Mr. Verma is Senior Vice President at Tata Sons Private Limited, where he has responsibilities in strategy, corporate finance and mergers and acquisitions. Previously, Mr. Verma was Managing Director (Investment Banking Division) in Bank of America Merrill Lynch and prior to that he was Group Manager & Head, Business Planning in Infosys Technologies Limited - Corporate Planning Group.

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.

Item No. 7

The Member at their eighteenth Annual General Meeting held on September 12, 2014, had appointed Mr. Ramnath Ramdittamal Mukhija as an Independent Director of the Company for the term effective from September 12, 2014 upto February 04, 2019.



As per Governance Guidelines for TATA Company on Board effectiveness, adopted by the Company at its earlier Board Meeting held on February 12, 2015 the retirement age of Independent Director is 75 years.

The Board is of the opinion that his association would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

In view of the same, the fresh approval of the members is sought by way of Special Resolution for the re-appointment of Mr. Ramnath Ramdittamal Mukhija as an Independent Director of the Company for the term effective from February 21, 2019 upto March 31, 2020.

The Company has received a declaration in writing from Mr. Ramnath Ramdittamal Mukhija that he meets the criteria of independence as provided in Section 149(6) of the Act. In view of the Board, Mr. Ramnath Ramdittamal Mukhija fulfils the conditions specified in the Companies Act, 2013, for his re-appointment as an independent Director of the Company.

The Company has received a notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Ramnath Ramdittamal Mukhija as an Independent Director of the Company.

Accordingly, based on recommendation of Nomination & Remuneration Committee, the Board hereby recommends the Special Resolution set out in Item No. 7 of the Notice, for the approval of members of the Company.

Brief profile of Mr. Ramnath Ramdittamal Mukhija is provided hereunder:

Mr. Mukhija, an Honours graduate in Electrical Engineering from IIT Kharagpur, was conferred with the prestigious "Distinguished Alumnus" of IIT award. He has completed his 2-Tier Top Management program at IIM Ahmedabad and has attended "The Global Program for Management Development" University of Michigan Business School, USA.

Mr. Mukhija, served L&T for 49 years, gathered considerable expertise during his tenure in L&T and was elevated to the post of President Operations & Member of the Board in 2001. He looked after L&T's Electrical & Automation business. He was also on the board of S&A Companies including L&T Infotech Ltd. and L&T (Wuxi) Electric Company Ltd.

The encouragement and support that he extended to product innovation, contributed to the development of significant intellectual property of the Company. Through the acquisition of TAMCO, Malaysia, he played a pivotal role in adding a new dimension to L&T's Switchgear offerings. His other major career milestones included the formation of Embedded Systems Division (now known as Technology Services) and the strengthening of L&T's nationwide switchgear distribution network.

Post his retirement from L&T Board in October 2010, he was in the role of Advisor to the Group Executive Chairman till April 2014. He continued to be in-charge of Domestic Marketing Network, Sustainability Reporting Initiatives and Medical, Healthcare & Welfare departments for employees of L&T. He was also responsible for Corporate HR, Industrial Relations for L&T and L&T Corporate Infrastructure, including Management of the Powai Campus. He was also on the Board of L&T Realty. He was Non-Executive Chairman of Electrical & Automation Independent Company of L&T.



Mr. Mukhija was the President of Indian Electrical & Electronics Manufacturers' Association (IEEMA) in 2002-03. He was also the Chairman of ELECRAMA 2002 Organising Committee.

He was an independent Director on the Board of Voltas Limited and is an Independent Director of Tata Auto Comp Systems Ltd (TACO). He was also member of the Boards & their audit committees of one subsidiary of Voltas & Two subsidiaries of TACO. He was the Chairman of ASAL, a listed subsidiary of TACO. He is also on the Boards of L&T Welfare Company Limited and L&T Employees Welfare Foundation Private Limited.

He is actively involved in higher education and is the member of the governing Board of Vivekananda Education Society's Institute of Technology, Mumbai. He was in the panels of various intellectual forums like the Beijing World CEO Forum, IIMA Confluence and IITKGP Kshitij & lately at ISB Hyderabad.

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

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.

Item No. 8

The Member at their eighteenth Annual General Meeting held on September 12, 2014, had appointed Mr. Hari Lakshminarayan Mundra as an Independent Director of the Company for the term effective from September 12, 2014 upto September 12, 2019.

The Board is of the opinion that the association of Mr. Hari Lakshminarayan Mundra would be of immense benefit to the Company and it is desirable to avail his services as an Independent Director on the Board of the Company.

In view of the same, the fresh approval of the members is sought by way of Special Resolution for the re-appointment of Mr. Hari Lakshminarayan Mundra as an Independent Director of the Company for the another term effective from September 13, 2019 upto September 12, 2024.

The Company has received a declaration in writing from Mr. Hari Lakshminarayan Mundra that he meets the criteria of independence as provided in Section 149(6) of the Act. In view of the Board, Mr. Hari Lakshminarayan Mundra fulfils the conditions specified in the Companies Act, 2013, for his re-appointment as an independent Director of the Company.

The Company has received a notice in writing from member as per Section 160 of the Companies Act, 2013 proposing the candidature of Mr. Hari Lakshminarayan Mundra as an Independent Director of the Company.

Accordingly, based on recommendation of Nomination & Remuneration Committee, the Board hereby recommends the Special Resolution set out in Item No. 8 of the Notice, for the approval of members of the Company.

Brief profile of Mr. Hari Lakshminarayan Mundra is provided hereunder.



Mr Hari L Mundra has a B.A. Hons degree from Mumbai University (1969) and an MBA from Indian Institute of Management, Ahmedabad (1971). He was a rank holder at both the institutions.

Mr. Mundra worked with Hindustan Lever Ltd. for about 24 years since 1971 till 1995 in two countries viz. India and Indonesia and three businesses (Personal products, detergents and Exports) in various positions, both in Financial & General Management areas such as Company Treasurer in Charge of Corporate Finance & Taxation and Group Commercial Controller, Detergents. In 1990, Mr. Mundra was appointed to the Managing Committee/Board of Hindustan Lever as its youngest member, in charge of Detergents Commercial. Later, as Executive Director, he took charge of Lever's Exports Business as part of the Lever Board.

In 1995, Mr. Mundra joined the RPG Group, as Member of its Group Management Board in the dual capacity of the Group Chief Financial Officer as well as President and Chief Executive of Carbon Black business.

In January 2002, Mr. Mundra joined Wockhardt Group as Executive Vice Chairman of Wockhardt Ltd taking charge of its domestic pharma business.

In Sept 2003, Mr. Mundra joined the Essar Group as Deputy Managing Director and Director – Finance of Essar Oil Ltd and was mainly responsible for the Company's resurrection and financial revival.

After turning around Essar Oil, Mr Mundra, post his superannuation, decided to serve the social cause and joined, in January 2008, the National Managing Committee of Indian Cancer Society, a non-profit NGO, as its Joint Managing Trustee and Honorary Treasurer and led its revival as the premier anti-cancer institution of the country. He continues to be an Advisor and Trustee of ICS.

During 2009-13, he was the Global Financial Advisor of the Wockhardt Group and contributed significantly to its dramatic revival and growth. He has also served as a Senior Advisor to Hospira, USA .

Mr. Mundra serves as Independent Director on the Boards of Allcargo Logistics Ltd (Chairman of Nomination & Remuneration Committee) and Tata AutoComp Systems Ltd (Chairman of Audit Committee). Since Oct 2018, he has also joined, as an Independent Director, on the Board of ICICI Bank where he is the Chairman of the Stakeholders Committee and is a member of the Credit committee.

As from 2008, he has also become the Visiting Professor at IIM, Ahmedabad for the MBA students, in the Finance faculty and has been teaching at IIMA for the last 11 years. His elective course deals with Applied Business Finance- a Course on Financial wisdom.

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

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.



Item No. 9

The Board of Directors of the Company at its meeting held on May 25, 2018 approved the appointment of Mr. Arvind Hari Goel as MD & CEO designate and has 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.

Considering the role and the important contributions by Mr Arvind Hari Goel, over the past years in varied capacities for the growth of the Company and also taking into account similar sized industries in India, the Nomination and Remuneration Committee and the Board of Directors unanimously approved the payment of revised remuneration with monthly basic Salary of Rs. 8,02,800/- (Rupees Eight Lacks Two Thousand and Eight Hundred Only) w.e.f. 1st April, 2019 and payment of performance incentive for the financial year 2018-19 of Rs. 1,60,41,520 (Rupees One Crore Sixty Lacks forty one Thousand Five Hundred and Twenty only) with the change in terms & conditions of his appointment as follows:

Designation	Managing Director & Chief Executive Officer
Salary	Basic Salary from Rs. 4,90,000 /- to Rs. 8,02,800/- 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 80% 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 49% 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>



The members may please note that the aforesaid remuneration is within the limit prescribed under Section 196, 197 and 198 read with rules made thereunder and Schedule V of Companies Act, 2013. Accordingly, the resolution at Item No. 9 above is placed for the approval of members as a Special Resolution.

A brief profile of Mr. Arvind Hari Goel is given hereunder:

Profile of Mr. Arvind Hari Goel

Mr. Arvind Hari Goel, 62 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.

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.

Item No. 10

Pursuant to the provision of Section 149(1) of the Companies Act, 2013, the Company is required to appoint at least one Woman Directors on Board of the Company.

In compliance of the above provisions, the Board of Directors appointed Ms. Rati Farhad Forbes (DIN 00137326) as an additional Director w.e.f. April 30, 2019 pursuant to Section 161 of the Companies Act, 2013 read with the Articles of Association of the Company.

Pursuant of section 161 of the Companies Act, 2013, Ms. Rati Farhad Forbes (DIN 00137326) will hold office upto the date of the ensuing AGM. The Company has received notice in writing under the provision of Section 160 of the Companies Act, 2013, from a member proposing her

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candidature for the office of Independent Director, to be appointed as such under the provisions of Section 149 of the Companies Act, 2013.

The Company has received from Ms. Rati Farhad Forbes (DIN 00137326) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules, 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that she is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013, and (iii) a declaration to the effect that she meets the criteria of independence as provided in sub-section (6) of Section 149 of the Companies Act, 2013.

In the opinion of the Board of Directors, Ms. Rati Forbes (DIN 00137326), the Non-Executive Independent Director proposed to be appointed, fulfills the conditions specified in the Act and the Rules made thereunder and she is independent of the Management. A copy of the draft letter for the appointment of Ms. Rati Farhad Forbes (DIN 00137326) as a Non-Executive Independent Director setting out the terms and conditions is available for inspection without any fee for the members at the Company's registered office during normal business hours on working days up to date of this AGM.

The resolution seeks the approval of members for the appointment of Ms. Rati Farhad Forbes (DIN 00137326) as a Non-Executive Independent Director of the Company for the period of five years from April 30, 2019 upto April 29, 2024 pursuant to Section 149 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder.

No other Director and Key Managerial personnel or their relatives other than Ms. Rati Farhad Forbes are concerned or interested in the Resolution.

Based on the recommendation of Nomination & Remuneration Committee, the Board recommends the resolution set forth in Item No. 10 of the accompanying notice for approval of the members as Ordinary Resolution.

Brief Profile of Ms. Rati Farhad Forbes is as under:

Ms. Rati Farhad Forbes is a Director of the Forbes Marshall Group and currently heads the Forbes Foundation; she earlier headed the Human Resources function - when Forbes Marshall was twice awarded in the top ten companies of "Great Places to Work" nationally. The company continues to be ranked in the top 50; and is considered to be a benchmark on many people related initiatives.

Ms. Rati has been recognized for her social initiatives both within the company and in the wider world. She chaired Confederation of Indian Industry's western region cell for social development, whose main objective is to sensitize corporate entities to their social responsibilities. She is an independent director on the board of public listed companies, as well as on the board of Foundations, nationally and internationally.



Ms. Rati graduated in Psychology (Honors) and Sociology from the University of Mumbai and has also taken special courses in human resources, organizational behavior and strategic philanthropy. Ms. Rati also holds a Masters in Sustainability Management and Leadership from Cambridge University.

Necessary information as per Secretarial Standard on General Meetings has been provided in Annexure I.

By order of the Board
For Tata AutoComp Systems Limited

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

Place: Pune
Date: April 30, 2019



Annexure I

Details of Directors being appointed/Re-appointed as required under Secretarial Standard on General Meeting issued by The Institute of Company Secretaries of India.

Particulars	Mr. Ramnath Mukhija	Mr. Hari Mundra	Mr. Arvind Hari Goel	Mr. Ankur Verma	Mr. Praveen Kadle	Ms. Rati Forbes
Date of Birth and Age	February 5, 1944 – 75 Years	October 26, 1949 – 70 Years	October 13, 1957 – 62 Years	March 25, 1976 – 43 Years	January 21, 1957 – 62 Years	March 23, 1957 – 62 Years
Date of first appointment	December 09, 2010	December 09, 2010	May 25, 2018	July 30, 2018	March 18, 2009	April 30, 2019
Qualifications	Mr. Ramnath Mukhija is a graduate in Electrical Engineering from IIT Kharagpur.	Mr. Hari Mundra has a B.A. Hons degree from Mumbai University (1969) and an MBA from Indian Institute of Management, Ahmedabad (1971). He was a rank holder at both the institutions.	BE Mechanical from NIT Kurukshetra	Mr. Ankur Verma, a B.E. in Mechanical Engineering and PGDM from IIM, Calcutta	Mr. Kadle is an Honours Graduate in Commerce & Accountancy from the Bombay University, and is member of the Institute of Chartered Accountants of India, Institute of Cost & Works Accountants of India and Institute of Company Secretaries of India.	Graduated in Psychology (Honours) and Sociology from the University of Mumbai.
Expertise in specific functional areas	Mr. Ramnath Mukhija has continuously served for 49 years at Larsen & Toubro Limited (L&T). He was elevated to the post of President Operations & Member of the Board in the year 2001. Post his retirement from Board of L&T in October 2010, he was in the role of Advisor to the Group Executive Chairman till April 2014. Currently he is Director and holds Membership/ Chairmanship at	Mr. Mundra worked with Hindustan Lever Ltd. for about 24 years since 1971 till 1995 in two countries viz. India and Indonesia and three businesses (Personal products, detergents and Exports) in various positions, both in Financial & General Management areas such as Treasurer in Charge of Corporate Finance &	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. Ankur Verma having 20 years of experience in Investment Banking, Capital Markets and Corporate Strategy.	Mr. Kadle has been working with the Tata Group for the last 27 years, first being Chief Financial Officer of Tata's Joint Venture with IBM in India for five years, then with Tata Motors Limited as Vice President (Finance). In 2001, Mr. Kadle was appointed as Executive Director – Finance and Corporate Affairs on the Board of Tata Motors Limited. During his tenure with Tata Motors Limited, Mr. Kadle played a major role in the	Ms. Rati Forbes graduated in Psychology (Honours) and Sociology from the University of Mumbai and has also taken special courses in human resources, organizational behaviour and strategic philanthropy. She also holds a Masters in Sustainability Management from Cambridge University



	various Companies.	Taxation and Group Commercial Controller, Detergents.			turnaround and growth of Tata Motors and was also instrumental in the turnaround and financial restructuring of Tata Finance Limited.	
Terms and conditions of appointment/re-appointment	Refer Item No.7 of the Notice	Refer Item No.8 of the Notice	Refer Item No.9 of the Notice	Refer Item No.6 of the Notice	Refer Item No.4 of the Notice	Refer Item No.10 of the Notice
Details of remuneration last drawn (FY 2018-19) and sought to be paid, if applicable	As approved by Shareholders	As approved by Shareholders	Refer Item No.9 of the Notice	N. A.	As approved by Shareholders	As approved by Shareholders
No. of Board Meetings attended during the FY 2018-19	6	6	4	3	6	N.A.
Relationships between Directors inter-se	None	None	None	None	None	None
List of Companies in which Directorships held as on March 31, 2019.	1. L&T Employees Welfare Foundation Private Limited 2. LANDT Welfare Company Limited	1. Allcargo logistics Limited 2. ICICI Bank Limited	1. Automotive Stampings And Assemblies Limited 2. Tata Toyo Radiator Limited 3. Tata AutoComp Hendrickson Suspensions Private Limited 4. TM Automotive Seating Systems Private Limited 5. Tata AutoComp GY Batteries Private Limited	1) Tata AIA Life Insurance Company Limited 2) Tata Capital Housing Finance Limited 3) ATC Telecom Infrastructure Private Limited 4) Tata Teleservice Limited 5) Tata Sky Limited 6) Tata Teleservices	1. International Paper APPM Limited 2. Tata Technologies Limited 3. International Asset Reconstruction Company Private Limited 4. Tata Technologies INC. Us 5. Tata Technologies Europe Ltd 6. Tata technologies Pvt. Ltd, Singapore 7. Titanx Holding AB 8. Rithwik	1. Sudarshan Chemicals Industries Limited 2. Automotive Stampings And Assemblies Limited 3. Forbes Marshall Private Limited 4. Centre For Advancement Of Philanthropy 5. Pune City Connect Development Foundation



			6. Tata Ficosal Automotive Systems Private Limited 7. Tata AutoComp Katcon Exhaust Systems Private Limited 8. Air International TTR Thermal Systems Private Limited 9. Automotive Component Manufacturers Association of India 10. Ryhpez Holding (Sweden) AB 11. TitanX Holding AB 12. TitanX Engine Cooling AB 13. TitanX Engine Cooling AB Inc. 14. TACO Engineering Services GmbH	(Maharashtra) Limited 7) Tata Elxsi Limited	Foundation for Performing Arts 9. Shankarmahadevan World Of Art Private Limited 10. INCAT International Plc. UK	6. Leadership For Skilled Education Foundation 7. Tata Toyo Radiator Limited
Chairmanship / Membership of specified Committees* of the Boards of above Companies as on March 31, 2019	NIL	Membership in Audit Committee: 1. Allcargo Logistics Limited Membership in Nomination & Remuneration Committee: 1. Allcargo Logistics Limited	Audit Committee: <ul style="list-style-type: none"> TM Automotive Seating Systems Private Limited - Chairperson Tata Ficosal Automotive Systems Private Limited - Member 	Member of Audit Committee: <ol style="list-style-type: none"> Tata AIA Life Insurance Company Limited Tata Capital Housing Finance Limited ATC Telecom 	Member of Audit Committee: <ol style="list-style-type: none"> Tata Technologies Limited Chairman of Corporate Social Responsibility Committee: <ol style="list-style-type: none"> Tata Technologies Limited 	Member of Audit Committee: <ol style="list-style-type: none"> Automotive Stampings And Assemblies Limited Tata Toyo Radiator Limited Membership in Nomination & Remuneration



		Membership in Stakeholder Relationship Committee: 1. Allcargo Logistics Limited 2. ICICI Bank Limited	Corporate Social Responsibility Committee <ul style="list-style-type: none"> Tata Autocomp Systems Limited Member TATA AutoComp Hendrickson Suspensions Pvt. Ltd. Member Tata Toyo Radiator Limited Member Nomination and Remuneration Committee <ul style="list-style-type: none"> Tata Ficosa Automotive Systems Private Limited- Chairperson Automotive Stampings And Assemblies Limited- Member Tata Toyo Radiator Limited Member 	Infrastructure Private Limited 4. Tata Teleservice Limited 5. Tata Teleservices (Maharashtra) Limited 6. Tata Sky Limited Member of Nomination & Remuneration Committee: 1. Tata AIA Life Insurance Company Limited 2. Tata Teleservices (Maharashtra) Limited Member of Stakeholder Relationship Committee: 1. Tata Teleservices (Maharashtra) Limited Member of Corporate Social Responsibility Committee: 1. Tata Capital Housing Finance Limited 2. Tata Teleservices (Maharashtra) Limited	Chairmanship in Committee: 1. Tata Toyo Radiator Limited 2. Sudarshan Chemicals Industries Limited Chairmanship in Nomination & Remuneration Committee: 1. Automotive Stampings And Assemblies Limited Chairmanship in CSR Committee: 1. Automotive Stampings And Assemblies Limited 2. Tata Toyo Radiator Limited 3. Sudarshan Chemicals Industries Limited Chairmanship in Stakeholder Relationship Committee: 1. Automotive Stampings And Assemblies Limited	
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	Nil	Nil	Nil	Nil	Nil	Nil



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 Tuesday, July 02, 2019 at 11:00 a.m. at the registered office of the Company at Pune.

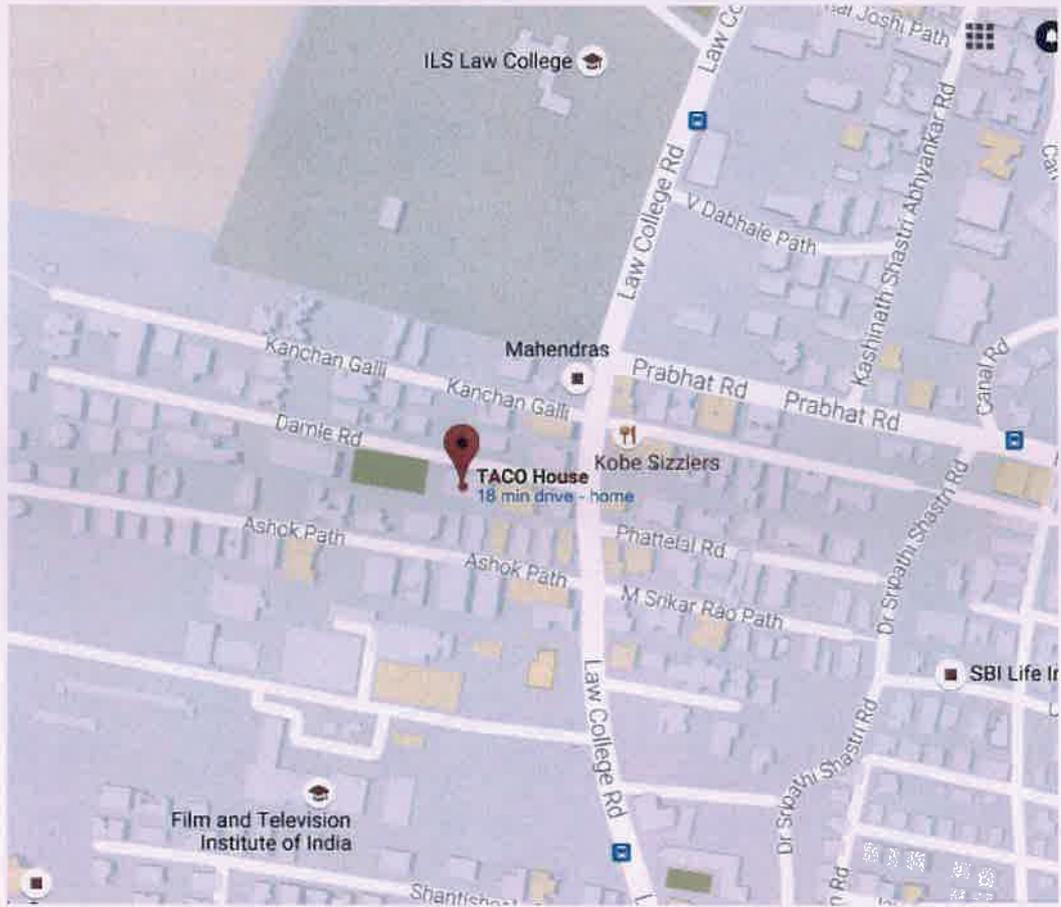
.....
Signature of the Member/Proxy holder

** 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	

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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: contact@tataautocomp.com website: www.tataautocomp.com



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 23rd Annual General Meeting of the Company, to be held on Tuesday, July 02, 2019 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, 2019 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, 2019 together with Report of the Auditors thereon.		
3) To declare final dividend, if any, on Equity shares.		
4) To appoint a Director in place of Mr. Praveen Purushottam Kadle (DIN 00016814), who retires by rotation and being eligible offers himself for re-appointment.		
5) 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 2019-20.		
6) To appoint Mr. Ankur Verma as Director		
7) Re-appointment of Mr. Ramnath Ramdittamal Mukhija as Non-Executive Independent Director of the company.		
8) Re-appointment of Mr. Hari Lakshminarayan Mundra as Non-Executive Independent Director of the Company		
9) Change in Terms and Conditions of appointment of Mr. Arvind Hari Goel, Managing Director and Chief Executive Officer		
10) Appointment of Ms. Rati Forbes as Non-executive Independent Director of the Company.		

Signed this ____ day of _____.

Affix
Revenue
Stamp

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 Third 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, 2019. The key highlights for the year ended March 31, 2019 are as under:

1. Financial Results:

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

	Rs. in Crs.			
	Standalone results		Consolidated results	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
FINANCIAL RESULTS				
Revenue from operations	1,254.46	1,139.15	4,206.54	3,163.03
Total expenditure	1,134.87	1,058.23	3,932.30	3,006.05
Operating profit	119.59	80.92	274.24	156.98
Other income	74.38	76.27	32.70	79.54
Profit before interest, depreciation, amortization, exceptional items and tax	193.97	157.19	306.94	236.52
Finance cost	18.45	13.03	108.34	63.10
Profit before depreciation, amortization, exceptional items and tax	175.52	144.16	198.60	173.42
Depreciation and amortization	25.37	22.25	190.56	156.89
Profit/(loss) before exceptional items and tax	150.15	121.91	8.04	16.53
Exceptional items - gain/(loss) (net)	-	-	111.07	-
Profit/(loss) before tax	150.15	121.91	119.11	16.53
Tax expenses (net)	40.21	23.82	45.51	8.71
Profit/(loss) after tax	109.94	98.09	73.60	7.82
Share of profit of joint venture and associates (net)	-	-	62.40	58.77
Profit/(loss) for the year	109.94	98.09	136.00	66.59
Other comprehensive income/(loss)	0.13	1.23	11.81	3.09
Total other comprehensive income/(loss) for the year	110.07	99.32	147.81	69.68
Attributable to :				
Shareholders of the Company	-	-	143.78	82.40
Non-controlling interest	-	-	4.03	-12.72

2. Performance Overview:

The Consolidated income for FY 18-19 is Rs 4239.24 Cr (FY 2017-18 Rs. 3242.57 Cr) with a profit attributable to owners of the Company are Rs 131.99 Cr (FY 2017-18 Rs. 78.70 Cr). The similar figures for Standalone basis are Rs.1328.84 Cr (FY 2017-18 Rs. 1215.42 Cr) with PAT of Rs. 109.94 Cr (FY 2017-18 Rs. 98.08 Cr).

The Company's sales are higher as compared to last year. The sales are higher mainly due to 9 months (i.e., from 1st July 2018 to 31st March 2019) sales of Tata Toyo Radiator Limited, which is consolidated from this year. The profit attributable to owners of the Company has gone up from Rs. 78.70 Cr to Rs.131.99 Cr. The profitability has 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, 2019.

3. Standalone Financial Performance

During the year under review, your Company earned a total income of Rs. 1328.84 Cr for the year ended March 31, 2019, as against Rs. 1215.42 Cr for the previous year ended March 31, 2018, increase of 9.33%. The profit after tax (PAT) for the year under review has been Rs. 109.94 Cr as against Rs. 98.08 Cr during the previous year (increase of 12.09%). The profit was higher due to increase in sales, 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. 4239.24 Cr for the year ended March 31, 2019 as against Rs. 3242.57 Cr for the previous year ended March 31, 2018, increase of 30.74%. The profit attributable to owners of the Company for the year under review has been Rs.131.99 Cr, as against Rs. 78.70 Cr during the previous year.

Consolidated financials are line by line consolidation of revenues of all subsidiaries including TTR which is treated as subsidiary w.e.f. July 1, 2018. PAT is arithmetic summation of subsidiaries and proportionate share of profit in joint venture Companies.

5. Aggregate Financials

The aggregate sales of the Company are Rs. 5794.08 Cr for FY 2018-19 as compared to Rs. 4927.92 Cr for FY 2017-18 (increase of 17.58%). The aggregate PAT of the Company is Rs. 103.43 Cr for FY 2018-19 as compared to Rs. 129.51 Cr for FY 2017-18. Aggregate financial are the arithmetic summation of revenue, expenses and PAT of all legal entities.

6. Industry structure and development

In FY 2018-19, Auto Industry witnessed a growth of 6.26 per cent. The Passenger Vehicle segment registered a meager growth of 0.14 per cent which includes passenger car vehicles and utility vehicles. Within this segment, the Utility vehicle market grew at 0.48 per cent and Van segment grew at 20.61 per cent, whereas the Passenger Car segment recorded a negative growth of 1.33 per cent. The Commercial Vehicle segment grew by 24.20 per cent driven by M&HCV segment which grew by 28.91 per cent and LCV segment grew by 21.26 per cent. The Two wheeler segment registered a growth of 5.82%, whereas the three wheeler segment registered a growth of 24.12 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 FY2018-19 vis-à-vis FY2017-18.

Segment	FY2018-19	FY2017-18	% Growth
Passenger cars	27,10,057	27,46,658	-1.33



Utility vehicles	10,98,578	10,93,346	0.48
Vans	2,17,412	1,80,263	20.61
Passenger Vehicles	40,26,047	40,20,267	0.14
M&HCVs	4,44,202	3,44,592	28.91
LCV	6,67,974	5,50,856	21.26
Commercial vehicles	11,12,176	8,95,448	24.20
Three Wheelers	12,68,723	10,22,181	24.12
Two wheelers	2,45,03,086	2,31,54,838	5.82
Quadricycle	5,388	1,713	214.54
Total of All Categories	3,09,15,420	2,90,94,447	6.26

Source SIAM report

7. Information on Joint Venture and subsidiaries:

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

B. 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. During the year under review TitanX Engine Cooling, Poland has been formed as subsidiary of TitanX Holding AB w.e.f. April 25, 2018.

C. During the year under review the Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation) has been under the process of Striking Off Voluntarily.*

* The company voluntarily struck-off effective from April 18, 2019.

8. 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 "potential near miss" incidences, which has resulted in reduction of reportable accidents, first aid injuries, and non-reportable accidents. There are 3 reportable accidents during the year.

Your Company has initiated a process of implementation of the British Safety Council (BSC) Standards at all plants of the Business Units. Out of 37 plants in India, 34 plants



have achieved BSC Five Star Rating 2 offices i.e. Group office and SCM achieved Five Star Rating. For next year, your Company is targeting Five Star Rating by British Safety Council UK / India at Seven major plants.

The approach to safety has been strengthened in all operations of your Company. Regular safety drills and quarterly 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 37 plants 31 plants have received ISO 14001 (EMS) and OHSAS 18001 certification and remaining 6 plants are targeted to get the certification by June 2019. Your company has celebrated Environment Day and Safety Week across all locations.

Your Company has adopted Sustainability Policy of the Tata Group. Last 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 for each sustainability issue. We have tracked the same for the year 2018-19. We have also engaged top 5% suppliers (45 Nos.) from different business units in Tata Autocomp Sustainable Supply Chain Initiative.

Your Company has brought focus on Health Wellness Initiative across all business units and approximately 3177 employees have been covered so far. Out of 529 employees identified for critical ailment, 418 employees have shown improvements in their health during the year. There is positive improvement in health index year on year.

9. 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).

10. Share Capital:

The paid up Equity Share Capital as on 31st March, 2019 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, 2019, none of the Directors of the Company hold shares of the Company.

11. 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.



12. 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 (IPD-Hinjawadi, IPD-Sanand, and ASAL-Halol). At TTR – Hinjawadi, the wage settlement negotiations are in process.

Skill Development:

Your Company recognizes skill development as a critical area for long term value creation.

Currently Skill Development Centre (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.

13. 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
- TACO Engineering (UK) Limited (liquidated on 11th August 2017)
- Tata Toyo Radiator Limited (w.e.f. 1st July 2018)

Performance of Subsidiaries

- (a) **Automotive Stampings and Assemblies Ltd**- Revenue from Operations is Rs. 481.67 Cr. (FY 2017-18 Rs. 335.59 Cr.) and Profit after Taxes Rs. (-) 46.56 Cr. (FY 2017-18 (-) 12.63 Cr.).
- (b) **Nanjing Tata AutoComp Systems Ltd** - Revenue from Operations is Rs. 249.89 Cr. (FY 2017-18 Rs. 228.69 Cr.) and Profit after Tax is Rs. 10.24 Cr. (FY 17-18 Rs. 11.12 Cr.)
- (c) **TACO Holdings (Mauritius) Limited** - Revenue from Operations is Rs. 0.00 Cr. (FY 2017-18 Rs. 0.00 Cr.) and Profit after Tax is (-) 0.00 Cr. (FY 16-17- (-) 0.11 Cr.)
- (d) **Ryhpez Holding (Sweden) AB** - Revenue from Operations is Rs. 1724.97 Cr. (FY 2017-18 Rs. 1464.79 Cr.) and Profit after Tax is (-) 113.95 Cr. (FY 2017-18 (-) 22.05 Cr.)
- (e) **TACO Engineering Services GmbH** - Revenue from Operations is Rs. 2.77 Cr. (FY 2017-18 Rs. 3.16 Cr) and Profit after Tax is Rs. 0.25 Cr. (FY 17-18 Rs. 0.30 Cr.)
- (f) **Tata Toyo Radiator Ltd** - Revenue from Operations is Rs. 540.54 Cr (FY 2017-18 NA) and Profit after Tax is Cr. 19.39 Cr (FY 17-18 NA) (TTR consolidation started as per Ind AS w.e.f. 1st July 2018 based on the amendment to JV agreement as per IND-AS requirements). Due to same the provisional goodwill has been created at Consolidated level amounting to Rs. 175.56 crs.

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

14. 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. 2.25 Crores to Tata AutoComp Katcon Exhaust System Private Limited.
2. Company has given Loan of Rs. 8.50 Crores to Automotive Stampings and Assemblies Ltd.
3. Company has invested Rs. 4.00 Crores in Equity Shares of TM Automotive Seating Systems Private Limited.
4. Company has invested in Equity Shares of Ryhpez Holding (Sweden) AB during FY 18-19 amounting to Rs.115.97 Cr.



15. Related Party Transactions:

During the year 2018-19, 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.

16. 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>

17. 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 (upto July 25, 2018)

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.

18. 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 two adverse remarks made by M/s. SVD Associates, Company Secretary in Practice, in their audit report annexed as Annexure 2. The explanation by the Board on the same is as below:

- a. The Company has identified the candidate and is in the process of appointing the Woman Director on the Board of the Company as per provisions of Section 149 of the Companies Act, 2013.
- b. The e-form DIR-12 has been duly filed by the Company.

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.

19. 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

Budget approved 117.17 Lacs. Approved budget Spent

The board has directed the company to partner with TATA Trusts for major initiatives which should be 75% of the CSR funds available for the year.

The Company supports orphanages and continue to support Saraswati Anathalay orphanage at Dapodi, Pune, Punaruthan Chinchwad ,Pune which enables 400 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. At Jamshedpur the company in partnership with Sir Dorabji TATA Trust is building a 40 bedded day care diagnosis center which is in the premises of TATA Medical Hospital.

In partnership with St Jude cancer the company has built capacity for treatment of children suffering from cancer. 2 dedicated rooms have been set up for them and counselling services are provided for their parents.

The company has tied up with CII and ELTIS to organize personality development and English Speaking class for 43 students from affirmative category. These students are in the final year. The coaching provided will help them to find jobs.

Engineering education scholarship has been granted to 13 girl students who have excellent academic records but would have no means to financially support education on their own. The scholarship is paid in partnership with Leela Poonawala foundation. The identification of the deserving students has been done jointly by the company and foundation.

As a part of skill development initiative the company has sponsored auto mechanics skilling in partnership with TATA Strive at their Belhe center. The curriculum is run in partnership with Automotive skill development council. Practical training is provided at a TATA Motors dealership. Post the intensive class room and on job training the mechanics get paced with vehicle dealerships and some of them start their own workshop with support from financial institutions.

Company has built schools at Chakan (Pune) and is supporting one more school at TANDA near Pantnagar. Between the two schools there are 250 students who have been benefited by infrastructure developed, books donated for their library and volunteering done by employees.

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) Mr. Ramanth Mukhija (Independent Director – Chairman)
- b) Mr. Praveen Kadle (Non-Executive Director)
- c) Mr. Arvind Goel (Managing Director & CEO)



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

(Rs in lacs)

Financial Year	Net Profit*
FY 2015-16	3896.62
FY 2016-17	4699.78
FY 2017-18	8978.69
Average Net Profit	5858.36

**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 2018-19 was Rs. 117.17 lacs.

5. Details of CSR spend during FY 2018-19:

a. Total amount to be spent: Rs. 117.77 lacs

b. Amount unspent, if any: NIL

c. Manner in which the amount was spent during FY 2018-19 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 (Lacs)	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)	5	4.44	4.44	Direct
2	40 Bedded Cancer hospital at Jamshedpur	Medical	Jharkhand	82.5	82.65	87.09	Agency (Sir Dorabji TATA Trust)



3.	Cancer treatment of children (St Jude Mumbai)	Medical	Maharashtra	3	1)2.8 2)2	90.09	Agency (St Jude)
4.	Skill Development(Auto Mechanic)	Skills	Pune(Maharashtra)	12.84	1)11.65 2)1.2	102.94	Agency (TATA Community Initiative Trust)
5.	English Speaking class and Personality development to increase employability for affirmative category	Education	Pune(Maharashtra)	1.5	1.5	104.44	Agency (CII)
6.	Sponsorship of Engineering Education for Girls	Education	Pune(Maharashtra)	6.7	6	110.44	Agency (Leela Poonwala Foundation)
7.	School development	Education	Chakan (Maharashtra) Tanda(PANTNAGAR)	5.63	7.33	116.08	Direct
				117.17		117.77	

20. 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:

Recognition by	Awards details (2018-19)
Tata Motors	"Best in Class" award 2017 for demonstrating high levels of quality, delivery and efficiency consistently
Toyota Kirloskar Motors (TKM)	Toyota Zero PPM, Quality & Delivery Award
TML	Runner up - Energy Champion Award
John Deere	Six Sigma Culture Deployment Award



Tata Group (Tata Business Excellence Model)	Active Promotion of TBEM" award for crossing the 500 score band in its TBEM assessment during the year 2017
AON Hewitt	AON Best Employer – Commitment to Engagement

21. 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.

22. 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, 2019.

23. 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.

24. 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.

25. 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 2018-19 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 2018-19 by the 'Nomination and Remuneration Committee'.
- The performance review of the Non-independent Directors was evaluated for FY 2018-19 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:

- Mr. Arvind Goel has been appointed as additional Director of the Company w.e.f. May 25, 2018.



- Mr. Arvind Goel has been regularised as Director liable to retire by rotation at the 22nd Annual General Meeting of the Company held on July 26, 2018.
- Dr. Gopichand Katragadda and Ms. Vedika Bhandarkar have stepped down as Directors from the Board of the Company w.e.f. July 16, 2018 & July 25, 2018 respectively.
- Mr. Ankur Verma has been appointed as additional Director of the Company w.e.f. July 30, 2018.
- Mr. Ajay Tandon, Managing Director & CEO of the Company, superannuated from your Company's service from September 05, 2018.
- Mr. Arvind Goel has been appointed as Managing Director & CEO of the Company, for a term of 5 years or up to the age of 65 years whichever is earlier with effect from September 06, 2018.
- Mr. Praveen Kadle, Directors of your Company is retiring by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for reappointment.
- The Company has identified the candidate and is in the process of appointing Woman Director on the Board of the Company*.
- Mr. Hari Mundra, Independent Director on the Board of the Company is seeking re-appointment for a second term of 5 years with effect from September 13, 2019 till September 12, 2024, subject to approval of shareholders at the ensuing Annual General Meeting of the Company.
- Mr. Ramnath Mukhija has been appointed as Independent Director, subject to approval of shareholders at the ensuing annual General Meeting of the Company, for the second term commencing from February 21, 2019 till March 31, 2020.

*The Board at its Meeting held on April 30, 2019 has appointed Ms. Rati Forbes as Woman Independent Director of the Company subject to approval of Shareholders at the ensuing Annual General Meeting.

Number of meetings held:

Six meetings of the Board of Directors were held during the year on April 10, 2018, May 25, 2018, July 30, 2018, October 31, 2018, February 23, 2019 and March 22, 2019.

26. Committees of the Board:

➤ **Audit Committee**

The Board has Audit Committee comprising of Three Directors viz. Mr. Hari Mundra (Chairman), Mr. R. N. Mukhija and Mr. Milind Shahane. 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.

Four meetings of Audit Committee were held during the year on May 25, 2018, July 30, 2018, October 31, 2018 and February 22, 2019.



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, Five meetings were held on May 24, 2018, July 30, 2018, October 31, 2018, February 21, 2019 and March 22, 2019.

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 Mr. R. N. Mukhija (Chairman), Mr. Praveen Kadle and Mr. Arvind Goel.

During the year two meetings of CSR Committee was held on October 31, 2018 and February 21, 2019.

27. 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 2018-19.

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, 2019, 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, 2019 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.

28. 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. The Company has not received any complaints in FY 2018-19 on sexual harassment.

29. 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.tataautocomp.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

30. 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.

31. 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 2018-19. Your Company recommends the appointment of the same cost auditor for FY 2019-20.

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 Management Needs.



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 is in the process of appointing Practicing Company Secretaries to undertake the Secretarial Audit of the Company for the year ended March 31, 2020.

32. 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.

33. 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.

34. 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.

35. Secretarial Standard:

The Company has complied with all the applicable Secretarial Standards.



36. 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 : April 30, 2019

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 Private Limited Bombay House, 24, Homi Mody Street, Fort, Mumbai-400 001	U99999MH1917PTC000478	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 Saska 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.	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)
9.	Tata AutoComp GY Batteries Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411004	U31300PN2005PTC021394	Associate	50%	2(6)
10.	Tata Ficosa Automotive Systems Pvt Limited SURVEY NO235\245VILLAGE HINJEWADI, PUNE – 411057	U74999MH1998PTC112992	Associate	50%	2(6)
11.	TM Automotive Seating Systems Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411 004	U34100PN2015PTC154431	Associate	50%	2(6)
12.	Tata Autocomp Katcon Exhaust Systems Pvt. Ltd TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U35900HR2009PTC038884	Associate	50%	2(6)
13.	Tata Autocomp Hendrickson Suspensions Private Limited TACO House, Damle Path, off Law College Road,	U29130PN2006PTC128649	Associate	50%	2(6)

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

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	69,244,953	34.40%	NIL	0
2	Tata Sons Private 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 company	No. of shares	% of total shares of 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	1.35		
	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	1.35
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

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 (Till September 05, 2018)	Arvind Goel (w.e.f. September 06, 2018)	Total Amount
	Gross salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,38,55,542	2,35,17,237	4,73,72,779
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	21,19,179	12,00,170	33,19,349
	(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			
	- as % of profit	0		0
	- others, specify...			
5	Others, please specify*			
	Total (A)	2,59,74,721	2,47,17,407	5,06,92,128
	Ceiling as per the Act	7,48,02,492.57		

B. Remuneration to other Directors:

SN	Particulars of Remuneration	Name of Directors			Total Amount
1.	Independent Directors	R.N. Mukhija	Hari Mundra	Ankur Verma	
	Fees for attending Board/Committee Meetings	7,90,000	7,50,000	1,50,000	16,90,000
	Commission	25,00,000	25,00,000	-	50,00,000
	Others, please specify	-	-	-	
	Total (1)	32,90,000	32,50,000	1,50,000	66,90,000

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 : April 30, 2019

sd/-

Place : Pune

Chairman

Form No. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31st March, 2019

[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

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, 2019, 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, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act), as amended from time to time and the rules made thereunder;

- (ii) The Securities Contracts (Regulations) Act, 1956 ('SCRA') and the rules made thereunder **(not applicable to the Company during audit period)**;
- (iii) The Depositories Act, 1996 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(as applicable till 8th November 2018) and The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (effective from 09th November, 2018) **(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 as amended from time to time **(not applicable to the Company during audit period)** and;
- h) The Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 1998 (as applicable till 10th September, 2018) and The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 (effective from 11th September, 2018) **(not applicable to the Company during audit period)**;
- (vi) No other 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 *subject to the following observations:*

- i. *The intermittent vacancy caused by resignation of Woman Director wef 25th July, 2018 is not filled up during the period under review, however the company has identified the candidate and is in process of appointing the women director to comply with the provisions of Section 149 of Companies Act, 2013 read with Rule 3 of the Companies (Appointment and Qualification of Directors) Rules, 2014.*
- ii. *The e-Form DIR-12 with respect to cessation of Independent Director whose term has expired on 04th February, 2019 and the relevant e form for re-appointment wef 21st February, 2019 is yet to be filed with Ministry of Corporate Affairs (MCA) .*

We further report that

Except for the observations as given above, the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. Further, except for the observations as given above, 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.



A handwritten signature in blue ink, appearing to be "S.V." or similar, written over the stamp.

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 had following specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:

1. In the Annual General Meeting held on 26th July, 2018 following Special Resolutions have been passed:
 - a. for granting any loan, giving any guarantee or providing any security not exceeding Rs. 25 Crores to any person in whom the Directors of the Company is interested as provided under sub-section 2 of section 185 of Companies Act, 2013;
 - b. for appointment of Mr. Arvind Goel as Managing Director and Chief Executive Officer of the Company with effect from 6th September, 2018 for a period of 5 years or up to age of 65 years whichever is earlier;
2. Board of Directors in their meeting held on 21st February, 2019 which was concluded on 23rd February, 2019 have approved and passed resolutions for:
 - a. entering into new Joint Venture Agreement.;
 - b. approving the Scheme of Merger of its wholly owned subsidiary with the Company.

Place: Pune
Date: 30.04.2019

For SVD & Associates
Company Secretaries




Srihar 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

Regd. Office: TACO House, Plot No- 20/B FPN085,
V.G. Damle Path, Off Law College Road,
Erandwane, 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: 30.04.2019

For SVD & Associates:
Company Secretaries




Sridhar Mudaliar
Partner
FCS No. 6156
C P No. 2664



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) Energy saving by retrofitment of Servo system on 1300T A & B Machine in Chinchwad plant.
- 2) Energy saving by retro fitment of Servo system on 450T,350 T, 650 T,1300T,2000T Machine in Mann plant & Sanand Plants respectively
- 3) Solar Power installation in 2 plants Mann & Hinjewadi.
- 4) Energy savings by providing VFD to AHU blower
- 5) 40W tube light converting into 18W LED
- 6) Air conditioner & Fan Off timer for shop floor Fans & Offices respectively
- 7) Load reduction of Contract demand at Mann & Chakan plant
- 8) Maintaining Unity Power factor and controlling energy usage as per tariff slots to maximize TOD rebate
- 9) Paint Shop blowers and Burner Switching ,to reduce losses during plant startup and plant Stoppage
- 10) Optimized machine energy efficiency by improving Mold-Machine Combination
- 11) Energy efficient Air Compressors installed in IPD Hinjawadi
- 12) Maximum usage of Hydro Servo Molding Machine at Jamshdepur Plant

Composites Division

1. Optimized diesel consumption by using MSEB express feeder and avoided frequent power cuts
2. Reduced energy by controlling air compressor motor through VFD synchronizing with air pressure sensor that provides optimum air as needed.
3. Removed sheet molding compound (SMC) shop air compressor and provided air line from mold shop.
4. Reduced power consumption in shop floor lighting by providing LED and sufficient sun light arrangement by providing transparent sheets and glass windows.
5. Optimized DG set running hours and diesel consumption by synchronizing the DG sets by avoiding multiple DG sets running particularly during the minimal load situations.
6. Steam boiler fuel consumption (FO) stopped by providing pipe natural gas.



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

Interiors & Plastics Division

1. Energy saving by using Servo system for 500T IMM.
2. Robot Retrofitment for 1300T, 650T & 500T IMM
3. Energy saving by using Servo system for 1900T IMM.

(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.1.09 Cr in FY 2018-19. Projects include Servo system implementation, Solar Power plants.

Rebate of Rs. 0.76 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. 0.21 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)
2018-19	1.27	1.09
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:

- High Gloss Exterior pillar trims through 2-component (2K molding)
- High Gloss Finish through Rapid Heat Cool Technology
- Design and Prototype for Hybrid Tailgate for SUV vehicle
- Use of Natural Fibers/Biodegradable material for Trim application



- Metallic finish in large exterior trims for as molded components
- Injection Molded Soft Skin for Arm Rest application

Composites Division

- Development of high flow sheet molding compound (SMC) technology
- Development of light weight SMC of density 1.4 to 1.5 for CV and PV
- Green pigmented SMC for tractor parts
- Blue pigmented SMC for tractor parts
- Development of bulk molding compound (BMC) for PCB and motor encapsulation applications
- Development of BMC for tribological applications
- Indigenization of low-profile and performance additives used in molding compounds.

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

Interiors & Plastics Division

- FSS projects for domestic and global OEMs using thin walled trims concept
- FSS project for exterior trims with Precolored metallic trims
- Bumper carrier (Structural component) converted from metal to plastic
- Winning entry TACO Innovista, 5 entries in Tata Innovista, 1 entry in Tata Innovista Finals

Composites Division

- Increased sales of in-house developed material formulations
- 35 entries in TATA AutoComp Innovista competition with one entry qualifying to Regional Round of TATAInnovista.
- Commercialization of Lightweight SMC of density 1.4 to 1.5 for TATA Motors, BMC for tribological and PCB/motor encapsulation applications
- Import substitution
- Export opportunity

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. Structural SMC for lightweight and corrosion-proof cargo boxes
2. Light weight SMC of density 1.3 to 1.4 for PV
3. Commercialization of fly-ash based low density SMC
4. Commercialization of conductive SMC for anti-static, EMI / RFI applications
5. Carbon fibre based Composite technology

2. Expenditure on R&D

(Figures in Rs. Crores)

Particulars	FY 18-19 (Actuals)	Eligible Expenditure u/s 35(2AB)
IPD		
Capital Expenditure on R&D	0.86	0.86
Recurring Expenditure on R&D	4.80	4.80
Total Expenditure on R&D (A)	5.66	5.66
Composites		
Capital Expenditure on R&D	0.14	0.14
Recurring Expenditure on R&D	1.57	1.57
Total Expenditure on R&D (B)	1.71	1.71
(A+B)	7.37	7.37

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

- To continue development of components previously made in steel, aluminum and engineering thermoplastics into SMC components for different OEMs.
- Development of SMC materials and parts / systems for Metro applications
- Development of low density SMCs (1.2 to 1.4 g/cc) for CV and PV (export opportunity)
- Development of Class A SMC for passenger and commercial vehicles (export opportunity)
- Development of advanced materials based on carbon fiber, nano materials, epoxy, etc. for cutting edge material solutions.
- Participation in International technology conferences and tech shows.

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	



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:**

During the last year, Interiors & Plastics Division (IPD) of your Company strategically focused on the domestic business & surrendered some of the export businesses of OEMs.

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

Year	Export Turnover (In INR Crores)
2016 – 17	78.36
2017 – 18	84.61
2018 – 19	135.96

In terms of aforesaid Rules, your Company has earned foreign exchange of Rs. 125.20 crores and has spent Rs. 53.65 crores in foreign exchange currency during the last year.

For and on behalf of the Board of Directors

Date : April 30, 2019
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	TATA AutoComp Systems Limited (Standalone)	1992-96	March 31, 2019	INR	NA	201.28	714.30	1,436.54	1,436.54	664.74	1,254.46	150.15	40.21	109.94	0.13	110.07	-	77.65%**
2	Nyvez Holding (Sweden) AB	2016-17	March 31, 2019	SEK	Closing rate = 7.45 Average rate = 7.78	315.22	(129.63)	1,511.81	1,511.81	-	1,724.97	(132.08)	(18.13)	(113.96)	23.53	(90.42)	-	100%
3	Automotive Stampings and Assemblies Limited	2003-04	March 31, 2019	INR	NA	15.86	(57.42)	243.08	243.08	-	461.67	(11.63)	-	(12.63)	(0.01)	(12.64)	-	75%
4	Taco Holdings (Mauritius) Limited	2004-05	March 31, 2019	EUR	Closing rate = 77.70 Average rate = 80.93	201.78	(150.61)	51.23	51.23	51.18	0.19	(0.00)	-	(0.00)	-	(0.00)	-	100%
5	Nanjing Tata AutoComp Systems Limited	2006-07	March 31, 2019	RMB	Closing rate = 10.32 Average rate = 10.42	67.21	57.03	281.37	281.37	-	247.23	11.01	0.77	10.24	-	10.24	-	100%
6	TACO Engineering Services GmbH	2013-14	March 31, 2019	EUR	Closing rate = 77.70 Average rate = 80.93	0.19	0.65	0.97	0.97	-	2.77	0.25	-	0.25	-	0.25	-	100%
7	Tata Toyo Radiator Limited (refer note 2)	2018-19	March 31, 2019	INR	NA	32.00	120.66	466.88	466.88	10.00	540.54	27.10	8.45	18.85	0.04	18.69	-	31%
8	Automotive Skills Training Private Limited (formerly known as Automotive Skill Training Foundation (ASTF))																	
9	TACO SATEL Automotive Electronics Limited																	
Liquidated as on 31st March 2019.																		
UNDER LIQUIDATION, HENCE NO FINANCIALS AS OF MARCH 31, 2019.																		

* % of share holding of the Company and its subsidiaries

** The percentage of Shareholding includes 14.25% of Tata Sons, 24% of Tata Capital and 34.4% of Tata Industries in the Company

Note:

- The accounts of the foreign subsidiaries have been converted at closing rate for Balance Sheet and average rate for Profit and Loss account items.
- Tata Toyo Radiator Limited became subsidiary w.e.f. 1st July 2018 and accordingly Turnover, Profit or loss before taxation, Tax expense/credit, profit or loss after taxation, OCI and profit after OCI have been considered from 1st July 2018 to 31st March 2019. The figures shown above are TTA Standalone.

Additional details:

i. Name of subsidiaries which are yet to commence operations: Nil

ii. Name of subsidiaries which have been liquidated or sold during the year: Nil

For and on behalf of the Board of Directors
SC/-
Chairman

Date : April 30, 2019
Place : Pune



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 : April 30, 2019
Place : Pune

sd/-
Chairman

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. Mr. Ramnath Mukhija (Chairman)
2. Mr. Praveen Kadle
3. Mr. Arvind Goel

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 : April 30, 2019

Place : Pune

sd/-
Chairman



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, 2019.

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	1.61:1	(71.80)
Mr. Ramnath Mukhija	6.24:1	5.68
Mr. Hari Mundra	6.13:1	9.83
Mr. Milind Shahane	-	-
Mr. Ankur Verma	0.41:1	*

*Mr. Ankur Verma being appointed during the year the Percentage increase in Remuneration is not comparable.

- 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	70.82:1	15%*
Arvind Goel	67.39:1	**

Based on Basic Salary

*Mr. Ajay Tandon was managing Director & CEO of the Company till September 05, 2018.

** Arvind Goel appointed as MD & CEO effective 6th September 2018, post superannuation of Mr. Ajay Tandon hence percentage increase in remuneration is not comparable.



- The percentage increase in remuneration (Basic salary) of the Chief Financial Officer is 22%* and that of Company Secretary was 5.01%*

**Based on basic salary*

2. The percentage increase in the median remuneration of employees in the financial year: 5%
3. The number of permanent employees on the rolls of Company: employees: 1240 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 7.5%, as against an increase (Increment) of 16.58 % 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 : April 30, 2019
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

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INDEPENDENT AUDITORS' REPORT

To the Members of Tata AutoComp Systems Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of Tata AutoComp Systems Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2019, and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2019, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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



Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019

Key Audit Matters (continued)

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Impairment assessment of investment in subsidiaries and joint ventures</p> <p>See note 3 (a)(ii)(1) to the standalone financial statements</p> <p>As at 31 March 2019, the Company has non-current investments of INR 60,156.66 Lakh in its subsidiaries and joint ventures.</p> <p>The annual impairment testing of investments is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount. The recoverable amount of investments in subsidiaries and joint ventures, is determined by comparing the higher of value in use or fair value less cost to sell with net carrying amount of investments. The fair value less costs to sell have been derived from net asset based models and value in use have been derived from discounted forecast cash flow models. These models use complex methodology and several key assumptions, including key indices used to arrive at the fair value of tangible assets, estimates of future sales volumes and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> – involving independent valuation specialist to assist in evaluating the appropriateness of; (a) the discount rates applied, which included comparing the weighted-average cost of capital with sector averages for the relevant markets in which the subsidiaries and joint ventures operate and (b) the fair valuation performed by the management's valuer in respect of property, plant and equipment comprising lands, factory buildings, office buildings and plant and equipments. – evaluating the appropriateness of the assumptions applied to key inputs such as sales volumes and prices, operating costs, inflation and long-term growth rates, which included comparing these inputs with externally derived data as well as our own assessments based on our knowledge of the client and the industry; – evaluating the overall valuation approach and methodology used for valuation of tangible assets; – performing our own sensitivity analysis, which included assessing the effect of reasonably possible reductions in growth rates, forecast cash flows and fair value of tangible assets to evaluate the impact on the currently estimated headroom; and – evaluating the adequacy of the standalone financial statement disclosures, including disclosures of key assumptions and judgements.



Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and 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) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management and Board of Directors are 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.

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

Auditors' Responsibilities for the Audit of the Standalone Financial Statements

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



Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (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 the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
3. 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:
 - i. The Company has disclosed the impact of pending litigations as at 31 March 2019 on its financial position in its standalone financial statements - Refer Note 38 to the standalone financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;



Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Report on Other Legal and Regulatory Requirements (continued)

- iv. The disclosures in the standalone 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 in the financial statements since they do not pertain to the financial year ended 31 March 2019.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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



Swapnil Dakshindas
Partner
Membership No.: 113896

Place: Pune
Date: 30 April 2019

Annexure A to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019

Referred to in paragraph 1 in 'Report on Other Legal and Regulatory Requirements' section of our report on even date, 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 program of physical verification of its fixed assets by which its fixed assets are verified in a phased manner over a period of three years. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. Accordingly, certain fixed assets have been physically verified by the management during the current year and no material discrepancies were 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 the immovable properties are held in the name of the Company.
- (ii) In our opinion and according to information and explanation given to us, and on the basis of our examination of records of the Company, the inventory except inventories lying with third parties and goods-in-transit have been physically verified at reasonable intervals by the management. In respect of inventory lying with third party, these have substantially been confirmed by them and with respect of goods-in-transit, subsequent goods delivery documents have been verified by the management. 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) In our opinion and 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.
- (iv) In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Act in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the company.
- (v) In our opinion and according to the information and explanations given to us, 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 section 73 to 76 of the Act and the rules made there under.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government for the 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.



Annexure A to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

(vii)(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 38 to the standalone financial statements. As explained to us, the Company did not have any dues on account of cess. Also refer note 38 to the standalone financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable. We draw attention to note 38 to the standalone financial statement which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019

(b) According to the information and explanations given to us, there are no dues of Income-Tax, Duty of Customs and Goods and Service Tax which have not been deposited by the Company on account of any disputes except for the following:

Name of the Statute	Nature of dues	Amount (in INR Lakhs) #	Amount paid under protest (in INR Lakhs) ##	Financial year to which the amount relates	Forum where the dispute is pending*
Bombay Sales Tax Act, 1959	Sales tax	48.37	48.37	2001-02	Bombay High Court
Bombay Sales Tax Act, 1959	Sales tax	52.55	15.00	2003-04	Maharashtra Sales Tax Tribunal
Central Sales Tax Act, 1956	Sales tax	20.28	5.00	2003-04	Maharashtra Sales Tax Tribunal
Central Sales Tax Act, 1956	Sales tax	62.38	12.00	2005-06	Joint Commissioner of State Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales tax	88.03	9.00	2005-06	Joint Commissioner of State Tax (Appeals)
Central Sales Tax Act, 1956	Sales tax	41.56	2.50	2008-09	Deputy Commissioner of State tax
Maharashtra Value Added Tax Act, 2002	Sales tax	61.07	5.00	2008-09	Deputy Commissioner of State tax



Annexure A to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Name of the Statute	Nature of dues	Amount (in INR Lakhs) #	Amount paid under protest (in INR Lakhs) ##	Financial year to which the amount relates	Forum where the dispute is pending *
Maharashtra Value Added Tax Act, 2002	Sales tax	31.51	9.50	2008-09	Joint Commissioner of State Tax (Appeals)
Central Sales Tax Act, 1956	Sales tax	52.81	-	2008-09	Joint Commissioner of State Tax (Appeals)
Maharashtra Value Added Tax Act, 2002	Sales tax	26.26	0.25	2012-13	Joint Commissioner of Sales Tax (Appeals)
Central Excise Act, 1944	Custom duty	167.20	-	2008-09	Additional Commissioner, Central GST
Central Excise Act, 1944	Excise duty	27.86	2.79	2012-13, 2013-14	Deputy Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	0.20	-	2013-14	Superintendent of Excise
Central Excise Act, 1944	Excise duty	10.86	-	2015-16	Deputy Commissioner of Central Excise
Central Excise Act, 1944	Excise duty	24.56	-	2014-15, 2015-16	Central Excise & Service Tax Appellate Tribunal
Central Excise Act, 1944	Excise duty	403.20	403.20	2007-08, 2008-09	Central Excise & Service Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	191.74	41.26	2006-07	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income tax	61.02	-	2008-09	Commissioner of Income Tax (Appeals)



Annexure A to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Name of the Statute	Nature of dues	Amount (in INR Lakhs) #	Amount paid under protest (in INR Lakhs) ##	Financial year to which the amount relates	Forum where the dispute is pending*
Income Tax Act, 1961	Income tax	99.87	99.87	2009-10	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	131.60	12.60	2010-11	Income Tax Appellate Tribunal
Income Tax Act, 1961	Income tax	87.31	87.31	2011-12	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income tax	71.54	-	2015-16	Commissioner of Income Tax (Appeals)

Amounts disclosed above includes penalty and interest, wherever applicable

Amount paid under protest includes refund adjusted by the tax authorities

* As per the last order received from respective revenue department.



Annexure A to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders and banks during the year. The Company did not have any dues to any financial institution or government outstanding during the year.
- (ix) In our opinion and according to the information and explanations given to us, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or term loans during the year.
- (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.
- (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 standalone 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.
- (xv) According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanations given to us, the Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

For B S R & Co. LLP
Chartered Accountants

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



Swapnil Dakshindas
Partner

Place: Pune
Date: 30 April 2019

Membership No.: 113896

Annexure B to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

We have audited the internal financial controls with reference to financial statements of Tata AutoComp Systems Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial 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 issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("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, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of such internal financial controls, 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 standalone financial statements, whether due to fraud or error.



Annexure B to the Independent Auditors' Report on the standalone financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibility (continued)

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

Meaning of Internal Financial Controls with reference to Standalone 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 include those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Standalone Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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.

For B S R & Co. LLP
Chartered Accountants

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



Swapnil Dakshindas
Partner

Place: Pune

Date: 30 April 2019

Membership No.: 113896



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

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	4	32,002.83	28,234.87
Capital work-in-progress	4	2,882.77	3,183.16
Intangible assets	5	28.33	45.70
Intangible assets under development	5	103.03	-
Investments in subsidiaries and joint ventures	6	60,156.66	48,159.58
Financial assets			
(i) Loans	7	5,250.00	11,647.38
(ii) Other financial assets	8	242.95	377.62
Deferred tax assets (net)	9	-	79.65
Income tax asset (net)	10	1,074.85	846.75
Other non-current assets	11	413.27	1,166.31
Total non-current assets		1,02,154.49	93,741.02
Current assets			
Inventories	12	8,464.53	7,706.32
Financial assets			
(i) Investments	13	8,317.46	12,149.68
(ii) Trade receivables	14	17,262.35	13,361.03
(iii) Cash and cash equivalents	15	2,771.60	1,725.36
(iv) Bank balances other than (iii) above		45.23	31.88
(v) Loans	7	827.20	3,701.78
(vi) Other financial assets	8	1,446.44	925.22
Other current assets	16	2,364.70	1,882.30
Total current assets		41,499.51	41,483.57
Total assets		1,43,654.00	1,35,224.59
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	20,128.14	20,128.14
Other equity			
Reserves and surplus	18	71,429.69	65,189.20
Total equity		91,557.83	85,317.34
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	19	10,000.00	10,000.00
(ii) Other financial liabilities	20	-	718.03
Provisions	21	2,100.85	2,123.77
Deferred tax liabilities (net)	9	528.20	-
Total non-current liabilities		12,629.05	12,841.80
Current liabilities			
Financial liabilities			
(i) Borrowings	22	4,188.84	-
(ii) Trade payables	23		
(a) total outstanding dues of micro and small enterprises		2,327.61	470.26
(b) total outstanding dues other than (ii) (a) above		25,322.44	28,207.04
(iii) Other financial liabilities	24	3,186.96	3,343.18
Provisions	21	1,038.67	962.91
Other current liabilities	25	3,402.60	4,082.06
Total current liabilities		39,467.12	37,065.45
Total equity and liabilities		1,43,654.00	1,35,224.59

Summary of significant accounting policies 2-3
See accompanying notes to the standalone financial statements 4-53

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

As per our report of even date.

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

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-

Ashish Boradkar
Company Secretary

Place: Pune
Date: April 30, 2019

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer



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

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations (refer note 2.2)	26	1,25,446.36	1,13,914.88
Other income	27	7,437.66	7,627.52
Total income		1,32,884.02	1,21,542.40
Expenses			
Cost of materials consumed	28	67,565.07	64,135.70
Purchases of stock-in-trade		10,958.77	9,335.90
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	29	(640.48)	3.44
Excise duty (refer note 2.2)		-	2,145.14
Employee benefits expense	30	14,616.55	13,534.74
Finance costs	31	1,845.08	1,303.49
Depreciation and amortization expense	32	2,537.17	2,225.17
Other expenses	33	20,986.65	16,668.54
Total expenses		1,17,868.81	1,09,352.12
Profit before tax		15,015.21	12,190.28
Income tax expense:	34	4,021.32	2,382.37
Current tax		3,420.75	2,406.40
Deferred tax expense / (credit)		600.57	(24.03)
Profit for the year		10,993.89	9,807.91
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations		20.82	153.32
Income tax relating to items that will not be reclassified to profit or loss		(7.28)	(29.87)
Total other comprehensive income for the year		13.54	123.45
Total Comprehensive Income for the year (TCI)		11,007.43	9,931.36
Earnings per equity share			
Basic earning per share of face value of Rs 10 each	41	5.46	4.87
Diluted earning per share of face value of Rs 10 each		5.46	4.87

Summary of significant accounting policies 2-3
 See accompanying notes to the standalone financial statements 4-53

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

As per our report of even date.

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

sd/-
Swapnil Dakshindas
 Partner
 Membership No. 113896

Place: Pune
 Date: April 30, 2019

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/-
Arvind Goel
 Managing Director and CEO
 (DIN 02300813)

sd/-
Deepak Rastogi
 Chief Financial Officer

sd/-
Ashish Boradkar
 Company Secretary

Place: Pune
 Date: April 30, 2019



Tata AutoComp Systems Limited
Standalone statement of changes in equity
(All figures in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

Particulars	
As at April 01, 2017	20,128.14
Changes in equity share capital	-
As at March 31, 2018	20,128.14
Changes in equity share capital	-
As at March 31, 2019	20,128.14

B. Other equity

Particulars	Reserves and surplus					Total
	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserves	Retained earnings	
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
As at April 1, 2018	6,404.76	5,350.00	69.39	2,350.00	51,015.05	65,189.20
Profit for the year	-	-	-	-	10,993.89	10,993.89
Other comprehensive income (net of tax)	-	-	-	-	13.54	13.54
Dividend on equity shares [Rs.2 per share (Previous year Rs.2 per share)]	-	-	-	-	(4,025.63)	(4,025.63)
Dividend distribution tax	-	-	-	-	(741.31)	(741.31)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-
As at March 31, 2019	6,404.76	5,350.00	69.39	2,425.00	57,180.54	71,429.69

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

Securities premium 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.

Retained Earnings

Retained earnings are the profits that a company has earned to date, less any dividends or other distributions paid to investors.

Summary of significant accounting policies 2-3

See accompanying notes to the standalone financial statements 4-53

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

As per our report of even date.

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

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-

Ashish Boradkar
Company Secretary

Place: Pune
Date: April 30, 2019

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer



Tata AutoComp Systems Limited
Cash Flow Statement
(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	15,015.21	12,190.28
Adjustments for:		
Depreciation and amortisation expense	2,537.17	2,225.17
Loss / (gain) on disposal of property, plant and equipment	1.88	(2.33)
Gain on sale of investments	(678.14)	(1,126.32)
Unwinding of financial guarantee obligation	(987.30)	(312.95)
Dividend income	(3,383.28)	(2,779.62)
Finance costs	1,845.08	1,303.49
Interest income	(625.30)	(738.14)
	13,725.32	10,759.58
Change in operating assets and liabilities:		
Trade receivables	(3,901.32)	3,158.01
Inventories	(758.21)	(916.86)
Trade payables	(1,027.25)	7,096.56
Other financial assets non-current	119.06	(70.11)
Other financial assets current	(487.44)	253.59
Other non-current assets	(22.26)	(522.64)
Other current assets	(482.40)	2,091.35
Provisions- non current	(2.10)	176.81
Provisions- current	75.76	(2,416.64)
Other current liabilities	(679.46)	(1,092.99)
Other financial liabilities	138.45	(187.81)
Cash generated from operations	6,698.15	18,328.85
Income taxes paid (net of refund, if any)	(3,648.85)	(1,609.39)
Net cash flow from operating activities (A)	3,049.30	16,719.46
B. Cash flow from investing activities		
Purchase of property, plant and equipment, including capital work in progress, intangible assets, intangibles under development and capital advances (net)	(5,407.72)	(6,159.93)
Proceeds on sale of property, plant and equipment	25.06	24.12
Payment for purchase of non - current investments	(3,230.85)	(2,480.45)
Purchase of current investments	(44,582.00)	(26,560.00)
Proceeds from sale of current investments	49,092.37	39,201.00
Dividend from joint ventures and subsidiary	3,383.28	2,779.62
Fixed deposit with banks (net) having maturity over 3 months	2.26	(29.62)
Loans to employees and related parties (net)	505.52	(10,819.41)
Interest received	628.71	1,043.97
Net cash outflow from investing activities (B)	416.63	(3,000.70)
C. Cash flow from financing activities		
Payment of / (proceeds from) derivative contracts (net)	(37.19)	17.29
Proceeds from short term borrowings	4,188.84	-
Repayment of short term borrowings	-	(6,546.82)
Finance cost paid	(1,804.40)	(1,303.49)
Dividend paid (including dividend distribution tax)	(4,766.94)	(4,745.27)
Net cash flow used in financing activities (C)	(2,419.69)	(12,578.29)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,046.24	1,140.47
Cash and cash equivalents at the beginning of the year	1,725.36	584.89
Cash and cash equivalents at the end of the year	2,771.60	1,725.36





Tata AutoComp Systems Limited
Cash Flow Statement
(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2010
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.09	0.30
Cheques on hand	-	48.08
Balances with banks	2,771.51	1,678.98
	2,771.60	1,725.36

Summary of significant accounting policies

2-3

See accompanying notes to standalone financial statements

4-53

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

As per our report of even date.

For BSR & Co. LLP

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

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-

Ashish Boradkar
Company Secretary

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: April 30, 2019



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2019

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 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. As at March 31, 2019, the Company caters to its customers through its five operating divisions, thirteen subsidiaries (direct and indirect) and six joint ventures with leading companies in the global auto component industry (together known as the 'TACO Group'). One venture is 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 periods presented, unless otherwise stated. Except as described below, the accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the year ended 31 March 2018. The changes in accounting policies are also expected to be reflected in the financial statements as at and for the year ending March 31, 2019.

Changes in accounting policies

The Company has adopted Ind AS 115 Revenue from Contracts with Customers (which replaces earlier revenue recognition standard) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 01, 2018). A number of other new standards are effective from April 01, 2018 but they do not have a material effect on the Company's financial statements. Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18,

Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The details of the new significant accounting policy along with nature, timing of satisfaction of performance obligations, significant payment terms and the nature of the changes to previous accounting policies in relation to the Company's various goods and services are set out under note 2.2 Revenue recognition.

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') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on April 30, 2019.

(ii) Basis of preparation

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
- net defined benefit (asset) / liability – present value defined benefit obligations less fair value of plan assets

2.2 Revenue recognition

Sale of goods/scrap:

Customers obtain control of goods/scrap when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 – 90 days. No discounts are provided for this.

For contracts that permit the customer to return an item, under Ind AS 115 revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the





Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2019

historical data. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. In such circumstances, a refund liability and a right to recover returned goods asset are recognised.

Ind AS 115 did not have a significant impact on the Company's accounting policies (which were followed during the year ended March 31, 2018).

Amounts disclosed as revenue for the year ended March 31, 2018, are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties relevant to the period from April 01, 2017 to June 30, 2017. With the onset of Goods and Service Tax (GST) w.e.f. July 01, 2017; the amount disclosed as revenue is net of GST collected on behalf of third parties.

Sale of tools:

Tooling contracts are the fixed price contracts to build a specific tool (asset). Under these contracts a performance obligation is satisfied when control of such assets underlying the particular performance obligation is transferred to the customer. Hence, revenue from tooling contracts is recognized when such tools are transferred to the customers since the customer receives and consumes the benefits at the end of the contract.

In case of advances received against tooling contracts, the transaction price is adjusted for effects of the time value of money, if it reflects significant financing component. Accordingly, interest expense is separated from revenue and is recognized in Statement of Profit and Loss.

Ind AS 115 did not have a significant impact on the Company's accounting policies (which were followed during the year ended 31 March 2018), since the tooling contracts entered by the Company with customers were regarded a contract to build a specific asset that meets the definition of construction contract in Ind AS 11 and the advances received for tools did not had significant financing component considering the period of such advance.

Income from engineering services:

Revenue from engineering services is recognized when these services are rendered and used by the customer. Hence, such revenue is recognized on the basis of time / work completed, since typical Service Level Agreements (SLA) provides for time and material billing model and related performance obligations are satisfied over such time period.

Revenue from administrative services is recognized when the services are rendered in accordance with the agreements with the respective Group companies since the performance obligation is satisfied over such period of rendering of services and use by the customer.

Ind AS 115 did not have a significant impact on the Company's accounting policies. (which were followed during the year ended 31 March 2018)

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 financial statements are measured using the currency of the primary economic environment in which the Company operates ('functional currency').

These financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts have been rounded off to the nearest Lakh except share data, unless otherwise indicated.

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).





Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2019

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).

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 management's 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.

Specialised computer software and engineering and development cost	4 years
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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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 Borrowings

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.

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.





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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, stores and spares, work in progress, tools under development, traded and finished goods are stated at the lower of cost and net realisable value. Cost of raw materials, stores and spares, tools under development 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 includes 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 viz. gratuity and pension; and
- (b) Defined contribution plans viz. provident fund.

(a) Defined benefit plans:

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.





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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.

(b) Defined contribution plans

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.

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).





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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 joint ventures

The Company has accounted for its investment in subsidiaries and joint ventures 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 50 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.

(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.





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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.





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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.

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 period.

(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





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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.





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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. 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 unfavourable 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.

2. 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.

3. Investment in jointly controlled entity

The Company holds 51% interest in Tata Toyo Radiators Limited. 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 had 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 had concluded that it does not control the jointly controlled

entity. The Company's interest in Tata Toyo Radiator Limited was disclosed as 'Investment in jointly controlled entities' in these financial statements till the period ended June 30, 2018 and also for the year ended March 31, 2018. On July 01 2018, Company amended its joint venture agreement with Tata Toyo Radiator Limited (TTR) which resulted in Company acquiring control in Tata Toyo Radiator Limited (erstwhile consolidated under equity method)





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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 50 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.

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.





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Notes forming part of the standalone financial statements for the year ended March 31, 2019

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

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Company has not applied as they are effective from 01 April 2019:

Ind AS 116 – Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Company is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Company does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Company does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Company does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Company does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company does not expect any impact from this amendment.





Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2019

Ind AS 28 – Long-term Interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Company does not currently have any long-term interests in associates and joint ventures and hence does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Company does not have control / joint control / joint control of a business that is a joint operation and hence does not expect any impact from this amendment.





Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 4 : Property, plant and equipment and capital work-in-progress

a. Reconciliation of carrying amount of property, plant and equipment

	Freehold Land	Leasehold Land (refer note d below)	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)	(25.70)	(67.61)	(16.65)	(90.50)	(214.40)	-
Disposals	-	-	-	-	-	-	-	-	-	-	(8,146.52)
Transfer	-	-	-	-	-	-	-	-	-	-	3,183.16
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

	Freehold Land	Leasehold Land (refer note d below)	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, 2019											
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
Opening gross carrying amount	-	140.08	2,459.86	-	9.41	3,431.66	122.25	50.17	89.60	6,303.03	570.10
Additions	-	-	-	-	(19.73)	-	(81.19)	(1.40)	(11.93)	(114.25)	-
Disposals	-	-	-	-	-	-	-	-	-	-	(870.49)
Transfer / sale	-	-	-	-	-	-	-	-	-	-	2,882.77
Closing gross carrying amount	1,557.17	6,896.16	11,474.27	408.19	175.90	19,701.86	214.30	196.72	329.00	40,953.56	2,882.77
Accumulated depreciation											
Opening accumulated depreciation	-	21.05	671.99	73.95	57.21	5,412.82	70.28	94.51	128.11	6,529.91	-
Depreciation charge during the year	-	85.85	354.87	22.96	22.96	1,921.21	47.66	24.05	51.72	2,508.32	-
Disposals	-	-	-	-	(16.33)	-	(64.99)	(0.57)	(5.42)	(87.31)	-
Closing accumulated depreciation	-	106.90	1,026.86	73.95	63.84	7,334.03	52.95	117.99	174.41	8,950.93	-
Net carrying amount	1,557.17	6,789.26	10,447.41	334.24	112.06	12,367.83	161.35	78.73	154.59	32,002.63	2,882.77



b. Capital work-in-progress
Capital work-in-progress mainly includes land of Rs 2,201.06 lakhs under development and related cost.

c. Contractual Obligation
Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

d. Leasehold land
There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 95-99 years.



Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 5 : Intangible assets and intangible assets under development

a. Intangible assets

	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 amortisation			
Opening accumulated amortisation	143.24	62.63	205.87
Amortisation charge for the year	42.49	-	42.49
Closing accumulated amortisation	185.73	62.63	248.36
Net carrying amount	45.70	-	45.70

	Acquired	Internally generated	Total
	Computer software	Engineering and development cost	
As at March 31, 2019			
Gross carrying amount			
Opening gross carrying amount	231.43	62.63	294.06
Additions	11.48	-	11.48
Closing gross carrying amount	242.91	62.63	305.54
Accumulated amortisation			
Opening accumulated amortisation	185.73	62.63	248.36
Amortisation charge for the year	28.85	-	28.85
Closing accumulated amortisation	214.58	62.63	277.21
Net carrying amount	28.33	-	28.33

b. Intangible assets under development

Intangible assets under development as at March 31, 2019 amounts to Rs 103.03 lakhs and as at March 31, 2018 Rs Nil. Intangible assets under development mainly includes cost incurred for upgradation of current enterprise resource planning systems.





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 6 : Investments in subsidiaries and joint ventures

	As at March 31, 2019	As at March 31, 2018
Investments carried at cost		
Quoted investments		
<u>Investment in equity instruments</u>		
<u>Investment in subsidiary</u>		
11,898,296 (March 31, 2018: 11,898,296) equity shares of Rs.10/- each fully paid up in Automotive Stampings and Assemblies Limited	7,515.97	7,515.97
Unquoted investments		
<u>Investment in equity instruments</u>		
<u>Investment in subsidiaries</u>		
25,968,723 (March 31, 2018: 25,968,723) equity shares of Euro 1 each fully paid up in Taco Holdings (Mauritius) Limited	6,307.20	6,307.20
25,000 (March 31, 2018: 25,000) equity shares of Rs.10/- each fully paid up in TACO Engineering Services GMBH	17.71	17.71
20 (March 31, 2018: 20) equity shares of Rs.10/- each fully paid up in Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation)	0.00	0.00
68,360 (March 31, 2018: 68,360) equity shares of SEK 1 each fully paid up in Ryhpez Holding (Sweden) AB *	33,816.57	22,219.49
16,320,000 (March 31, 2018: 16,320,000) equity shares of Rs.10/- each fully paid up in Tata Toyo Radiator Limited (Subsidiary w.e.f July 1, 2018) [refer note 3 (a) (3)]	1,632.00	-
<u>Investment in joint ventures</u>		
18,750,000 (March 31, 2018: 18,750,000) equity shares of Rs.10/- each fully paid up in Tata Ficosa Automotive Systems Private Limited	1,875.00	1,875.00
88,750,000 (March 31, 2018: 88,750,000) equity shares of Rs.10/- each fully paid up in Tata Autocomp GY Batteries Private Limited	7,150.08	7,150.08
6,210,000 (March 31, 2018: 6,210,000) equity shares of Rs.10/- each fully paid up in Tata Autocomp Hendrickson Suspensions Private Limited	621.00	621.00
9,000,000 (March 31, 2018: 5,000,000) equity shares of Rs.10/- each fully paid up in TM Automotive Seating Systems Private Limited	900.00	500.00
48,91,118 (March 31, 2018: 48,91,118) equity shares of Rs.10/- each fully paid up in Tata Autocomp Katcon Exhaust System Private Limited	321.13	321.13
16,320,000 (March 31, 2018: 16,320,000) equity shares of Rs.10/- each fully paid up in Tata Toyo Radiator Limited (Subsidiary w.e.f July 1, 2018) [refer note 3 (a) (3)]	-	1,632.00
Total	60,156.66	48,159.58

* 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, 2018: Rs 5.36 lakhs) is restricted and Rs 33,811.21 lakhs (March 31, 2018: 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, 2018: Rs 1,378.48 lakhs) and expenses incurred on behalf of subsidiary amounting to Rs. 483.70 lakhs. (March 31, 2018: Rs 483.70 lakhs)

	As at March 31, 2019	As at March 31, 2018
Aggregate market value of quoted investments	6,329.89	9,102.20
Aggregate book value of quoted investments	7,515.97	7,515.97
Aggregate amount of unquoted investments	52,640.69	40,643.61
Aggregate amount of impairment in the value of investments	-	-





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 7 : Financial assets - loans

	As at March 31, 2019		As at March 31, 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to subsidiary (refer note 37)	-	5,250.00	1,750.00	11,430.96
Loan to joint ventures (refer note 37)	800.00	-	1,931.84	216.42
Advance to employees	27.20	-	19.94	-
Total	827.20	5,250.00	3,701.78	11,647.38

Break up of security details

	As at March 31, 2019	As at March 31, 2018
Loans considered good - secured	-	-
Loans considered good - unsecured	6,077.20	15,349.16
Loans which have significant increase in credit risk (refer note 50)	-	-
Loans- credit impaired (refer note 50)	-	-
Total	6,077.20	15,349.16

Note 8 : Financial assets - others

	As at March 31, 2019		As at March 31, 2018	
	Current	Non- current	Current	Non- current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	301.27	242.95	62.94	362.01
Considered doubtful	-	14.29	-	14.29
	301.27	257.24	62.94	376.30
Less : provision for doubtful deposits / loss allowance	-	(14.29)	-	(14.29)
	301.27	242.95	62.94	362.01
Unbilled revenue	371.19	-	398.42	-
Other receivable from related parties	689.47	-	368.32	-
Interest accrued on deposits	16.73	-	20.14	-
Bank deposits*#	-	-	-	15.61
Other receivables	28.12	-	72.93	-
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts**	39.66	-	2.47	-
Total	1,446.44	242.95	925.22	377.62

* 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 / (liabilities) (net)

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Defined benefit obligations	350.31	335.26
Provisions for doubtful debts and advances and inventory	507.23	772.94
Others	77.69	124.11
	935.23	1,232.31
Deferred tax liabilities		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	(1,463.43)	(1,152.66)
	(1,463.43)	(1,152.66)
Total	(528.20)	79.65

Movement in deferred tax assets/ (liabilities)

	Defined benefit obligation	Provisions for doubtful debts and advances and inventory	Other items	Depreciation	Total
At April 01, 2017	266.94	693.45	1,025.70	(1,134.00)	852.09
(Charged)/Credited					
To Profit and Loss Account	68.32	79.49	(105.12)	(18.66)	24.02
To Other Comprehensive Income	-	-	-	-	-
Utilisation of MAT credit	-	-	(796.47)	-	(796.47)
At March 31, 2018	335.26	772.94	124.11	(1,152.66)	79.65
(Charged)/Credited					
To Profit and Loss Account	22.33	(265.71)	(46.42)	(310.77)	(600.57)
To Other Comprehensive Income	(7.28)	-	-	-	(7.28)
At March 31, 2019	350.31	507.23	77.69	(1,463.43)	(528.20)





Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 10 : Income tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Opening balance	846.75	877.16
Taxes paid during the year (includes MAT credit utilized)	3,648.85	2,405.86
Tax expense relating to current year	(3,382.51)	(2,476.27)
(Excess) / short provision for tax in respect of earlier period	(38.24)	40.00
Closing balance	1,074.85	846.75

Note 11 : Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	15.31	790.61
Considered doubtful	15.06	15.06
	30.37	805.67
Less: Provision for doubtful capital advances	15.06	15.06
	15.31	790.61
Balances with government authorities		
Considered good	265.52	227.93
Considered doubtful	95.50	212.07
	361.02	440.00
Less: Provision for doubtful balances	95.50	212.07
	265.52	227.93
Prepaid rental on operating lease (refer note 42)	-	108.63
Prepaid expenses	132.44	39.14
Total	413.27	1,166.31

Note 12 : Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials	2,787.38	2,863.40
Work-in-progress	1,281.93	1,457.42
Finished goods (includes goods-in-transit Rs 199.66 lakhs, March 31, 2018 Rs 51.08 lakhs)	344.24	179.80
Traded goods	1,054.58	1,053.26
Stores and spares	1,686.24	1,492.49
Tools (under development)	1,310.16	659.95
Total inventories	8,464.53	7,706.32

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value amounted to Rs. 2.74 lakhs (March 31, 2018 Rs. 5.08 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

	As at March 31, 2019	As at March 31, 2018
Investment in liquid mutual funds carried at fair value through profit or loss		
Unquoted		
48,604.28 (March 31, 2018: 1,01,176.82) units of Tata Liquid Fund Money Plan (Formerly known as Tata Money Market Fund) - Direct Plan - Growth	1,431.12	2,770.60
4,96,810.87 (March 31, 2018: 221,762.12) units of Aditya Birla Sun Life Money Manager Fund (Formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan) - Growth - Direct Plan	1,250.47	514.08
327,214.01 (March 31, 2018: Nil) units of Aditya Birla Sunlife Liquid Fund - Growth- Direct Plan	983.07	-
46,996.77 (March 31, 2018: 101,075.54) units of Kotak Money Market Scheme (Formerly known as Kotak Floater Short Term - Direct Plan - Growth	1,450.58	2,882.63
180,726.62 (March 31, 2018: 12,41,347.39) units of ICICI Prudential Money Market Fund - Direct Plan - Growth	470.18	2,983.22
354,908.51 (March 31, 2018: Nil) units of ICICI Prudential Liquid Fund - Direct Plan - Growth	981.03	-
44,041.58 (March 31, 2018: Nil) units of Reliance Money Market Fund - Direct Plan - Growth	1,250.48	-
10,971.80 (March 31, 2018: Nil) units of Reliance Liquid Fund - Direct Plan- Growth Plan	500.52	-
Nil (March 31, 2018: 176,602.36) units of Indiabulls Liquid Fund - Direct Plan Growth	-	2,999.15
Total	8,317.46	12,149.68

Information about the Company's exposure to fair value measurement and market risk is included in note 49 and note 50 respectively. Aggregate amount of unquoted investments is Rs 8,317.46 (March 31, 2018 Rs 12,149.68 Lakhs)





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 14 : Trade receivable

	As at March 31, 2019	As at March 31, 2018
Trade receivables	5,168.32	9,371.63
Receivables from related parties (refer note 37)	12,165.91	4,920.11
Less: Loss allowance	71.88	930.71
Total	17,262.35	13,361.03

Break-up of security details

	As at March 31, 2019	As at March 31, 2018
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	17,334.23	14,291.74
Trade receivable which have significant increase in credit risk (refer note 50)	-	-
Trade receivable credit impaired (refer note 50)	-	-
Total	17,334.23	14,291.74
Less: Loss allowance	71.88	930.71
Total	17,262.35	13,361.03

Note 15 : Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks		
- in current accounts	1,571.11	178.02
- in EEFC accounts	0.40	0.96
- in deposits accounts (with original maturity of 3 months or less)	1,200.00	1,500.00
Cheques on hand	-	48.08
Cash on hand	0.09	0.30
Total	2,771.60	1,725.36

Note 16 : Other current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	1,945.95	1,460.90
Considered doubtful	146.79	151.49
	2,092.74	1,612.39
Less: Provision for doubtful advances	146.79	151.49
	1,945.95	1,460.90
DEPB licence	-	79.38
Balances with government authorities	18.13	120.58
Prepaid rental on operating lease (refer note 42)	108.63	-
Prepaid expenses	291.99	221.44
Total	2,364.70	1,882.30





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 17: Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
329,600,000 (March 31, 2018: 329,600,000) equity shares of Rs. 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2018: 70,000,000) 8% preference shares of Rs. 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2018: 2,400,000) 7.5% preference shares of Rs. 10/- each	240.00	240.00
8,000,000 (March 31, 2018: 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, 2018: 201,281,358) equity shares of Rs. 10/- each fully paid.	20,128.14	20,128.14

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the reporting period :

	As at March 31, 2019		As at March 31, 2018	
	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, 2019	As at March 31, 2018
28,675,598 equity shares (March 31, 2018 : 28,675,598 shares) held by Tata Sons Private Limited, the ultimate holding company,	2,867.57	2,867.57
120,272,540 equity shares (March 31, 2018 : 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, 2018 : 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, 2019	% holding	Number of shares held as on March 31, 2018	% 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 Private 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.





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 18 : Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Capital redemption reserve		
At the commencement and at the end of the year	5,350.00	5,350.00
Securities premium		
At the commencement and at the end of the year	69.39	69.39
Debenture redemption reserve		
At the commencement of the year	2,350.00	2,275.00
Add: Appropriations during the year	75.00	75.00
At the end of the year	2,425.00	2,350.00
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	51,015.05	45,903.96
Profit for the year	10,993.89	9,807.91
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Remeasurements of post-employment benefit obligations	13.54	123.45
Transfer to debenture redemption reserve	(75.00)	(75.00)
Dividend on equity shares [Rs.2 per share (March 31, 2018 Rs.2 per share)]	(4,025.63)	(4,025.63)
Dividend distribution tax	(741.31)	(719.64)
	57,180.54	51,015.05
Total	71,429.69	65,189.20

Note 19 : Non-current borrowings

	Maturity date	Terms of repayment	Coupon / interest rate	As at March 31, 2019	As at March 31, 2018
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

Note 20 : Non-current - other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Financial guarantee obligation [refer note 24 (a)]	-	987.29
	-	987.29
Less: Current maturities of financial guarantee obligation	-	269.26
Total	-	718.03

Note 21 : Provisions

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Compensated absences	204.05	482.84	215.03	449.00
Gratuity (refer note 35)	-	122.61	-	125.07
Post employment pension benefits (refer note 35)	135.22	1,495.40	86.88	1,549.70
Other provisions				
Provision for probable claims (refer note 40)	699.40	-	661.00	-
Total	1,038.67	2,100.85	962.91	2,123.77





Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 22 : Financial liabilities - current borrowings

	As at March 31, 2019	As at March 31, 2018
Unsecured		
Short term borrowings *	4,229.52	-
Less: Interest accrued (included in note no 24)	(40.68)	-
Total	4,188.84	-

* Short term borrowings includes Invoice factoring with DBS, pending liquidation at MCLR 8.85%.

Note 23 : Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payable micro and small enterprises (refer note 45)	2,327.61	470.26
Trade payable others	24,309.72	27,335.09
Trade payables to related parties (refer note 37)	1,012.72	871.95
Total	27,650.05	28,677.30

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 50

Note 24 : Current - other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Creditors for capital goods	385.00	451.09
Payable towards employee benefits expense	1,635.91	1,330.03
Interest accrued on debentures and short term borrowings	407.75	367.07
Other payable	758.30	925.73
Financial guarantee obligation [refer note 24 (a)]	-	269.26
Total	3,186.96	3,343.18

Note 24 (a) : During the year 2016, the Company had provided corporate guarantee to one of the lenders of its subsidiary company in respect of loan obtained by the subsidiary. In accordance with "Ind AS 109 Financial Instruments", the Company had initially recognized liability on account of financial guarantee at fair value and used to unwind the balance outstanding as at each reporting period-end to Other income over the initial estimated tenure of the loan. During the current year, the subsidiary has provided intent letter to repay the amount of such loan in full during April 2019. The loan was repaid in full subsequent to the reporting date. Since the underlying loan has been repaid earlier than the estimated due date, there is a change in the expected tenure of the contractual life of the loan. Accordingly, the Company has considered the change in the estimate of expected life of the loan in accordance with guidance given in "Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors" and recognized the balance of INR 987.30 of financial guarantee obligation to Other income, since there is no remaining expected life of the loan at as the year-end. Consequently, the amount of financial guarantee obligation is Nil as at the year-end.

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 50

Note 25 : Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance from customer	2,575.40	3,134.10
Statutory dues payables	827.20	947.96
Total	3,402.60	4,082.06





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
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Note 26 : Revenue from operations

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers		
Sale of products (including excise duty Nil (March 31, 2018 INR 2,145.14 lakhs)	1,03,642.20	96,730.86
Traded goods	14,296.89	10,794.22
Sale of services	7,068.63	6,011.69
Other operating revenues	438.64	378.11
Total	1,25,446.36	1,13,914.88

a) Contracts with customer

	Year ended March 31, 2019
Revenue recognised from contracts with customers	1,25,446.36
Disaggregation of revenue	
Based on type of goods	
- Components	1,09,921.94
- Tools, dies and Moulds	8,222.71
- Scrap	233.09
- Service	7,068.62
Based on Market	
- Original equipment manufacturer	1,12,905.57
- Joint ventures and subsidiaries	3,513.02
- Others	9,027.77
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	-

b) Details of contracts balances:

The following table provides information about trade receivables and contract liabilities from contracts with customers:

	Year ended March 31, 2019
Trade receivable	17,262.35
Unbilled revenue	371.19
Contract liabilities	2,575.40

The contract liabilities primarily relate to the advance consideration received from customers and claims payable to customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended March 31, 2019 are as follows:

Contract liabilities at the beginning of the year	3,134.10
Revenue recognised that was included in the contract liability balance at the beginning of the year	(2,547.79)
Increase due to cash received, excluding amounts recognised as revenue during the year	1,989.09
Contract liabilities at the end of the year	2,575.40

c) Performance obligations

The Company satisfies its performance obligations pertaining to the sale of auto components at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-90 days. There are no other significant obligations attached in the contract with customer.





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d) Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Company has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Company do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the Company's performance completed to date.

e) Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

f) Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Company (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue.

g) Cost to obtain contract or fulfil a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfil a contract with a customer.

Note 27 : Other Income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets carried at amortised cost	625.30	738.14
Dividend from joint ventures and subsidiary	3,383.28	2,779.62
Net gain on sale of current investments mandatorily measured at fair value through profit or loss	678.14	1,126.32
Net gain on sale of property, plant and equipments	-	2.33
Gain on account of foreign currency transaction (net)	197.56	-
Unwinding of financial guarantee obligation	987.30	312.95
Sundry provisions / balances no longer required, written back (refer note 43)	630.64	2,610.33
Provision for doubtful debts written back	860.02	-
Other non-operating income	75.42	57.83
Total	7,437.66	7,627.52

Note 28 : Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory of raw materials at the beginning of the year	2,863.40	1,888.08
Add: Purchases	67,489.05	65,111.02
Less: Inventory of raw material at the end of the year	2,787.38	2,863.40
Total	67,565.07	64,135.70

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

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Work-in-progress	1,457.42	1,072.84
Finished goods	179.80	217.70
Tools	659.95	1,479.91
Traded goods	1,053.26	583.42
	3,350.43	3,353.87
Closing stock		
Work-in-progress	1,281.93	1,457.42
Finished goods	344.24	179.80
Tools	1,310.16	659.95
Traded goods	1,054.58	1,053.26
	3,990.91	3,350.43
Total	(640.48)	3.44





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

Note 30 : Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	12,552.71	11,619.38
Contributions to provident fund and other fund (refer note 35)	715.28	708.08
Staff welfare expenses	1,348.56	1,207.28
Total	14,616.55	13,534.74

Note 31 : Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	1,842.90	1,302.90
Other borrowing costs	2.18	0.59
Total	1,845.08	1,303.49

Note 32 : Depreciation and amortisation expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	2,508.32	2,182.68
Amortisation of intangible assets	28.85	42.49
Total	2,537.17	2,225.17

Note 33 : Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores, spares and consumables	2,371.79	2,155.85
Power and fuel	2,880.39	2,694.65
Site expenses and contract labour charges	2,915.52	2,819.51
Rent and service charges	827.64	839.76
Repairs and maintenance:		
Buildings	178.77	108.77
Machinery	1,041.03	967.74
Others	383.17	124.77
Insurance	53.11	55.12
Rates and taxes	56.48	83.93
Communication expenses	172.49	182.02
Travelling and conveyance	689.23	632.17
Freight and forwarding	3,512.05	2,509.87
Commission	55.93	94.95
Corporate social responsibility expenditure [Refer Note 33 (c)]	117.77	74.72
Legal and professional fees [Refer Note 33 (a)]	1,540.01	1,380.49
Bad debts written off	1,365.74	-
Sundry balances written off	4.90	23.02
Net loss on foreign currency transaction and translation	-	14.30
Loss on sale of property, plant and equipment sold / scrapped / written off	1.88	-
Processing charges	2,002.35	1,209.19
Miscellaneous expenses	1,773.60	1,622.60
Less: Recoveries from joint ventures and subsidiaries	(957.20)	(924.89)
Total	20,986.65	16,668.54





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

33 a) Legal and Professional fees include payment to auditors

	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor		
Statutory audit	14.50	14.50
Tax audit	4.00	4.00
Limited reviews	13.50	13.50
Certifications	2.00	2.00
Other services	8.00	3.00
Reimbursement of expenses	5.85	-
Total	47.85	37.00

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. 827.64 lakhs (March 31, 2018: Rs. 839.76 lakhs)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Not later than one year	242.49	181.05
Later than one year but not later than five years	939.22	325.99
Later than five years	320.12	-
Total	1,501.83	507.04

33 c) Corporate social responsibility expenditure

	Year ended March 31, 2019	Year ended March 31, 2018
(a) Amount required to be spent by the Company during the year	117.17	73.99
(b) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On the purpose other than (i) above	117.77	95.91

	Year ended March 31, 2019	Year ended March 31, 2018 *
Maharashtra Drought Relief (Paryay NGO)	-	9.00
TATA Medical Center, Kolkata	-	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	4.44	3.83
MD India online for health check up of motor mechanics	-	8.00
Support to school building of Jilha Parishad Shala, Chakan	3.04	17.82
Support to 2 Eltis Batches at Symbiosis School	-	3.00
Tata Community Initiatives Trust for skill development programme	12.85	25.70
Woollen Cloths distribution to ZP School	-	0.58
Support to school building of Tanda School, Pantnagar	4.29	-
Support for Cancer Hospital, Sir Dorabji Trust	82.65	-
English Speaking class and Personality development to increase employability for affirmative category, Confederation of Indian Industry	1.50	-
Sponsorship of Engineering Education for Girls Leela Poonawala	6.00	-
Others	-	0.11
Total	117.77	95.91

* Amount spent during the year ended March 31, 2018 includes the unspent amount for the year ended March 31, 2017 Rs 21.19 Lakhs





Tata AutoComp Systems Limited
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Note 34 : Income tax expense

	Year ended March 31, 2019	Year ended March 31, 2018
Income tax expense		
Current tax		
Current tax on profits for the year	3,382.51	2,446.40
Adjustments for current tax of prior periods	38.24	(40.00)
Total current tax expense	3,420.75	2,406.40
Deferred tax		
Decrease / (increase) in deferred tax assets	289.80	(96.75)
Increase in deferred tax liabilities	310.77	72.72
Total deferred tax expense/(credit)	600.57	(24.03)
Income tax expense	4,021.32	2,382.37

Reconciliation of tax expense and the accounting profit :

	Year ended March 31, 2019	Year ended March 31, 2018
Profit before income tax expense	15,015.21	12,190.28
Tax Rate of 34.94% (FY 2017-18 – 34.61%)	5,246.91	4,219.06
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Weighted deduction on research and development expenditure	(129.07)	(117.85)
Corporate social responsibility expenditure	41.15	25.83
Disallowance u/s 14A of Income Tax Act, 1961	14.43	70.40
Reversal of provision for probable claims	-	(854.08)
Dividend from joint ventures and subsidiary	(1,182.12)	(962.03)
Other items	(8.22)	41.04
Adjustments for current tax of prior periods	38.24	(40.00)
Income tax expense	4,021.32	2,382.37





Tata AutoComp Systems Limited
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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:

	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 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	(63.05)	-	(63.05)
Closing defined benefit obligation as at March 31, 2018	1,203.91	(1,078.84)	125.07

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2018	1,203.91	(1,078.84)	125.07
Current service cost	140.06	-	140.06
Interest expense/(income)	80.94	(79.58)	1.36
Total amount recognised in profit or loss	221.00	(79.58)	141.42
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(2.88)	(2.88)
(Gain)/loss from change in financial assumptions	22.17	-	22.17
Experience (gains)/losses	50.01	-	50.01
Total amount recognised in other comprehensive income	72.18	(2.88)	69.30
Employer contributions	-	(8.85)	(8.85)
Benefit payments	(220.20)	15.87	(204.33)
Closing defined benefit obligation as at March 31, 2019	1,276.89	(1,154.28)	122.61

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

	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	1,276.89	1,203.91
Fair value of plan assets	1,154.28	1,078.84
Non - current liability recognised in Balance Sheet	122.61	125.07

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, 2019	As at March 31, 2018
Discount rate	7.00%	7.40%
Salary escalation	8.00%	8.00%
Rate of return on plan assets	7.43%	7.51%
Attrition Rate	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:

	Year ended March 31, 2019	Year ended March 31, 2018
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(53.95)	(48.15)
(ii) 1% decrease in discount rate	59.17	52.75
(iii) 1% increase in rate of salary escalation	58.26	52.14
(iv) 1% decrease in rate of salary escalation	(54.13)	(48.49)

The above sensitivity analysis is 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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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

	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation		
Less than a year	263.75	236.00
Between 1 - 2 years	231.25	288.46
Between 2 - 5 years	650.04	617.92
Over 5 years	985.00	952.61
Total	2,130.04	2,094.99

Category of plan assets are as-follows -

	As at March 31, 2019	As at March 31, 2018
Unquoted Insurer managed funds*	(1154.28)	(1078.84)

* The Company maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2019 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year Rs. 9.31 lakhs (Previous year Rs. 8.85 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.

	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 financial assumptions	(113.35)
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

	Present value of obligation
Opening defined benefit obligation as at April 1, 2018	1,636.58
Current service cost	40.94
Interest expense	128.27
Total amount recognised in profit or loss	169.21
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	39.42
Experience (gains)/losses	(87.88)
Total amount recognised in other comprehensive income	(48.46)
Benefit payments	(126.71)
Closing defined benefit obligation as at March 31, 2019	1,630.62





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

	As at March 31, 2019	As at March 31, 2018
Unfunded plans	1,630.62	1,636.58
Deficit before asset ceiling	1,630.62	1,636.58

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, 2019			As at March 31, 2018	
	Serving Managing Director	MD who retired during the year	Retired Managing Directors	Serving Managing Director	Retired Managing Directors
Discount rate	7.90%	7.90%	7.90%	8.10%	8.20%
Pension growth rate	6.00%	6.00%	6.00%	6.00%	6.00%
Compensation growth rate	8.00%	-	-	8.00%	-
Expected average remaining working life (years)	28.74	28.62	21.25	29.52	22.09

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:

	Year ended March 31, 2019	Year ended March 31, 2018
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(127.77)	(149.25)
(ii) 1% decrease in discount rate	146.49	174.25
(iii) 1% increase in rate of Pension growth rate	47.89	41.92
(iv) 1% decrease in rate of Pension growth rate	(47.09)	(40.61)

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)

	As at March 31, 2019	As at March 31, 2018
Defined benefit obligation (pension)		
Less than a year	135.22	90.44
Between 1 - 2 years	143.33	92.87
Between 2 - 5 years	556.78	293.76
Over 5 years	1,062.04	1,351.23
Total	1,897.37	1,828.30

(B) Defined Contribution Plans

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

	As at March 31, 2019	As at March 31, 2018
Contribution to Employees' Superannuation Fund	202.98	188.09
Contribution to Provident Fund/ Family Pension Fund (including contribution to social security)	459.62	459.25
Contribution to Labour Welfare fund	0.80	0.73
Contribution to Employees' State Insurance	51.88	60.02

(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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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:

	Year ended	
	March 31, 2019	March 31, 2018
- Components	1,09,921.94	99,372.49
- Tools, dies and Moulds	8,222.71	8,287.26
- Scrap	233.09	243.44
- Service	7,068.62	6,011.69
Total	1,25,446.36	1,13,914.88

The revenue by geographical market is as follows:

	Year ended	
	March 31, 2019	March 31, 2018
India	1,11,764.95	1,05,222.65
Europe	5,724.94	5,246.27
USA	7,174.54	2,887.48
Others	781.93	558.49
Total	1,25,446.36	1,13,914.88

Note 37 Related party transactions

(a) Related parties and their relationship

Promoters/ Promoter group

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

Subsidiaries

- i) TACO Holdings (Mauritius) Limited ("THML")
- ii) Nanjing Tata AutoComp Systems Limited (Subsidiary of THML)
- iii) Automotive Stampings and Assemblies Limited
- iv) Tata Toyo Radiator Limited (w.e.f. July 01, 2018)
- v) TACO Engineering Services GMBH
- vi) Automotive Skills Training Private Limited (Formerly known as Automotive Skill Training Foundation)
- vii) Rynpez Holding (Sweden) AB
- viii) TitanX Holding AB (Sweden) (Subsidiary of Rynpez Holding (Sweden) AB)
- ix) 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)
- x) 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)
- xi) 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)
- xii) TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden))
- xiii) TitanX Enging Cooling, Poland {(Subsidiary of TitanX Holding AB (Sweden)) (w.e.f. June 11, 2018)

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) Bechi Shoes Limited
- ix) Tata Consulting Engineers Limited
- x) Tata Securities Limited

Other group companies (with whom transactions have taken place during the year)

- 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) Tata Capital Financials Services Limited





Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

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 (up to June 30, 2018)
- vii) Taco Saskaen Automotive Electronics Limited (Under Liquidation)
- viii) Air International TTR Thermal Systems Private Limited (Joint venture of TTR)

Key management personnel

Whole-time director

- Mr. Ajay Tandon (Managing Director and CEO) (up to September 05, 2018)
Mr. Arvind Goel (Managing Director and CEO) (w.e.f. September 06, 2018)

Non-executive directors

- Mr. Praveen Kadle
Mr. Ramnath Mukhija
Ms. Vedika Bhandarkar (up to July 25, 2018)
Mr. Hari Lakshminarayan Mundra
Mr. Gopichand Katragadda (up to July 16, 2018)
Mr. Milind Shahane
Mr. Ankur Verma (w.e.f. July 30, 2018)

(b) Transactions with related parties

	Transaction value		Closing balance	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Sale of goods				
- Tata Motors Limited	59,585.59	55,695.08	5,080.88	(342.41)
- Fiat India Automobiles Private Limited	22,132.17	21,262.92	3,327.45	3,413.31
- Others	3,526.47	1,882.98	1,317.22	429.18
Purchase of goods and services				
- Tata Motors Limited	243.12	544.38	(117.77)	(53.34)
- Tata Capital Financials Services Limited	33.29	-	-	-
- Tata Toyo Radiator Limited	204.26	197.79	(60.11)	(13.05)
- Fiat India Automobile Private Limited	2,710.70	4,522.52	(330.98)	(409.80)
- Tata Securities Limited	-	6.41	-	-
- Others	662.15	999.78	(211.58)	(137.99)
Brand equity business promotion contribution				
- Tata Sons Private Limited (Formerly known as Tata Sons Limited)	324.72	286.41	(292.28)	(257.77)
Sale of services and reimbursement				
- Tata Motors Limited	1,200.79	266.38	709.93	48.02
- Tata Toyo Radiator Limited	1,573.43	1,365.20	656.04	347.79
- Automotive Stampings and Assemblies Limited	132.00	134.32	113.53	48.21
- Tata Autocomp Hendrickson Suspensions Private Limited	1,455.49	1,192.21	260.51	327.16
- Tata Ficosa Automotive Systems Private Limited	302.42	291.62	291.88	69.13
- Tata Autocomp GY Batteries Private Limited	634.12	590.69	112.83	149.28
- TM Automotive Seating Systems Private Limited	134.72	71.81	97.76	33.06
- Tata Autocomp Katcon Exhaust System Private Limited	271.53	232.81	56.75	48.64
- TitanX Engine Cooling AB	22.13	-	-	-
- Others	685.37	657.30	141.13	322.72
Sale of Property, plant and equipment				
- Tata Toyo Radiator Limited.	39.70	27.16	39.70	14.14
- Tata Ficosa Automotive Systems Private Limited	16.16	6.63	19.06	2.99
- Automotive Stampings and Assemblies Limited	9.34	-	11.02	-
- Tata AutoComp GY Batteries Limited	24.99	-	24.99	-
- Tata Autocomp Katcon Exhaust System Private Limited	0.91	-	1.08	-
- Nanjing Tata AutoComp Systems Limited	9.14	-	9.14	-
- Tata Autocomp Hendrickson Suspensions Private Limited	10.67	17.08	12.59	8.90
- TM Automotive Seating Systems Private Limited	3.66	0.06	4.32	-
Purchase of Property, plant and equipment				
- Voltas Limited	7.48	4.30	-	-
Equity dividend paid				
- Tata Motors Limited	1,046.66	1,046.66	-	-
- Tata Investment Corporation Limited	54.40	54.40	-	-





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

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
- 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	473.69	403.03	-	-
- Tata Ficosa Automotive Systems Private Limited	26.02	72.98	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	112.29	167.72	-	-
- Tata Motors Limited	-	69.52	-	-
- Ryhpez Holding (Sweden) AB	-	3.60	-	3.60
Dividend received				
- Tata Toyo Radlator Limited	703.80	490.62	-	-
- Tata Autocomp Hendrickson Suspensions Private Limited	2,511.18	2,160.06	-	-
- Tata Ficosa Automotive Systems Private Limited	168.30	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	-	-	-	-
- Tata Motors Limited	-	11,500.00	-	-
Loans granted				
- Tata Ficosa Automotive Systems Private Limited	-	1,050.00	-	688.26
- Tata Autocomp Katcon Exhaust System Private Limited	225.00	1,000.00	800.00	1,460.00
- Automotive Stampings and Assemblies Limited	850.00	1,750.00	3,950.00	3,100.00
- Ryhpez Holding (Sweden) AB	-	8,780.95	-	8,784.55
Loans repaid				
- Tata Ficosa Automotive Systems Private Limited	688.26	895.35	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	885.00	840.00	-	-
Loans converted into equity				
- Ryhpez Holding (Sweden) AB (w.a.f. April 01, 2018)	8,780.95	-	-	-
Security deposit given				
- Tata Capital Financials Services Limited	325.60	-	325.60	-
Remuneration paid to key managerial personnel				
- Mr. Ajay Tandon				
Short-term employee benefits	238.56	288.35	-	(129.33)
Long-term employee benefits	7.80	23.07	-	(50.18)
Post-employment benefits	89.88	158.70	(622.63)	(729.70)
- Mr. Arvind Goel				
Short-term employee benefits	112.95	-	(160.42)	-
Long-term employee benefits	21.52	-	(21.52)	-
Post-employment benefits	8.58	-	(96.64)	-
Commission paid to key managerial personnel				
- Mr. Praveen Kadle	-	14.92	-	-
- Mr. Ramnath Mukhija	15.00	12.67	-	-
- Ms. Vedika Bhandarkar	12.00	9.27	-	-
- Mr. Hari Lakshminarayan Mundra	15.00	12.49	-	-
- Mr. Gopichand Katragadda	-	10.65	-	-





Tata AutoComp Systems Limited
Notes forming part of financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
Sitting fees paid to key managerial personnel				
- Mr. Praveen Kadle	3.70	6.00	-	-
- Mr. Ramnath Mukhija	5.20	9.00	-	-
- Ms. Vedika Bhandarkar	-	7.20	-	-
- Mr. Hari Lakshminarayan Mundra	5.00	8.00	-	-
- Mr. Gopichand Katragadda	1.50	5.40	-	-
- Mr. Ankur Verma	1.50	-	-	-
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	7,150.08
- Tata Autocomp Hendrickson Suspensions Private Limited	-	-	621.00	621.00
- Taco Engineering Services GMBH	-	-	17.71	17.71
- TM Automotive Seating Systems Private Limited	400.00	-	900.00	500.00
- Tata Autocomp Kalcon Exhaust System Private Limited	-	-	321.13	321.13
- Ryhpez Holding (Sweden) AB	11,597.07	-	31,954.38	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.
- Loans to subsidiaries and joint ventures are provided at interest rates of 10.3% and have a maturity profile ranging from 0 to 5 years. These loans are proposed to be utilized by the related subsidiaries or joint ventures for meeting their working capital requirements in ordinary course of business. The financial guarantee is provided by the Company in respect of loan obtained by one of a foreign subsidiary and such loan is proposed to be utilized by the subsidiary for meeting the requirements in ordinary course of business. Refer note 38 for details of corporate guarantee provided.





Tata AutoComp Systems Limited
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Note 38 : Contingent liabilities (To the extent not provided for)

	As at March 31, 2019	As at March 31, 2018
Income tax matters	1,421.19	768.98
Sales tax matters	385.95	358.29
Excise duty matters*	167.66	143.10
Claims against company not acknowledged as debts	155.99	208.26
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	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.

As at 31 March 2019, the Company has given the following financial guarantees:

- To bank amounting to USD 61.16 million (March 31, 2018: USD 61.16 million), for loan facility availed by one of its subsidiaries.
- Surety bond amounting to SEK 73 million (March 31, 2018: SEK 73 million), in favour of pension fund administrator for one of its subsidiaries.

Subsequent to year end, on account of refinancing of loan the financial guarantee given to bank amounting to USD 61.16 million stands withdrawn w.e.f. April 29, 2019 and the Company has given the following new financial guarantee to another bank effective from April 25, 2019:

- To the bank for facility amounting to Euro 63.25 million
- To the bank for facility amounting to USD 55.00 million
- To the bank for hedging agreement amounting to USD 25.00 million

The Company has pledged its investment of Rs 19,231 Lakhs (March 31, 2018 Rs 19,231 Lakhs) in Rhypez Holding (Sweden) AB with bank for loan facility availed by that subsidiary.

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The provision for the same, has not been made prospectively from the date of the SC order, as the amount is not material.

Note 39 : Capital Commitments

Particulars	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	2,172.69	1,890.19

Note 40 : Movements in provisions towards probable claims

	As at March 31, 2019	As at March 31, 2018
Carrying amount at the beginning of the year	661.00	3,103.00
Additional provision made during the year	38.40	211.00
Amounts used / written back during the year	-	(2,653.00)
Carrying amounts at the end of the year	699.40	661.00

Note 41 : Earnings per share

		As at March 31, 2019	As at March 31, 2018
Net earnings attributable to equity shareholders	Rs. in lakhs	10,993.89	9,807.91
Weighted average no. of equity shares		20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	Rs.	5.46	4.87
Nominal value of an equity share	Rs.	10.00	10.00

Note 42 : Other Non-current asset in previous year included leasehold land to be acquired for 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. During the current year, the Company received a communication from West Bengal Industry Board approving the payment of lease premium paid subject to Company furnishing a letter waiving all other claims. The Company accepted this condition and consequently has got a refund in April 2019. Accordingly the amount has been reclassified to other current assets.

Note 43 : During the year ended March 31, 2013, the Company divested its investments in two joint ventures, 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 joint ventures.

Out of above, other Income of year ended March 31, 2018 included 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 joint ventures.





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

	Hinjewadi location R & D unit		Chakan location R & D unit (formerly known as Pirangut location R & D unit)	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018
(a) Capital expenditure	86.37	22.12	14.04	7.25
(b) Revenue expenditure	479.72	444.75	157.07	149.10

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

	As at March 31, 2019	As at March 31, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal amount due to micro and small enterprises	2,327.61	470.26
- Interest on the principal amount due	23.31	4.14
	2,350.92	474.40
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
- Payments made to suppliers beyond the appointed date	5,809.40	5,745.33
- Interest on the principal amount	-	62.52
	5,809.40	5,807.85
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	171.26	147.95
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	23.31	66.66

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

Particulars	Balance outstanding as at		Maximum balance outstanding during the year	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loans to subsidiaries				
- Automotive Stampings and Assemblies Limited	5,250.00	4,400.00	5,250.00	4,400.00
- Ryhpez Holding (Sweden) AB	-	8,784.55	-	8,784.55

Note 47 : Interest in subsidiaries and joint venture

Name of the Company	Percentage of Holding (%)		Principal place of business / Country of incorporation
	As at March 31, 2019	As at March 31, 2018	
Subsidiaries (Direct and Indirect):			
Automotive Skill Training Foundation Private Limited (formerly known as Automotive Skills Training Foundation) has been voluntarily struck-off effective from April 18, 2019.	100.00	100.00	India
Taco Engineering Services GmbH	100.00	100.00	Germany
Taco Holdings (Mauritius) Limited ("THML")	100.00	100.00	Mauritius
Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	100.00	100.00	China
Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
Tata Toyo Radiator Limited ("TTR") (w.e.f. July 1, 2018)	51.00	-	India
Ryhpez Holding (Sweden) AB	100.00	100.00	Sweden
TitanX Holding AB (Sweden) {Subsidiary of Ryhpez Holding (Sweden) AB}	99.48	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)	99.48	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)	99.48	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)	99.48	96.17	Sweden
TitanX Refrigeração de Motores LTDA (Brazil) {Subsidiary of TitanX Engine Cooling AB (Sweden)}	99.48	96.17	Brazil
TitanX Engine Cooling, Poland {Subsidiary of TitanX Holding AB (Sweden) (w.e.f. June 11, 2018)}	99.48	-	Poland
Joint ventures :			
Tata Toyo Radiator Limited ("TTR") (upto June 30, 2018)	-	51.00	India
Tata Ficosa Automotive Systems Private Limited ("TF")	50.00	50.00	India
Tata AutoComp GY Batteries Private Limited ("TG")	50.00	50.00	India
Tata Autocomp Hendrickson Suspensions Private Limited	50.00	50.00	India
Tata Autocomp Katcon Exhaust Systems Private Limited	50.00	50.00	India
TM Automotive Seating Systems Private Limited	50.00	50.00	India
Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	50.00	50.00	India

Note 48:

The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.





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

Note 49 : Fair Value Measurement

Financial Instrument by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial assets:			
<i>Non-current</i>			
Loans	5,250.00	-	5,250.00
Other financial asset	242.95	-	242.95
<i>Current</i>			
Investments	-	8,317.46	8,317.46
Trade receivables	17,262.35	-	17,262.35
Cash and cash equivalents	2,771.60	-	2,771.60
Bank balances other than cash and cash equivalent	45.23	-	45.23
Loans	827.20	-	827.20
Other financial asset	1,406.78	39.66	1,446.44
Financial liabilities:			
<i>Non-current</i>			
Borrowings	10,000.00	-	10,000.00
<i>Current</i>			
Borrowings	4,188.84	-	4,188.84
Trade Payable	27,650.05	-	27,650.05
Other financial liabilities	3,186.96	-	3,186.96

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

	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial assets:			
<i>Non-current</i>			
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
Bank balances other than cash and cash equivalent	31.88	-	31.88
Loans	3,701.78	-	3,701.78
Other financial asset	922.75	2.47	925.22
Financial liabilities:			
<i>Non-current</i>			
Borrowings	10,000.00	-	10,000.00
Other financial liabilities	718.03	-	718.03
<i>Current</i>			
Trade payable	28,677.30	-	28,677.30
Other financial liabilities	3,343.18	-	3,343.18





Tata AutoComp Systems Limited
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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, 2019:

	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Asset				
Investments in liquid mutual fund units	8,317.46	8,317.46	-	-
Derivative financial instruments - foreign currency forward	39.66	-	39.66	-

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, 2019:

	As at March 31, 2019	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, 2018:

	As at March 31, 2018	Fair value measurement at end of the reporting year 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 carrying amounts of trade receivables, trade payables, cash and cash equivalents, Bank balances other than cash and cash equivalent, current loans, current borrowings and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature.

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.





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Note 50 : 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, 2019			As at March 31, 2018		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Trade receivables	1,594.77	1,742.86	86.46	1,090.15	2,486.44	86.58
Bank balances	0.40	0.38	-	1.74	0.39	-
Other receivable	0.98	-	-	1.55	-	-
Reimbursements from related parties	39.12	-	-	55.80	-	-
Exposure to foreign currency risk (assets)	1,635.26	1,743.24	86.46	1,149.24	2,486.83	86.58
Financial liabilities						
Trade payables	473.86	304.09	5.75	471.79	267.39	27.43
Other payable	30.81	53.23	10.00	32.04	55.16	9.16
Exposure to foreign currency risk (liabilities)	504.67	357.32	15.76	503.83	322.55	36.59

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, 2019	As at March 31, 2018
USD sensitivity		
INR/USD -Increase by 6% (31 March 2018-1%)*	67.84	6.45
INR/USD -Decrease by 6% (31 March 2018-1%)*	(67.84)	(6.45)
EUR sensitivity		
INR/EUR-Increase by 4% (31 March 2018-4%)*	55.44	86.57
INR/EUR-Decrease by 4% (31 March 2018-4%)*	(55.44)	(86.57)

*Holding all other variable constant

Forward contracts receivable / payable

	As at March 31, 2019	As at March 31, 2018
Forward contracts receivable		
USD	1,600.33	1,308.62
EUR	2,043.35	1,346.00
GBP	-	83.69
Forward contracts payable		
USD	220.29	435.12
EUR	83.04	11.67
CNH	132.30	127.56





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

(b) Interest rate risk

The Company has fixed rate borrowings and variable rate borrowing. The Company's fixed rate borrowings and loans to subsidiaries and joint ventures are carried at amortised cost. They are therefore not subject to interest rate risk as defined in In AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. The Company's exposure to variable borrowing rate are as follows:

	As at March 31, 2019	As at March 31, 2018
Variable rate borrowings	4,188.84	-
Fixed rate borrowings	10,000.00	10,000.00
Total borrowings	14,188.84	10,000.00

At the end of the period the Company has following variable borrowing outstanding:

	As at March 31, 2019			As at March 31, 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Short term borrowings (in INR)	8.85%	4,188.84	30%	-	-	-

(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	Less than 6	6 months to 1 year	More than 1 year	Total
March 31, 2019				
Non-derivatives				
Borrowings / debentures	-	-	10,000.00	10,000.00
Borrowings current	4,229.52	-	-	4,229.52
Trade payables	27,650.05	-	-	27,650.05
Other financial liabilities	3,186.96	-	-	3,186.96
Financial guarantee obligation *	47,745.93	-	-	47,745.93
Total non-derivative liabilities	82,812.46	-	10,000.00	92,812.46

Contractual maturities of financial liabilities	Less than 6	6 months to 1 year	More than 1 year	Total
March 31, 2018				
Non-derivatives				
Borrowings / debentures	-	-	10,000.00	10,000.00
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.

(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.





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Exposure to credit risk

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs 17,334.23 lakhs, Rs 14,291.74 lakhs as of March 31, 2019 and March 31, 2018 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, 2019, 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, 2019			As at March 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	10,926.40	-	10,926.40	10,204.71	-	10,204.71
Overdue up to 3 months	5,774.74	-	5,774.74	2,550.85	-	2,550.85
Overdue 3-6 months	474.33	26.69	447.64	142.05	26.77	115.28
Overdue more than 6 months	158.77	45.20	113.57	1,394.13	903.94	490.20
Total	17,334.23	71.89	17,262.35	14,291.74	930.71	13,361.03

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

	Amount
Loss allowance on March 31, 2017	1,030.45
Changes in loss allowance	(99.74)
Loss allowance on March 31, 2018	930.71
Changes in loss allowance	(858.82)
Loss allowance on March 31, 2019	71.89

Note 51 : 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.

	As at March 31, 2019	As at March 31, 2018
Total debt	14,188.84	10,000.00
Total equity	91,557.83	85,317.34
Net debt to equity ratio	0.15	0.12

(b) Dividends

Particulars	As at March 31, 2019	As at March 31, 2018
(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, 2018 Rs. 4,025.63 lakhs). This proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Note 52: Managerial remuneration

Mr. Ajay Tandon resigned as Managing Director and CEO of the Company with effect from close of working hours of September 5, 2018.

Mr. Arvind Goel is appointed as Managing Director and CEO of the Company w.e.f. September 6, 2018 which has been approved by the shareholders in the 22nd Annual General Meeting (AGM) held on July 26, 2018. Further the managerial remuneration payable to Mr. Arvind Goel has been approved by the Nominations and Remuneration Committee ('NRC') and the shareholders in the AGM held on July 26, 2018.

Subsequent changes in the managerial remuneration of Mr. Arvind Goel would be obtained at the 23rd Annual General Meeting proposed to be held on July 02, 2019.





Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2019
(All figures in INR Lakhs, unless otherwise stated)

Note 53: 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
Firm's Registration No. 101248W / W-100022

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-

Ashish Boradkar
Company Secretary

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: April 30, 2019

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

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INDEPENDENT AUDITORS' REPORT

To the Members of Tata AutoComp Systems Limited

Report on the Audit of Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Tata AutoComp Systems Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (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 2019, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment and based on the consideration of reports of other auditors on separate financial statements of components audited by them, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



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

Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Key Audit Matters (continued)

Description of Key Audit Matter

The key audit matter	How the matter was addressed in our audit
<p>Goodwill on consolidation - Impairment</p> <p>See note 6(c)(i) to the consolidated financial statements</p> <p>As at 31 March 2019, the Group has recognized goodwill on consolidation of INR 2,499.96 lakhs in the consolidated financial statements.</p> <p>The annual impairment testing of goodwill is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>In order to establish whether an impairment exists, higher of value in use or fair value less costs to sell is determined and compared to the carrying amount of the subsidiary's net assets, including associated goodwill. The fair value less costs to sell have been derived from net asset based models and value in use have been derived from discounted forecast cash flow models. These models use complex methodology and several key assumptions, including key indices used to arrive at the fair value of tangible assets, estimates of future sales volumes and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).</p>	<p>In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - evaluating the appropriateness of fair value less cost to sell determined by the management in accordance with the net asset based model; - involving independent valuation specialist to assist in evaluating the appropriateness of fair valuation performed by the management's valuer in respect of property, plant and equipment comprising lands, factory buildings, office buildings and plant and equipments. - evaluating the overall valuation approach and methodology used for valuation of above assets; - assessing the accuracy and completeness including the technical parameters forming part of the base information used by the management's valuer in determining the fair value less cost to sell of the subsidiary; - we have also assessed whether the Group has sufficient headroom while comparing the fair value less cost to sell with the carrying amount of the subsidiary's net assets, including associated goodwill; and - evaluating the adequacy of the consolidated financial statement disclosures, including disclosures of key assumptions and judgements



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Key Audit Matters (continued)

Description of Key Audit Matter reported by the auditor of the foreign subsidiary

The key audit matter reported by the auditor of the foreign subsidiary	How the matter was addressed in our audit
<p>Goodwill accounted in the books of foreign subsidiary and related impairment</p> <p>See note 6(c)(i) to the consolidated financial statements</p> <p>The carrying value of goodwill for one of the foreign subsidiary as at 31 March 2019 amounted to INR 40,503.13 lakhs. Goodwill is required to be tested annually for impairment, which comprise both complexity and is dependent on judgements.</p> <p>The annual impairment testing of goodwill and other intangible assets is considered to be a key audit matter due to the complexity of the accounting requirements and the significant judgement required in determining the assumptions to be used to estimate the recoverable amount.</p> <p>In order to establish whether an impairment exists, higher of value in use or fair value less costs to sell is determined and compared to the carrying amount of the subsidiary's net assets, including associated goodwill. The fair value less costs to sell have been derived from net asset based models and value in use have been derived from discounted forecast cash flow models. These models use several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the weighted-average cost of capital (discount rate).</p>	<p>In view of the significance of the matter the auditor of the subsidiary has reported that the following audit procedures in this area were applied, among others to obtain sufficient appropriate audit evidence:</p> <ul style="list-style-type: none"> - Assessing whether the goodwill impairment test carried out by the management of the subsidiary has been performed in accordance with the prescribed accounting method and considering the reasonableness of the assumptions in the cashflow forecasts as well as the discount rate used through evaluation of the subsidiary's internal written documentation and forecasts. - Reviewing the subsidiary's sensitivity analysis of their own assessment to evaluate how reasonable changes in the assumptions may impact the valuation. - Considering the completeness of the disclosures in the subsidiary's financial statement and evaluating whether they are in agreement with the assumptions made in the subsidiary's impairment tests.



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Other Information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the holding Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and based on the work done/ audit report of other auditors, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

The Holding Company's management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and 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 each company 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 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 management and Board of Directors of the companies included in the Group and of its joint ventures are responsible for assessing the ability of each company 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.

The respective Board of Directors of the companies included in the Group and of its joint ventures is responsible for overseeing the financial reporting process of each company.



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Group (company and subsidiaries) as well as joint ventures to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements (continued)

- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its joint ventures to express an opinion on the consolidated financial statements, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in para (a) of the section titled 'Other Matters' in this audit report.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- (a) We did not audit the financial information of 2 subsidiaries, whose financial information reflect total assets of INR 179,322.02 Lakh as at 31 March 2019, total revenues of INR 197,221.14 Lakh and net cash outflows amounting to INR 9,023.72 Lakh 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 audit reports of the other auditors.

The above 2 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.



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Other Matters (continued)

- (b) The financial information of 1 subsidiary, whose financial information reflects total assets of INR 96.64 Lakh as at 31 March 2019, total revenues of INR 277.28 lakh and net cash flows amounting to INR 17.31 Lakh for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. These unaudited financial information 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 the subsidiary, is based solely on such unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, these financial information are not material to the Group.

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

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 reports of the other auditors on separate financial statements of such subsidiaries as were audited by other auditors, as noted in the 'Other Matters' 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows 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 Ind AS specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and 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 2019 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, its subsidiary companies and joint ventures incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".



Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Report on Other Legal and Regulatory Requirements (continued)

2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
- i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its joint ventures. Refer Note 42 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 2019.
 - iii. There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures incorporated in India during the year ended 31 March 2019, except for one subsidiary, where there have 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 in these financial statements since they do not pertain to the financial year ended 31 March 2019
3. With respect to the matter to be included in the Auditors' report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies which were not audited by us, the remuneration paid during the current year by the Holding Company, its subsidiary companies and joint ventures to its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company, its subsidiary companies and joint ventures is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

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



Swapnil Dakshindas
Partner
Membership No.: 113896

Place: Pune
Date: 30 April 2019

Annexure A to the Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019

Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

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

Opinion

In conjunction with our audit of the consolidated financial statements of the Tata AutoComp Systems Limited ("the Holding Company") as of and for the year ended 31 March 2019, we have audited the internal financial controls with reference to financial statements of the Holding Company and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies and its joint venture companies, as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies and joint venture companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ("the Act").

Auditors' Responsibility

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



Annexure A to the Independent Auditors' Report on the consolidated financial statements of Tata AutoComp Systems Limited for the year ended 31 March 2019 (continued)

Auditors' Responsibility (continued)

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

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

For B S R & Co. LLP

Chartered Accountants

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



Swapnil Dakshindas

Partner

Membership No.: 113896

Place: Pune

Date: 30 April 2019



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

	Notes	As at March 31, 2019	As at March 31, 2018
ASSETS			
Non-current assets			
Property, plant and equipment	5	1,14,128.34	78,229.20
Capital work-in-progress	5	5,783.72	11,093.39
Goodwill		80,802.43	43,558.05
Other intangible assets			
Intangible assets under development	6	24,087.97	28,493.19
Investments accounted for using the equity method	45(c)	135.03	-
Financial assets			
(i) Loans	7	-	218.42
(ii) Other financial assets	8	935.66	513.00
Deferred tax assets	9	9,228.78	11,021.27
Income tax assets (net)	10	1,949.98	1,092.28
Other non-current assets	11	1,353.74	1,591.23
Total non-current assets		2,34,485.70	1,92,210.70
Current assets			
Inventories			
Inventories	12	45,078.30	29,122.57
Financial assets			
(i) Investments	13	8,317.48	12,149.67
(ii) Trade receivables	14	53,995.93	39,734.02
(iii) Cash and cash equivalents	15	11,151.43	18,504.22
(iv) Bank balances other than (iii) above		167.18	2.78
(v) Loans	7	1,008.49	1,979.99
(vi) Other financial assets	8	1,970.41	893.30
Other current assets	16	11,814.24	7,554.73
Assets classified as held for sale	17	241.47	-
Total current assets		1,33,542.85	1,09,941.26
Total assets		3,68,028.55	3,02,160.96
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	20,128.14	20,128.14
Other equity			
Reserves and surplus	19	75,180.48	68,807.13
Other reserves		(485.29)	(1,665.54)
Equity attributable to the owners of the Company		94,823.34	85,269.73
Non-controlling interests		17,511.97	888.55
Total equity		1,12,335.31	86,158.28
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	18,027.41	78,457.12
Provisions	21	13,857.62	13,391.47
Deferred tax liabilities	22	7,755.47	7,402.89
Total non-current liabilities		39,440.80	99,251.48
Current liabilities			
Financial liabilities			
(i) Borrowings	23	24,886.66	14,714.06
(ii) Trade payables	24		
(a) total outstanding dues of micro and small enterprises		5,856.48	984.13
(b) total outstanding dues other than (ii) (a) above		89,509.90	76,445.91
(iii) Other financial liabilities	25	79,707.18	9,741.12
Provisions	21	5,948.02	4,758.52
Current tax liabilities (net)	26	-	203.80
Other current liabilities	27	10,644.20	9,902.66
Total current liabilities		2,16,252.44	1,16,751.20
Total liabilities		2,55,693.24	2,16,002.68
Total equity and liabilities		3,68,028.55	3,02,160.96

Summary of significant accounting policies 2-4
See accompanying notes to the consolidated financial statements 5-58

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

As per our report of even date,

For BSR & Co. LLP
Chartered Accountants
Firm's Registration Number: 101248W / W-100022

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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/-
Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-
Ashish Boradkar
Company Secretary

Place: Pune
Date: April 30, 2019

sd/-
Deepak Rastogi
Chief Financial Officer



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

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations (Refer note 2.2)	28	4,20,653.75	3,16,303.00
Other income	29	3,269.75	7,964.22
Total income		4,23,923.50	3,24,267.22
Expenses			
Cost of materials consumed	30	2,53,654.97	1,84,279.22
Purchases of stock-in-trade		10,958.77	9,335.90
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	31	(5,084.69)	268.91
Excise duty (Refer note 2.2)		-	2,624.61
Employee benefits expense	32	71,510.43	63,927.62
Finance costs	33	10,833.94	6,310.35
Depreciation and amortization expense	34	19,066.30	15,688.40
Other expenses	35	62,189.83	40,168.29
Total expenses		4,23,119.55	3,22,604.30
Profit before exceptional items, share of net profits of investments accounted for using equity method and tax		803.95	1,652.92
Share of net profit of joint ventures accounted for using the equity method		6,240.37	5,877.37
Profit before exceptional items and tax		7,044.32	7,530.29
Exceptional items	53	11,106.99	-
Profit before tax		18,151.31	7,530.29
Tax expense	36	4,551.22	870.86
Current tax		4,127.55	2,586.77
Deferred tax		423.67	(1,715.91)
Profit for the year		13,600.09	6,659.43
Other Comprehensive Income (OCI)			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		(20.96)	737.02
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		1,351.40	(1,636.99)
Tax on above		(150.16)	295.20
Items that will not be reclassified subsequently to profit or loss			
Remeasurements gains / (losses) of post-employment benefit obligations		(28.02)	940.54
Income tax relating to items that will not be reclassified to profit or loss		81.15	(28.87)
Share of OCI of joint ventures accounted for using the equity method		(52.35)	2.65
Other comprehensive profit / (loss) for the year, net of tax		1,181.06	308.55
Total Comprehensive Income for the year (TCI)		14,781.15	6,967.98
Profit attributable to :			
Owners of the company		13,198.87	7,869.77
Non-controlling interest		401.22	(1,210.34)
		13,600.09	6,659.43
Other comprehensive Income attributable to:			
Owners of the company		1,178.42	370.05
Non-controlling interest		1.64	(61.50)
		1,181.06	308.55
Total comprehensive income is attributable to:			
Owners of the company		14,378.29	8,239.82
Non-controlling interest		402.86	(1,271.84)
		14,781.15	6,967.98
Earnings per equity share			
Nominal value of an equity share (INR)		10.00	10.00
Basic and diluted (INR)	49	6.56	3.91

Summary of significant accounting policies 2-4
See accompanying notes to the consolidated financial statements 5-56

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

As per our report of even date.

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

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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/-
Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-
Deepak Rastogi
Chief Financial Officer

sd/-
Ashish Boradkar
Company Secretary

Place: Pune
Date: April 30, 2019



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, 2017	20,128.14
Changes in equity share capital during 2017-18	-
As at March 31, 2018	20,128.14
Changes in equity share capital	-
As at March 31, 2019	20,128.14

Other equity

	Attributable to owners of Company							Total other equity	Attributable to non controlling interest	Total
	Reserves and surplus					Other reserves				
	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, 2017	11,937.29	5,462.50	69.39	2,275.00	42,863.63	(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
As at April 1, 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
Profit for the year	-	-	-	-	13,198.87	-	-	13,198.87	401.22	13,600.09
Other comprehensive income (net of tax)	-	-	-	-	(0.88)	-	1,201.24	1,200.38	1.64	1,202.02
Dividend on equity shares	-	-	-	-	(4,025.63)	-	-	(4,025.63)	(678.83)	(4,702.46)
Dividend distribution tax	-	-	-	-	(799.05)	-	-	(799.05)	(139.12)	(938.17)
Transfer to debenture redemption reserve	-	-	-	75.00	(75.00)	-	-	-	-	-
Non-controlling interest on acquisition of joint venture	-	-	-	-	-	-	-	-	18,871.12	18,871.12
Changes in ownership interests in subsidiaries that do not result in loss of control	-	-	-	-	-	-	-	-	-	-
Acquisition of non controlling interest	-	-	-	-	-	-	-	-	(1,634.61)	(1,634.61)
Exchange differences on translation of foreign operations	-	-	-	-	-	(20.96)	-	(20.96)	-	(20.96)
As at March 31, 2019	11,937.29	5,462.50	69.39	2,425.00	55,286.28	(344.71)	(140.53)	74,895.20	17,511.97	92,207.17

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

Securities premium 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.

Summary of significant accounting policies

2-4

See accompanying notes to the consolidated financial statements

5-58

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

Firm's Registration Number: 101248W / W-100022

sd/-

Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune

Date: April 30, 2019

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

sd/-

Praveen Kadle
Chairman
(DIN 00016814)

sd/-

Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-

Ashish Boradkar
Company Secretary

sd/-

Hari Mundra
Director
(DIN 00287029)

sd/-

Deepak Rastogi
Chief Financial Officer

Place: Pune

Date: April 30, 2019



Tata AutoComp Systems Limited
Consolidated Cash Flow Statement
(All figures in INH Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
A. Cash flow from operating activities		
Profit before tax	18,151.31	7,530.29
Adjustments for:		
Fair value adjustment on business combinations (refer note 44b)	(12,732.25)	-
Depreciation and amortisation expense	19,056.30	15,689.40
Gain on disposal of property, plant and equipment (net)	(42.87)	(1.29)
Gain on sale of investments	(678.14)	(1,126.32)
Share of profits of joint ventures	(6,240.37)	(5,877.37)
Interest income	(167.41)	(336.59)
Finance costs	10,833.94	6,310.35
Cash flow hedges - gains/(loss) reclassified from OCI (net of tax)	1,351.40	(1,341.79)
Net effect of exchange difference on translation of assets and liabilities of foreign operations	(607.36)	(395.55)
	28,924.55	20,451.13
Changes in operating assets and liabilities :		
Trade receivables	(8,604.37)	7,024.28
Inventories	(9,366.99)	(2,768.03)
Trade payables	6,187.07	10,837.75
Other financial assets non-current	760.29	(104.27)
Other financial assets current	(388.30)	347.74
Other non-current assets	415.41	(69.72)
Other current assets	(4,203.86)	15,626.01
Provisions non-current	297.55	(1,036.08)
Provisions current	1,130.44	(3,055.73)
Other financial liabilities current	662.12	1,753.94
Other financial liabilities non-current	(2,034.41)	-
Other current liabilities	152.53	(12,552.90)
Cash generated from operations	13,932.03	36,454.12
Income taxes paid (net of refund)	(4,788.20)	(1,789.21)
Net cash flow from operating activities (A) (refer note 2)	9,143.83	34,664.91
B. Cash flow from investing activities		
Purchase of property, plant and equipment, including capital work in progress, intangible assets, intangibles under development and capital advances (net)	(18,795.82)	(17,160.64)
Proceeds from sale of property, plant and equipment	866.82	793.84
Acquisition of non-controlling interest	(1,634.60)	-
Purchase of current investments	(44,582.00)	(26,560.00)
Proceeds from sale of current investments	49,092.37	39,201.00
Investment in joint venture	(400.00)	(2,000.00)
Loans to employees and related parties (net)	1,187.80	(298.97)
Fixed deposit with banks (net) having maturity over 3 months	(117.17)	(33.37)
Dividends received from joint ventures	3,098.70	2,779.62
Interest received	170.82	329.47
Net cash used in investing activities (B) (refer note 2)	(11,113.08)	(2,949.05)
C. Cash flow from financing activities		
Borrowings availed / (repaid) (net)	13,239.00	(20,542.90)
Payment of finance lease obligations	(300.20)	(481.01)
Payment of / (proceeds from) derivative contracts	(1,828.15)	1,474.98
Finance cost paid	(10,822.61)	(5,991.21)
Dividend paid to Company's shareholders (including dividend distribution tax)	(4,824.68)	(4,745.27)
Dividend paid to non-controlling interests (including dividend distribution tax)	(815.95)	-
Net cash flow used in financing activities (C) (refer note 2)	(5,352.59)	(30,285.41)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(7,321.84)	1,430.45
Cash and cash equivalents acquisition through business combinations (refer note 44b)	571.10	-
Cash and cash equivalents at the beginning of the year	18,504.22	15,962.19
Effect of exchange rate changes on cash and cash equivalents	(602.05)	1,111.58
Cash and cash equivalents at the end of the year	11,151.43	18,504.22





Tata AutoComp Systems Limited
Consolidated Cash Flow Statement
(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2019	Year ended March 31, 2018
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	1.74	3.19
Cheques on hand	13.41	49.20
Balances with banks	11,136.28	18,451.83
	11,151.43	18,504.22

Note 1 : Figures in brackets represents outflow of cash and cash equivalent

Note 2: Net of effects from business combinations (refer note 44b)

As per our report of even date.

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

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-
Praveen Kadle
Chairman
(DIN 00016814)

sd/-
Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-
Ashish Boradkar
Company Secretary

sd/-
Hari Mundra
Director
(DIN 00287029)

sd/-
Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: April 30, 2019



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 AutoComp Systems Limited (the "Holding Company" or the "Parent" or "TACO") its subsidiaries and joint ventures (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, 2019, the Holding Company caters to its customers through its five operating divisions, thirteen subsidiaries (direct and indirect) and six joint ventures with leading companies in the global auto component industry (together known as the "TACO Group"). One joint venture is under liquidation.

Sr. No	Name of the Company	Percentage of Holding (%)		Country of incorporation
		As at		
		March 31, 2019	March 31, 2018	
Subsidiaries (Direct and Indirect):				
1	Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation)	100.00	100.00	India
2	Taco Engineering Services GmbH	100.00	100.00	Germany
3	Taco Holdings (Mauritius) Limited ("THML")	100.00	100.00	Mauritius
4	Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	100.00	100.00	China
5	Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
6	Tata Toyo Radiator Limited ("TTR") (w.e.f. July 1, 2018)	51.00	-	India
7	Ryhpez Holding (Sweden) AB (w.e.f. August 8, 2016)	100.00	100.00	Sweden
8	TitanX Holding AB (Sweden) {Subsidiary of Ryhpez Holding (Sweden) AB}	99.48	96.17	Sweden
9	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)	99.48	96.17	USA
10	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)	99.48	96.17	China
11	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)	99.48	96.17	Sweden
12	TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden))	99.48	96.17	Brazil
13	TitanX Engine Cooling, Poland {Subsidiary of TitanX Holding AB (Sweden)} (w.e.f. June 11, 2018)	99.48	-	Poland
Joint ventures :				
1	Tata Toyo Radiator Limited ("TTR") (upto June 30, 2018)	-	51.00	India
2	Tata Ficosa 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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Note 2 : Significant Accounting Policies

Except as described below, the accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the year ended March 31, 2018.

The Group has adopted Ind AS 115 Revenue from Contracts with Customers (which replaces earlier revenue recognition standard) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognised at the date of initial application (i.e. April 1, 2018). A number of other new standards are effective from April 1, 2018 but they do not have a material effect on the Group's financial statements. Accordingly, the information presented for the year ended March 31, 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Revenue and Ind AS 11, Construction Contracts.

Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

The details of the new significant accounting policy along with nature, timing of satisfaction of performance obligations, significant payment terms and the nature of the changes to previous accounting policies in relation to the Group's various goods and services are set out under note 2.2 Revenue recognition.

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) notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

(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

(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. Intercompany 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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2.2 Revenue recognition

Sale of goods:

Customers obtain control of goods/scrap when the goods are delivered to and have been accepted at their premises. Invoices are generated and revenue is recognised at that point in time. Invoices are usually payable within 30 days. No discounts are provided for this.

For contracts that permit the customer to return an item, under Ind AS 115 revenue is recognised to the extent that it is probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for expected returns, which are estimated based on the historical data. Returned goods are exchanged only for new goods – i.e. no cash refunds are offered. In such circumstances, a refund liability and a right to recover returned goods asset are recognised.

Ind AS 115 did not have a significant impact on the Group's accounting policies (which were followed during the year ended 31 March 2018).

Amounts disclosed as revenue for the year ended March 31, 2018, are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties relevant to the period from April 01, 2017 to June 30, 2017. With the onset of Goods and Service Tax (GST) w.e.f. July 01, 2017; the amount disclosed as revenue is net of GST collected on behalf of third parties.

Sale of tools:

Tooling contracts are the fixed price contracts to build a specific tool (asset). Under these contract a performance obligation is satisfied when control of such assets underlying the particular performance obligation is transferred to the customer. Hence, revenue from tooling contracts is recognized when such tools are transferred to the customers since the customer receives and consumes the benefits at the end of the contract.

In case of advances received against tooling contracts, the transaction price is adjusted for effects of the time value of money, if it reflects significant financing component. Accordingly, interest expense is separated from revenue and is recognized in Statement of Profit and Loss.

Ind AS 115 did not have a significant impact on the Group's accounting policies (which were followed during the year ended March 31, 2018), since the tooling contracts entered by the Group with customers were regarded a contract to build a specific asset that meets the definition of construction contract in Ind AS 11 and the advances received for tools did not have significant financing component considering the period of such advance.

Income from engineering services:

Revenue from engineering services is recognized when these services are rendered and used by the customer. Hence, such revenue is recognized on the basis of time / work completed, since typical Service Level Agreements (SLA) provides for time and material billing model and related performance obligations are satisfied over such time period.

Income from administrative services:

Revenue from administrative services is recognized when the services are rendered in accordance with the agreements with the respective Group companies since the performance obligation is satisfied over such period of rendering of services and use by the customer.

Ind AS 115 did not have a significant impact on the Company's accounting policies (which were followed during the year ended 31 March 2018).

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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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) Engineering and development cost	7 years
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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2.7 Borrowings

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 Rytpeez 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.





Tata AutoComp Systems Limited
Notes to consolidated financial statements
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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 Group prior to the end of the reporting period 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 the reporting period 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 reporting period.

(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 substantively 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.





Tata AutoComp Systems Limited
Notes to consolidated financial statements
(All figures in INR Lakhs, unless otherwise stated)

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.





Tata AutoComp Systems Limited
Notes to consolidated financial statements
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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 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 unfavourable 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.

2 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.

3 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.





Tata AutoComp Systems Limited
Notes to consolidated financial statements
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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 38 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 37 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. These 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 40.

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 subsidiaries and joint ventures

Certain subsidiaries and joint ventures 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 joint ventures 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 44 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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Note 4 : Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA"), through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified the following new and amendments to Ind ASs which the Group has not applied as they are effective from 01 April 2019:

Ind AS - 116 - Leases

Ind AS 116 will replace the existing leases standard, Ind AS 17 Leases. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lessee accounting model for lessees. A lessee recognises right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. The standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The amendment is effective for annual periods beginning on or after 01 April 19. The Group is in the process of evaluating the impact of this amendment on the financial statements.

Ind AS 12 Income taxes (amendments relating to income tax consequences of dividend and uncertainty over income tax treatments)

The amendment relating to income tax consequences of dividend clarify that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The Group does not expect any impact from this pronouncement. It is relevant to note that the amendment does not amend situations where the entity pays a tax on dividend which is effectively a portion of dividends paid to taxation authorities on behalf of shareholders. Such amount paid or payable to taxation authorities continues to be charged to equity as part of dividend, in accordance with Ind AS 12.

The amendment to Appendix C of Ind AS 12 specifies that the amendment is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. It outlines the following: (1) the entity has to use judgement, to determine whether each tax treatment should be considered separately or whether some can be considered together. The decision should be based on the approach which provides better predictions of the resolution of the uncertainty (2) the entity is to assume that the taxation authority will have full knowledge of all relevant information while examining any amount (3) entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The Group does not expect any significant impact of the amendment on its financial statements.

Ind AS 109 – Prepayment Features with Negative Compensation

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. The Group does not expect this amendment to have any impact on its financial statements.

Ind AS 19 – Plan Amendment, Curtailment or Settlement

The amendments clarify that if a plan amendment, curtailment or settlement occurs, it is mandatory that the current service cost and the net interest for the period after the re-measurement are determined using the assumptions used for the re-measurement. In addition, amendments have been included to clarify the effect of a plan amendment, curtailment or settlement on the requirements regarding the asset ceiling. The Group does not expect this amendment to have any significant impact on its financial statements.

Ind AS 23 – Borrowing Costs

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Group does not expect any impact from this amendment.

Ind AS 28 – Long-term interests in Associates and Joint Ventures

The amendments clarify that an entity applies Ind AS 109 Financial Instruments, to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The Group does not currently have any long-term interests in associates and joint ventures and hence does not expect any impact from this amendment.

Ind AS 103 – Business Combinations and Ind AS 111 – Joint Arrangements

The amendments to Ind AS 103 relating to re-measurement clarify that when an entity obtains control of a business that is a joint operation, it re-measures previously held interests in that business. The amendments to Ind AS 111 clarify that when an entity obtains joint control of a business that is a joint operation, the entity does not re-measure previously held interests in that business. The Group does not have control / joint control / joint control of a business that is a joint operation and hence does not expect any impact from this amendment.





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Notes to consolidated financial statement (continued)
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Note 5 : Property, plant and equipment and capital work-in-progress

a. Reconciliation of carrying amount of property, plant and equipment

	Freehold Land	Leasehold Land (refer note d (ii) below)	Buildings	Improvements to leasehold premises	Furniture and fixtures (Refer note c below)	Plant and equipment	Vehicles	Office Equipment	Computer and peripherals	Computer and peripherals- Leased	Tools, Jigs and Fixtures	Total	Capital work-in-progress
As at March 31, 2018													
Gross carrying amount													
Opening gross carrying amount	2,365.56	302.88	10,850.83	524.38	585.90	48,499.42	551.74	300.18	250.76	208.94	2,417.82	70,815.35	19,982.20
Foreign currency translation difference	57.82	-	44.43	7.77	(107.82)	(1,492.90)	17.74	(8.90)	1.40	14.88	(854.78)	(2,320.82)	-
Additions	-	6,583.04	5,179.90	79.72	304.19	7,087.20	75.37	32.80	101.98	-	2,353.84	21,758.84	-
Disposals	-	-	-	8.91	7.93	909.78	134.32	18.08	90.50	-	-	1,187.20	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(8,888.91)
Closing gross carrying amount	2,423.38	8,955.90	21,884.16	604.24	774.34	51,183.90	510.53	365.78	263.64	221.82	3,918.88	89,084.37	11,093.39
Accumulated depreciation													
Opening accumulated depreciation	-	18.99	1,139.51	62.86	48.73	5,414.04	121.99	183.18	172.40	(13.03)	(109.70)	8,018.47	-
Foreign currency translation difference	-	(5.80)	(365.81)	0.40	(201.51)	(2,044.43)	(2.98)	(19.13)	0.82	(83.17)	(1,841.88)	(4,383.49)	-
Depreciation charge during the year	-	28.93	855.52	31.82	173.33	8,505.44	64.25	62.58	58.91	8.25	1,787.81	9,574.84	-
Disposals	-	-	-	8.91	7.70	134.20	119.04	18.58	90.44	-	-	374.85	-
Closing accumulated depreciation	-	42.02	1,629.22	88.27	12.85	10,740.85	64.22	189.97	139.49	(87.95)	30.24	12,855.17	-
Net carrying amount	2,423.38	8,913.88	20,254.94	515.97	761.49	40,423.05	446.31	175.81	124.15	309.57	3,888.64	78,229.20	11,093.39
As at March 31, 2019													
Gross carrying amount													
Opening gross carrying amount	2,423.38	8,955.90	21,884.16	604.24	774.34	51,183.90	510.53	365.78	263.64	221.82	3,918.88	89,084.37	11,093.39
Foreign currency translation difference	(19.83)	-	403.76	0.61	188.61	2,939.50	(11.38)	(1.47)	0.18	(2.10)	2,324.56	4,879.42	-
Acquisition through business combinations (refer note 4(b))	3,252.22	4,875.32	8,915.72	-	77.30	13,024.23	12.84	104.20	-	-	-	30,586.39	634.88
Additions	-	180.23	4,478.97	-	251.61	10,844.86	122.25	114.00	109.08	-	4,182.55	20,383.53	-
Assets classified as held for sale (refer note 17)	-	60.38	257.85	-	-	-	-	-	-	-	-	318.03	-
Disposals	-	-	-	-	34.63	1,004.72	81.19	1.40	11.93	-	-	1,133.87	-
Transfers	-	-	-	-	-	-	-	-	-	-	-	-	(5,944.35)
Unrealised gain on land transfer to a subsidiary	(444.29)	-	-	-	-	-	-	-	-	-	-	(444.29)	-
Closing gross carrying amount	5,211.48	11,951.07	33,434.06	604.85	1,257.23	77,087.77	553.05	581.11	380.95	219.52	11,802.53	1,43,034.62	5,783.72
Accumulated depreciation													
Opening accumulated depreciation	-	42.02	1,629.22	88.27	12.85	10,740.85	64.22	189.97	139.49	(87.95)	30.24	12,855.17	-
Reclassification	-	-	-	-	-	(121.29)	-	-	-	-	-	-	-
Foreign currency translation difference	(0.32)	-	331.42	(0.91)	2.57	3,424.34	(0.21)	(0.78)	(0.09)	(1.29)	7.25	3,791.98	-
Depreciation charge during the year	-	135.61	1,195.49	8.57	184.27	8,955.04	58.15	60.38	58.06	8.25	1,983.77	12,875.57	-
Assets classified as held for sale (refer note 17)	-	4.33	72.29	-	-	-	-	-	-	-	-	76.82	-
Disposals	-	-	-	-	16.98	222.38	84.99	0.57	5.42	-	-	309.92	-
Closing accumulated depreciation	-	172.98	2,983.34	95.93	183.03	22,778.66	55.17	278.98	192.04	40.30	2,027.28	28,906.18	-
Net carrying amount	5,211.48	11,778.09	30,344.12	508.92	1,074.20	54,291.11	497.88	302.13	188.91	179.22	8,775.27	1,14,128.34	5,783.72

b. Capital work-in-progress

Capital work-in-progress as at March 31, 2019 amounts to INR 5,783.72 lakhs (March 31, 2018 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 foreign and Indian subsidiaries.

c. Leased assets

Furniture, fittings and equipment includes the following amounts where the group is a lessee under a finance lease:

	As at March 31, 2019	As at March 31, 2018
Furniture, fittings and equipment		
Gross block	141.81	981.41
Accumulated depreciation	118.27	239.08
Net carrying amount	25.34	742.33

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.

d. Other notes

i For property, plant and equipment pledged as securities refer note 52. For contractual commitments towards acquisition of property plant and equipment refer note 47 (a)

ii There are no future minimum lease payments in respect of these leasehold land. The lease term generally expires within period of 70-95 years and as per the lease agreement, the lease term for one of the leasehold facility can be renewed for a further period of 95 years subject to other terms and conditions and for other leasehold facility the renewal will be mutually decided at the time of completion of lease period.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
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Note 6 : Intangible assets and Intangible assets under development

a. Intangible assets

	Acquired Intangible asset		Internally generated intangible asset		Total
	Computer software	Engineering and development cost	Patents	Customer Contracts	
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 amortisation					
Opening accumulated amortisation	312.54	645.06	32.58	246.87	1,237.05
Amortisation charge for the year	210.70	4,575.99	230.15	1,097.72	6,114.56
Foreign currency translation difference	(58.18)	(1,484.45)	3.02	21.71	(1,517.90)
Closing accumulated amortisation	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
As at March 31, 2019					
Gross carrying amount					
Opening gross carrying amount	1,417.08	24,047.92	1,380.07	7,481.83	34,326.90
Acquisition through business combination (refer note 44b)	84.28	-	-	-	84.28
Additions	139.92	1,752.97	160.81	-	2,053.70
Foreign currency translation difference	(35.26)	1,638.25	(53.23)	3.32	1,553.08
Closing gross carrying amount	1,606.02	27,439.14	1,487.65	7,485.15	38,017.96
Accumulated amortisation					
Opening accumulated amortisation	465.06	3,736.60	265.75	1,366.30	5,833.71
Amortisation charge for the year	202.97	5,237.10	56.02	884.64	6,380.73
Foreign currency translation difference	(9.60)	1,175.75	(12.68)	(37.92)	1,115.55
Closing accumulated amortisation	658.43	10,149.45	309.09	2,213.02	13,329.99
Net carrying amount	947.59	17,289.69	1,178.56	5,272.13	24,687.97

b. Intangible assets under development

Intangible assets under development as at March 31, 2019 amounts to INR 135.03 lakhs and as at March 31, 2018 INR Nil. Intangible assets under development mainly includes cost incurred by the Group for upgradation of current enterprise resource planning systems.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

c. Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the Cash Generating Units (CGUs) below for impairment

Carrying amount of goodwill allocated to each of the CGUs :

	ASAL (Refer note i)	Ryhpez (Refer note i)	TTR (Refer note ii)	Total
March 31, 2019	2,499.96	40,745.95	17,556.52	60,802.43
March 31, 2018	2,499.96	41,056.99	-	43,556.95

Note i: Goodwill relating to ASAL and Ryhpez is accounted at the time of acquisition of business.

ASAL is a manufacturer and supplier of sheet metal components, welded assemblies and modules for automobiles.

whereas Ryhpez including its step down subsidiaries are into manufacturing and supply of powertrain cooling solutions to the commercial vehicle industry.

The Group perform its annual impairment test for the years ended March 31, 2019 and March 31, 2018 for the Goodwill relating to ASAL and Ryhpez

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 FY 2019-20 to FY 2023-24.

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.

Note ii: On July 1 2018, Tata AutoComp Systems Limited amended its joint venture agreement with Tata Toyo Radiator (TTR) which resulted in Tata AutoComp System Limited acquiring control (erstwhile consolidated under equity method).

This business acquisition has resulted in provisional goodwill of INR 17,556.52 lakhs.

The Group had not tested this Goodwill as at March 31, 2019 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 (i.e. by June 30, 2019).





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 7 : Financial assets - loans

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good				
Loan to joint ventures (refer note 43)	953.78	-	1,931.84	216.42
Loans to employees	12.38	-	21.87	-
Advance to employees	42.33	-	26.28	-
Total	1,008.49	-	1,979.99	216.42

Break up of security details

	As at March 31, 2019	As at March 31, 2018
Loans considered good - secured	-	-
Loans considered good - unsecured	1,008.49	2,196.41
Loans which have significant increase in credit risk	-	-
Loans - credit impaired	-	-
Total	1,008.49	2,196.41

Note 8 : Financial assets - others

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	310.56	907.71	77.23	474.04
Considered doubtful	-	14.29	-	14.29
	310.56	922.00	77.23	488.33
Less : Provision for doubtful deposits / loss allowance	-	14.29	-	14.29
	310.56	907.71	77.23	474.04
Unbilled revenue	371.19	-	398.42	-
Other receivable from related parties (refer note 43)	689.47	-	290.02	-
Interest accrued on loans/ deposits	16.73	-	20.14	-
Claims receivable	-	17.66	-	13.00
Bank deposits*#	-	2.84	31.88	18.21
Other receivables	204.43	7.45	72.93	7.75
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts**	378.03	-	2.68	-
Total	1,970.41	935.66	893.30	513.00

* 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/ liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred tax assets		
Tax losses	7,147.63	9,792.00
Unabsorbed depreciation	1,042.81	832.72
Defined benefit obligations	2,146.40	1,558.81
MAT credit receivable	91.00	91.00
Less: Provision for doubtful MAT credit	(91.00)	(91.00)
Others	182.91	1,120.33
	10,519.75	13,303.86
Deferred tax liabilities		
Excess of depreciation/amortization on property, plant and equipment under income tax law over depreciation/amortization provided in the accounts	1,292.99	2,282.59
	1,292.99	2,282.59
Net deferred tax assets	9,226.76	11,021.27

	As at March 31, 2019	As at March 31, 2018
Opening balance	11,021.27	8,047.19
(Charged)/credited to profit or loss		
Tax losses carried forward	(2,644.37)	3,829.54
Unabsorbed depreciation	210.09	(107.91)
Provision for employee benefits	506.44	(1,030.82)
Capitalized development expenditure	-	2,471.63
Property, plant and equipment	989.60	(32.82)
Others	(937.42)	(1,379.78)
	(1,875.66)	3,749.84
(Charged)/credited to OCI		
Remeasurement of defined benefit obligation	81.15	(29.87)
	81.15	(29.87)
Utilisation of MAT credit	-	(796.47)
Opening balance adjustments	-	50.58
Closing deferred tax assets / (liabilities) (net)	9,226.76	11,021.27





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 10 : Income tax assets (net)

	As at March 31, 2019	As at March 31, 2018
Opening balance	1,092.28	1,056.18
Refund received net of taxes paid	(98.37)	-
Tax expense relating to current year	(4,012.24)	(2,476.27)
Tax reversal / (expense) relating to earlier years	(38.24)	40.00
Taxes paid during the year (includes MAT credit utilized)	4,645.11	2,472.37
Acquisition of subsidiary (refer note 44b)	361.42	-
Closing balance	1,949.96	1,092.28

Note 11 : Other non-current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	392.14	1,065.31
Considered doubtful	83.58	15.06
	475.72	1,080.37
Less: Provision for doubtful capital advances	83.58	15.06
	392.14	1,065.31
Balances with government authorities		
Considered good	422.59	227.93
Considered doubtful	95.50	212.07
	518.09	440.00
Less: Provision for doubtful balances	95.50	212.07
	422.59	227.93
Prepaid rental on operating lease (refer note 50)	-	108.63
Prepaid expenses	314.26	39.14
Security deposit	36.21	36.21
Claims receivable		
Considered good	188.54	114.01
Considered doubtful	55.72	55.72
	244.26	169.73
Less: Provision for doubtful claims receivable	55.72	55.72
	188.54	114.01
Total	1,353.74	1,591.23





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 12 : Inventories

	As at March 31, 2019	As at March 31, 2018
Raw materials (includes goods-in-transit of INR 646.00 lakhs; March 31, 2018: INR 35.40 lakhs)	19,277.15	11,316.78
Work-in-progress	7,765.43	5,537.98
Finished goods (includes goods-in-transit of INR 486.97 lakhs; March 31, 2018: INR 102.15 lakhs) *	7,616.30	5,189.24
Traded goods	1,054.58	1,053.26
Stores and spares	5,188.09	3,142.26
Tools (under development)	4,010.77	2,008.34
Others	163.98	874.71
Total	45,076.30	29,122.57

Amount recognised in statement of profit and loss

* Write-downs of inventories to net realizable value amounted to INR 13.03 Lakhs (March 31, 2018 INR 7.18 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, 2019	As at March 31, 2018
Investment in liquid mutual funds carried at fair value through profit or loss		
Unquoted		
48,604.28 (March 31, 2018: 1,01,176.82) units of Tata Liquid Fund Money Plan (Formerly known as Tata Money Market Fund) - Direct Plan - Growth	1,431.12	2,770.60
4,96,810.87 (March 31, 2018: 221,762.12) units of Aditya Birla Sun Life Money Manager Fund (Formerly known as Aditya Birla Sun Life Floating Rate Fund Short Term Plan) - Growth - Direct Plan	1,250.48	514.08
327,214.01 (March 31, 2018: Nil) units of Aditya Birla Sunlife Liquid Fund - Growth-Direct Plan	983.07	-
46,996.77 (March 31, 2018: 101,075.54) units of Kotak Money Market Scheme (Formerly known as Kotak Floater Short Term - Direct Plan - Growth	1,450.58	2,882.63
180,726.82 (March 31, 2018: 12,41,347.39) units of ICICI Prudential Money Market Fund - Direct Plan - Growth	470.18	2,983.22
354,908.51 (March 31, 2018: Nil) units of ICICI Prudential Liquid Fund - Direct Plan - Growth	981.03	-
44,041.58 (March 31, 2018: Nil) units of Reliance Money Market Fund - Direct Plan - Growth	1,250.48	-
10,971.80 (March 31, 2018: Nil) units of Reliance Liquid Fund - Direct Plan- Growth Plan	500.52	-
Nil (March 31, 2018: 176,602.36) units of Indiabulls Liquid Fund - Direct Plan Growth)	-	2,999.14
Total	8,317.46	12,149.67

	As at March 31, 2019	As at March 31, 2018
Aggregate amount of unquoted investments	8,317.46	12,149.67

Information about the Group's exposure to fair value measurement and market risk is included in note 38 and 39 respectively





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 14 : Trade receivable

	As at March 31, 2019	As at March 31, 2018
Trade receivables	36,232.33	34,896.57
Receivables from related parties (refer note 43)	18,343.22	6,166.21
Less: Loss allowance	579.62	1,328.76
Total	53,995.93	39,734.02

Break-up of security details

	As at March 31, 2019	As at March 31, 2018
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	54,575.55	41,062.78
Trade receivable which have significant increase in credit risk (refer note 38)	-	-
Trade receivable credit impaired (refer note 38)	-	-
Total	54,575.55	41,062.78
Less: Loss allowance	579.62	1,328.76
Total	53,995.93	39,734.02

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 38.

Note 15 : Cash and cash equivalents

	As at March 31, 2019	As at March 31, 2018
Balances with banks:		
- in current accounts	9,935.88	16,950.87
- in EEFC accounts	0.40	0.96
- in deposits accounts (with original maturity of 3 months or less)	1,200.00	1,500.00
Cheques on hand	13.41	49.20
Cash on hand	1.74	3.19
Total	11,151.43	18,504.22

Note 16 : Other current assets

	As at March 31, 2019	As at March 31, 2018
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	9,152.54	4,699.20
Considered doubtful	256.62	151.49
	9,409.16	4,850.69
Less: Provision for doubtful advances	256.62	151.49
	9,152.54	4,699.20
Balances with government authorities	1,495.15	1,145.62
Prepaid rental on operating lease (refer note 50)	108.63	-
Prepaid expenses	808.49	1,630.53
DEPB Licence	33.24	79.38
Claims receivable	16.19	-
Total	11,614.24	7,554.73

Note 17 : Assets classified as held for sale

	As at March 31, 2019	As at March 31, 2018
Leasehold land	56.05	-
Buildings	185.36	-
Total	241.41	-

Note - On 15 January 2019, consent of the Board of Directors of one of the subsidiary company has been obtained for transfer of leasehold rights of Bhosari MIDC land along with factory building. The carrying value of said assets has been presented as "Assets classified as held for sale" in current assets and advance consideration received from buyers is presented under "Other current liabilities". The transaction is expected to be completed in financial year 2019-20.





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 18: Equity share capital

	As at March 31, 2019	As at March 31, 2018
Authorised share capital		
329,600,000 (March 31, 2018: 329,600,000) equity shares of INR 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2018: 70,000,000) 8% preference shares of INR 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2018: 2,400,000) 7.5% preference shares of INR 10/- each	240.00	240.00
8,000,000 (March 31, 2018: 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, 2018: 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, 2019		As at March 31, 2018	
	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, 2019	As at March 31, 2018
28,675,598 equity shares (March 31, 2018 : 28,675,598 shares) held by Tata Sons Private Limited, the Ultimate Holding Company,	2,867.57	2,867.57
120,272,540 equity shares (March 31, 2018 : 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, 2018 : 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	As at March 31, 2019		As at March 31, 2018	
	Number of shares held as on	% holding	Number of shares held as on	% 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 Private 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, 2019	As at March 31, 2018
Equity shares		
Dividends recognized at the end of reporting period		
Final dividend for the year ended March 31, 2018, of INR 2 (March 31, 2017 INR 2) per fully paid-up equity share	4,025.63	4,025.63





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 19 (a) : Reserves and surplus

	As at March 31, 2019	As at March 31, 2018
Capital redemption reserve		
At the commencement and at the end of the year	5,462.50	5,462.50
Securities premium		
At the commencement and at the end of the year	69.39	69.39
Debenture redemption reserve		
At the commencement of the year	2,350.00	2,275.00
Appropriations during the year	75.00	75.00
At the end of the year	2,425.00	2,350.00
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	46,987.95	42,963.63
Profit for the year	13,198.87	7,869.77
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligations, net of tax	53.13	910.68
- Share of OCI of joint ventures, net of tax	(52.35)	2.65
- Share of OCI of NCI, net of tax	(1.64)	61.49
Transfer to debenture redemption reserve	(75.00)	(75.00)
Dividend on equity shares	(4,025.63)	(4,025.63)
Dividend distribution tax	(799.05)	(719.64)
Total	75,180.46	66,807.13

Note 19 (b) : Other reserves

	As at March 31, 2019	As at March 31, 2018
Foreign currency translation reserve		
At the commencement of the year	(323.75)	(1,060.77)
Exchange differences on translating financial statement of foreign operations	(20.96)	737.02
At the end of the year	(344.71)	(323.75)
Cash flow hedging reserve		
At the commencement of the year	(1,341.79)	-
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	1,201.24	(1,341.79)
At the end of the year	(140.55)	(1,341.79)
Total	(485.26)	(1,665.54)

Note 20 : Non - current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Term Loan		
From banks	80,220.96	70,883.22
From related party	434.41	1,034.89
Long term maturities of finance lease obligations		
Obligation under finance lease	25.17	325.37
Unsecured		
Non Convertible Debentures	10,367.07	10,367.07
	91,047.61	82,610.55
Less: Current maturities of long-term debt (included in note 25)	72,237.43	2,099.72
Less: Current maturities of finance lease obligations (included in note 25)	-	129.09
Less: Interest accrued (included in note 25)	510.01	381.30
Less: Transaction cost	272.76	1,543.32
Total	18,027.41	78,457.12





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
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Details of security and repayment terms of non current borrowings

	Meturity date	Terms of repayment	Nature of Security	Coupon / interest rate	As at March 31, 2019	As at March 31, 2018
Secured						
Term Loan						
From banks	Sep-20	Phased repayment with quarterly installments ending in September 2020	Secured by exclusive first charge by way of hypothecation of specific press machinery at Halol Plant of the subsidiary company- ASAL.	9.50% to 16.60%	380.99	630.53
From banks	Dec-19	Phased repayment with quarterly fifteen installments ending in December 2019	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 of the subsidiary company- ASAL.	9.50% to 16.60%	353.95	855.09
From banks	Aug-23	Repayable in 20 equal quarterly instalment starting from November 16, 2018 and last instalment due in August 16, 2023.	Secured by a first pari passu charge by way of hypothecation of entire movable fixed assets and equitable mortgage on entire immovable fixed assets and properties of the subsidiary company- TTR	8.20% to 8.45%	8,679.87	-
From banks	Mar-26	Repayable in 20 equal quarterly instalment starting from June 30, 2021 and last instalment due in March 30, 2026.	Secured by a first pari passu charge by way of hypothecation of entire movable fixed assets and equitable mortgage on entire immovable fixed assets and properties of the subsidiary company- TTR	8.80%	1,500.00	-
From banks	Sep-19	Half yearly	Secured by land and building of the subsidiary company- NTACO	PBOC + 60 bps	739.87	1,496.31
From banks	Dec-21	Half yearly	Shares held in TitanX holding AB and corporate guarantee given by holding company.	2.25%+LIBOR	36,050.64	35,882.73
From banks	Dec-21	Half yearly	All the assets of all subsidiaries of TitanX Engine Cooling Holding AB (except China). Cross guarantees from all subsidiaries	2.90%+LIBOR	32,515.64	32,018.56
From related party	Dec-19	Phased repayment with quarterly installments from September 2015 and ending in December 2019.	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 subsidiary company- ASAL	10.50% to 11.50%	434.41	1,034.89
Unsecured						
1,000 Redeemable Non Convertible Debentures of INR 1,000,000 each fully paid	May-20	Single repayment at the end of the term	Nil	10.15%	10,367.07	10,367.07
Obligations under finance lease					25.17	325.37
Less : Current maturities of long-term borrowings (included in note 25)					91,047.61	82,610.55
Less : Current maturities of finance lease obligations (included in note 25)					72,237.43	2,099.72
Less : Interest accrued (included in note 25)					-	129.09
Less : Transaction cost					510.01	381.30
Total					272.76	1,543.32
					18,027.41	78,457.12

Note: The carrying amount of financials and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 54





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 21 : Provisions

	As at March 31, 2019		As at March 31, 2018	
	Current	Non-current	Current	Non-current
Provision for employee benefits				
Compensated absences	4,146.70	864.17	3,991.11	681.36
Gratuity (refer note 40)	-	521.02	-	364.35
Retirement benefits (refer note 40)	135.22	11,384.84	89.51	11,502.71
Other provisions (refer note 48)				
Provision for probable claims	699.40	-	661.00	-
Provision for other contingencies	655.13	193.04	-	-
Provision for warranty	211.57	694.85	17.90	843.05
Total	5,848.02	13,657.92	4,759.52	13,391.47

Note 22 : Deferred tax liabilities

	As at March 31, 2019	As at March 31, 2018
Deferred tax asset		
Defined benefit obligations	534.72	-
Provisions for doubtful debts and advances and inventory	507.23	-
Others	153.28	-
	1,195.23	-
Deferred tax liabilities		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	2,245.09	-
Undistributed profit of joint ventures	1,582.30	564.00
Revaluation of assets	3,429.22	3,937.85
Adjustment for business combinations	1,694.09	-
Others	-	2,901.04
	8,950.70	7,402.89
Net deferred tax liabilities	7,755.47	7,402.89

Movement in temporary differences (deferred tax liabilities)

	As at March 31, 2019	As at March 31, 2018
Opening balance	7,402.89	5,369.53
Charged/(credited) to profit and loss:		
Excess of depreciation/amortization	2,245.09	-
Defined benefit obligation	(534.72)	-
Provisions	(507.23)	-
Undistributed profits of JV	1,018.30	-
Revaluation of assets	(508.63)	-
Other items	(3,164.79)	2,901.04
Charged/(credited) to OCI:		
Hedging reserve	150.16	-
Other items	(39.69)	-
Adjustment for business combinations	1,694.09	(484.93)
Revaluation of assets	-	(382.75)
Closing balance	7,755.47	7,402.89





Tata AutoComp Systems Limited
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Note 23 : Financial liabilities - current borrowings

	As at March 31, 2019	As at March 31, 2018
Secured		
Loans from banks repayable on demand	12,811.44	13,321.68
From related party repayable on demand	3,825.51	1,415.06
Unsecured		
Short term borrowings	7,827.52	-
Customer bill discounting with Bank	630.70	-
	25,095.17	14,736.74
Less: Interest accrued (included in note 25)	208.51	22.88
Total	24,886.66	14,714.06

Details of security and repayment terms of current borrowings

	Terms of repayment	Nature of security	Coupon / interest rate	As at March 31, 2019	As at March 31, 2018
Secured					
From banks	Payable on demand	Secured by hypothecation of current assets and second charge on the immovable properties of Chakan plant of the subsidiary company - ASAL	9.60% to 11.25%	4,520.53	1,962.88
From banks	Payable on demand	Secured against land, building, plant and machinery, furniture & fixtures and current assets of the subsidiary company - NTACO	PBOC + 125 bps	3,856.16	3,962.06
From banks	Payable on demand	Secured against fixed assets and current assets of the subsidiary company - Rytpeez	2.9% + LIBOR	4,434.74	7,366.94
From related party repayable on demand	Payable on demand	Secured by first and exclusive hypothecation of plant and machinery and first charge on leasehold land and building of Pantnagar plant of the subsidiary company - ASAL	11.25%	3,825.52	1,415.06
Unsecured					
From banks *				7,827.52	-
Customer bill discounting with bank **				630.70	-
				25,095.17	14,736.74
Less: Interest accrued (included in note 25)				208.51	22.88
Total				24,886.66	14,714.06

* borrowings from banks includes invoice factoring with DBS, pending liquidation at MCLR 8.85%.

** Customer bill discounting with bank includes borrowing from ICICI bank under sale invoice financing scheme is at MCLR (8.60%) + 0.10%.

Note 24 : Trade payables

	As at March 31, 2019	As at March 31, 2018
Trade payables: micro and small enterprises	5,856.48	984.13
Trade payable: others	88,673.74	74,941.91
Trade payables to related parties	836.16	1,504.00
Total	95,166.38	77,430.04

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 38

Note 25 : Other financial liabilities

	As at March 31, 2019	As at March 31, 2018
Creditors for capital goods	2,263.54	1,492.45
Accrued employee liabilities	2,909.82	2,419.60
Interest accrued on borrowings	718.52	707.19
Current maturities of long-term borrowings	72,237.43	2,099.72
Current maturities of finance lease obligations	-	129.09
Unpaid dividend	0.77	1.80
Security deposit	221.55	156.05
Derivative contracts*	11.08	1,463.88
Claims payable to customers	588.09	381.81
Other payable	758.30	889.75
Total	79,707.18	9,741.12

* 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 38

Note 26 : Current tax liabilities

	As at March 31, 2019	As at March 31, 2018
Opening balance	203.80	150.49
Tax expense relating to current year	77.07	150.50
Taxes paid during the year	(241.46)	(113.21)
Foreign currency translation difference	(39.41)	16.02
Closing balance	-	203.80

Note 27 : Other current liabilities

	As at March 31, 2019	As at March 31, 2018
Advance from customer	4,470.34	5,438.52
Deferred grant income (INR 3 Lakhs released to statement of profit and loss during year end March 31, 2019)	21.00	24.00
Statutory dues	3,810.32	3,580.99
Consideration received in advance for sale of property, plant and equipment	858.64	-
Others	1,483.60	859.15
Total	10,644.20	9,902.66





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(All figures in INR Lakhs, unless otherwise stated)

Note 28 : Revenue from operations (Refer note 2.2)

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from contracts with customers		
Sale of products (including excise duty Nil (March 31, 2018 INR 2,624.61 lakhs))	3,95,925.08	2,94,026.63
Traded goods	16,381.96	10,794.22
Sale of services	7,349.64	8,728.34
Other operating revenues	897.07	2,753.81
Total	4,20,653.75	3,16,303.00

a) Contracts with customer

	Year ended March 31, 2019
Revenue recognised from contracts with customers	4,20,653.75
Disaggregation of revenue	
Based on type of goods	
- Components	3,89,516.97
- Tools, dies and Moulds	16,393.71
- Scrap	7,471.59
- Service	7,271.48
Based on Market	
- Original equipment manufacturer	3,98,613.47
- Joint ventures and subsidiaries	3,124.66
- Others	18,915.62
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	-

b) Details of contracts balances:

The following table provides information about trade receivables and contract liabilities from contracts with customers:

	Year ended March 31, 2019
Trade receivable	53,995.93
Unbilled revenue	371.19
Contract liabilities	5,056.43

The contract liabilities primarily relate to the advance consideration received from customers and claims payable to customers, for which revenue is recognised as and when control in promised goods is transferred.

Significant changes in the contract liability balances during the year ended March 31, 2019 are as follows:

Contract liabilities at the beginning of the year	5,820.13
Revenue recognised that was included in the contract liability balance at the beginning of the year	(1,785.78)
Increase due to cash received, excluding amounts recognised as revenue during the year	1,022.08
Contract liabilities at the end of the year	5,056.43

c) Performance obligations

The Group satisfies its performance obligations pertaining to the sale of auto components at point in time when the control of goods is actually transferred to the customers. No significant judgment is involved in evaluating when a customer obtains control of promised goods. The contract is a fixed price contract and do not contain any financing component. The payment is generally due within 30-90 days. There are no other significant obligations attached in the contract with customer.

d) Transaction price

There is no remaining performance obligation for any contract for which revenue has been recognised till period end. Further, the Group has not applied the practical expedient as specified in para 121 of Ind AS 115 as the Group do not have any performance obligations that has an original expected duration of one year or less or any revenue stream in which consideration from a customer corresponds directly with the value to the customer of the Group's performance completed to date.

e) Determining the timing of satisfaction of performance obligations

There is no significant judgements involved in ascertaining the timing of satisfaction of performance obligations, in evaluating when a customer obtains control of promised goods, transaction price and allocation of it to the performance obligations.

f) Determining the transaction price and the amounts allocated to performance obligations

The transaction price ascertained for the only performance obligation of the Group (i.e. Sale of goods) is agreed in the contract with the customer. There is no variable consideration involved in the transaction price except for refund due to shortages which is adjusted with revenue.

g) Cost to obtain contract or fulfill a contract

There is no cost incurred for obtaining or fulfilling a contract and there is no closing assets recognised from the costs incurred to obtain or fulfill a contract with a customer.

Note 29 : Other income

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income from financial assets at amortised cost	167.41	336.59
Net gain on sale of current investments mandatorily measured at fair value through profit or loss	678.14	1,126.32
Gain on disposal of property, plant and equipments	44.75	2.33
Gain on account of foreign currency transaction (net)	312.61	3,671.11
Sundry provisions and credit balances no longer required, written back (Refer note 51)	736.49	2,810.33
Provision for doubtful debts/ advances written back	878.36	133.00
Other non-operating income	452.00	74.54
Total	3,269.75	7,954.22





Tata AutoComp Systems Limited
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Note 30 : Cost of materials consumed

	Year ended March 31, 2019	Year ended March 31, 2018
Inventory of raw materials at the beginning of the year	11,316.78	8,723.33
Opening stock on acquisition of subsidiary (refer note 44b)	4,092.12	-
Add: Purchases	2,57,093.62	1,87,002.16
Less: Inventory of raw materials at the end of the year	19,277.15	11,316.78
Foreign currency translation difference	429.60	(129.49)
Total	2,53,654.97	1,84,279.22

Note 31 : Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools

	Year ended March 31, 2019	Year ended March 31, 2018
Opening stock		
Work-in-progress	5,537.98	4,673.74
Finished goods	5,189.24	4,214.32
Stock-in-trade	1,053.26	583.42
Stores and spares	3,142.26	1,851.01
Tools	2,008.34	3,044.13
Others	874.71	984.09
Opening stock on acquisition of subsidiary (refer note 44b)	1,995.10	-
	19,800.89	15,350.71
Closing stock		
Work-in-progress	7,765.43	5,537.98
Finished goods	7,616.30	5,189.24
Stock-in-trade	1,054.58	1,053.26
Stores and spares	5,188.09	3,142.26
Tools	4,010.77	2,008.34
Others	163.98	874.71
	25,799.15	17,805.79
Foreign currency translation difference	913.57	2,723.99
Total	(5,084.69)	268.91

Note 32 : Employee benefits expense

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	55,653.39	45,913.33
Contributions to provident fund and other fund	13,502.59	6,242.10
Staff welfare expenses	2,354.45	11,772.19
Total	71,510.43	63,927.62

Note 33 : Finance costs

	Year ended March 31, 2019	Year ended March 31, 2018
Interest and finance charges on financial liabilities not at fair value through profit or loss	9,093.17	5,786.42
Other borrowing costs	1,740.77	523.93
Total	10,833.94	6,310.35





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

Note 34 : Depreciation and amortisation expense

	Year ended March 31, 2019	Year ended March 31, 2018
Depreciation of property, plant and equipment	12,675.57	9,574.84
Amortisation of intangible assets	6,380.73	6,114.56
Total	19,056.30	15,689.40

Note 35 : Other expenses

	Year ended March 31, 2019	Year ended March 31, 2018
Consumption of stores, spares and consumables	9,434.48	4,050.65
Power and fuel	9,209.37	7,196.68
Rent and service charges	1,768.45	1,238.56
Repairs and maintenance :		
Buildings	2,733.45	2,411.00
Machinery	4,715.08	3,473.95
Others	902.80	443.68
Insurance	246.85	163.98
Rates and taxes	440.38	490.47
Communication expenses	249.44	240.81
Travelling and conveyance	1,741.27	1,438.46
Printing and stationery	213.42	7.10
Freight and forwarding	9,090.76	5,687.58
Commission	55.93	94.95
Royalty	706.55	-
Corporate social responsibility expenditure	170.43	74.72
Legal and professional fees (Refer Note 35 (a))	4,101.04	3,682.05
Bad debts written off	1,365.74	-
Provision for doubtful trade receivables and advances	-	66.84
Balances written off	4.90	23.02
Loss on foreign currency transaction and translation	-	24.16
Loss on disposal of property, plant and equipment	1.88	1.04
Processing charges	2,962.87	2,211.79
Contract labour charges	6,256.07	4,111.71
Selling and distribution expenses	887.27	-
Miscellaneous expenses	7,391.72	7,238.67
Less capitalization of R&D	(1,503.12)	(3,435.07)
Less Recoveries from joint ventures and subsidiaries	(957.20)	(768.51)
Total	62,189.83	40,168.29

35 a) Legal and Professional fees include payment to auditors *

	Year ended March 31, 2019	Year ended March 31, 2018
As Auditor		
Statutory audit	222.22	208.23
Tax audit	6.00	5.00
Other services	37.00	24.55
Reimbursement of expenses	8.43	-
Total	273.65	237.78

* includes INR 200.22 lakhs (2018 INR 187.79 lakhs) paid to component auditors (i.e. other than B S R & Co. LLP).





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Note 36 : Income tax expense

	Year ended March 31, 2019	Year ended March 31, 2018 (refer note below)
Income tax expense		
Current tax		
Current tax on profits for the year	4,089.32	2,589.53
Adjustments for current tax of prior periods	38.23	(2.76)
Total current tax expense	4,127.55	2,586.77
Deferred tax		
(Increase) in deferred tax assets	(1,502.95)	(1,788.62)
Increase in deferred tax liabilities	1,926.62	72.71
Total deferred tax expense/(benefit)	423.67	(1715.91)
Income tax expense	4,551.22	870.86

Reconciliation of tax expense and the accounting profit :

	Year ended March 31, 2019	Year ended March 31, 2018 (refer note below)
Profit before income tax expense	18,151.31	7,530.29
Tax Rate of 34.94% (FY 2017-18 – 34.61%)	6,342.79	2,606.23
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	59.55	25.83
Disallowance u/s 14A of Income Tax Act, 1961	14.43	70.40
Reversal of provision for probable claims	-	(854.08)
Dividend income from joint ventures	(1,182.12)	(962.03)
Unrecognized tax benefits on tax losses	5,245.51	1,611.47
Weighted deduction on research and development expenditure	(363.83)	(289.12)
Consolidated adjustments	(2,594.76)	1,096.76
Other items	(57.94)	(857.69)
Share of results of joint ventures	(2,155.13)	(2,034.16)
Impact of tax rate difference between group rate and local rate	1,503.40	376.25
Deferred tax charge on undistributed income of joint ventures	1,582.29	81.00
Adjustment for current tax of prior periods	38.24	-
Tax impact on exceptional items	(3,881.23)	-
Income tax expense	4,551.22	870.86

Tax Losses

One of the subsidiary in India and step down subsidiaries in the United States of America, 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, 2019	Year ended March 31, 2018
Unused tax losses for which no deferred tax asset has been recognised :		
- Business Losses	10,821.83	7,168.74
- Unabsorbed depreciation	6,963.73	5,084.28
Potential tax benefit	5,245.51	3,775.42

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 step down subsidiaries in the United States of America, 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	3,199.45
March 31, 2027	1,450.59
Total	7,117.64





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 37 : Fair value measurement

Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2019 were as follows:

	Amortised cost	Fair value through profit or loss	Total carrying value
Financial assets:			
<i>Non-current</i>			
Other financial assets	935.66	-	935.66
<i>Current</i>			
Trade receivables	53,995.93	-	53,995.93
Cash and cash equivalents	11,151.43	-	11,151.43
Bank balance other than cash and cash equivalents	167.18	-	167.18
Investments	-	8,317.46	8,317.46
Loans	1,008.49	-	1,008.49
Other financial assets	1,592.38	378.03	1,970.41
Financial liabilities:			
<i>Non-current</i>			
Borrowings	18,027.41	-	18,027.41
<i>Current</i>			
Borrowings	24,886.66	-	24,886.66
Trade payables	95,166.38	-	95,166.38
Other financial liabilities	79,696.12	11.06	79,707.18

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





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Notes to consolidated financial statements (continued)
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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, 2019:

Particulars	As at March 31, 2019	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	8,317.46	8,317.46	-	-
Derivative financial instruments - foreign currency forward	378.03	-	378.03	-
Liabilities				
Derivative financial instruments - foreign currency forward	11.06	-	11.06	-

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, 2019:

Particulars	As at March 31, 2019	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, 2018:

Particulars	As at March 31, 2018	Fair value measurement at end of the reporting year 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 carrying amount of trade receivables, cash and cash equivalents, bank balances other than cash and cash equivalents, 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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Note 38 : 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.

- 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, 2019					As at March 31, 2018				
	USD	EUR	SEK	RMB	Others	USD	EUR	SEK	RMB	Others
Financial assets										
Trade receivables	2,189.40	3,624.43	8,503.13	4,022.53	120.16	1,133.67	5,523.18	15,376.98	5,113.54	86.58
Cash and cash equivalents	4.45	379.49	4,625.39	2,497.19	-	4.98	695.23	15,144.94	696.22	-
Other financial assets	0.98	-	-	-	-	1.55	-	-	78.10	-
Exposure to foreign currency risk (assets)	2,194.83	4,003.92	13,128.52	6,519.72	120.16	1,140.19	6,218.41	30,521.92	5,887.86	86.58
Financial liabilities										
Trade payables	836.32	332.07	17,193.56	10,502.90	29.09	572.26	340.27	27,497.71	9,382.70	27.43
Other financial liabilities	30.81	53.23	152.79	1,371.38	10.00	32.04	55.16	410.65	1,290.14	9.16
Borrowings	73,001.03	-	-	4,598.61	-	82,708.04	-	325.37	5,458.37	-
Exposure to foreign currency risk (liabilities)	73,868.16	385.30	17,346.35	16,472.89	39.10	83,312.34	395.43	28,233.73	16,131.21	36.59

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, 2019	As at March 31, 2018
USD sensitivity		
INR/USD -Increase by 6% *(March 31, 2018 - 1%)	(4,300.40)	(821.72)
INR/USD -Decrease by 6% *(March 31, 2018 - 1%)	4300.40	821.72
EUR sensitivity		
INR/EUR-Increase by 4% *(March 31, 2018 - 6%)	144.74	349.38
INR/EUR-Decrease by 4% *(March 31, 2018 - 6%)	(144.74)	(349.38)
SEK sensitivity		
INR/SEK -Increase by 4% *(March 31, 2018 - 1%)	(168.71)	22.88
INR/SEK -Decrease by 4% *(March 31, 2018 - 1%)	168.71	(22.88)
RMB sensitivity		
INR/RMB -Increase by 1% *(March 31, 2018 - 1%)	(99.53)	(102.43)
INR/RMB -Decrease by 1% *(March 31, 2018 - 1%)	99.53	102.43

*Holding all other variables constant

Forward contracts

	As at March 31, 2019	As at March 31, 2018
Forward contracts receivable		
USD	1,932.36	1,308.62
EUR	2,043.35	1,346.00
GBP	-	83.69
RMB	2,337.04	-
Forward contracts payable		
USD	474.24	66,569.78
EUR	83.04	11.67
RMB	132.30	127.56
Interest rate swap		
USD	-	1,142.96





Tata AutoComp Systems Limited
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(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 amortised 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-19	31-Mar-18
Variable rate borrowings	1,05,151.50	85,270.90
Fixed rate borrowings	10,000.00	10,000.00
Total borrowings	1,15,151.50	95,270.90

	As at March 31, 2019			As at March 31, 2018		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term loan from bank, related party and customer bill discounting with bank	6%	1,05,151.50	245%	4.20%	85,270.90	90%

An analysis by maturities is provided in note 38 (B) below. The percentage of total loans shows the portion of loans that are currently at variable rates in relation to the total amount of borrowings

Increase in benchmark rates by 0.50 % will reduce profit by INR 525.76 lakhs for the year ended March 31, 2019. Decrease in benchmark rates by 0.50 % will increase profit by INR 525.76 lakhs for the year ended March 31, 2019.

Increase in benchmark rates by 0.50 % will reduce profit by INR 426.35 lakhs for the year ended March 31, 2018. Decrease in benchmark rates by 0.50 % will increase profit by INR 426.35 lakhs for the year ended March 31, 2018.

(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 significant.

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 years and above	Total
March 31, 2019				
Non-derivatives				
Borrowings	26,811.83	11,752.24	4,350.00	42,914.07
Trade payables	95,166.38	-	-	95,166.38
Other financial liabilities	79,696.12	-	-	79,696.12
Total non-derivative liabilities	2,01,674.33	11,752.24	4,350.00	2,17,776.57
Derivatives (net settled)				
Foreign exchange forward contracts	11.06	-	-	11.06
Total derivative liabilities	11.06	-	-	11.06

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 non-derivative liabilities	1,463.86	-	-	1,463.86





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, 2019, 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 receivables.

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

Trade receivables	As at March 31, 2019			As at March 31, 2018		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
Not due	39,831.08	242.82	39,588.26	32,377.04	231.82	32,145.22
Overdue up to 3 months	12,058.11	-	12,058.11	5,752.03	-	5,752.03
Overdue 3-6 months	1,327.60	27.31	1,300.29	611.61	33.85	577.76
Overdue more than 6 months	1,358.76	309.49	1,049.27	2,322.10	1,063.28	1,258.82
Total	54,575.55	579.62	53,995.93	41,062.78	1,328.76	39,734.02

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

Loss allowance on April 1, 2017	1,911.76
Changes in loss allowance	(583.00)
Loss allowance on March 31, 2018	1,328.76
Changes in loss allowance	(749.14)
Loss allowance on March 31, 2019	579.62

Note 39 : 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, 2019	March 31, 2018
Total debt	1,15,151.50	95,270.90
Total equity	1,12,335.31	86,158.28
Net debt to equity ratio	1.03	1.11

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, 2019 the subsidiary has breached the above covenants which has been, waived by Tata Capital Financial Services Limited.

With respect to borrowings availed by one of the foreign subsidiary, the repayment of loan has been made in full subsequent to reporting date, by way of refinancing arrangement. Hence, disclosures related to covenants compliance are not required.

All other covenants have been met by the group.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 40 : 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, 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 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

	Present value of obligation	Fair value of plan assets	Net
April 1, 2018	1,847.03	(1,482.68)	364.35
Acquisition of subsidiary	483.00	(341.10)	141.90
Current service cost	239.33	-	239.33
Interest expense/(income)	161.42	(135.15)	26.27
Total amount recognised in profit or loss	400.75	(135.15)	265.50
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	11.20	11.20
(Gain)/loss from change in financial assumptions	43.31	-	43.30
Experience (gains)/losses	6.71	-	6.71
Total amount recognised in other comprehensive income	50.02	11.20	61.21
Employer contributions	-	(15.34)	(15.34)
Benefit payments	(312.57)	15.87	(296.70)
March 31, 2019	2,468.22	(1,947.20)	521.02

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

	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	2,468.22	1,847.03
Fair value of plan assets	1,947.20	1,482.68
Non-current liability recognized in balance sheet	521.02	364.35

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, 2019	As at March 31, 2018
Discount rate	7.00%	7.40%
Salary escalation rate	8.00%	8.00%
Rate of return on plan assets	7.43%	8.00%

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, 2019	Year ended March 31, 2018
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(105.41)	(75.60)
(ii) 1% decrease in discount rate	115.56	82.78
(iii) 1% increase in rate of salary escalation	113.79	81.83
(iv) 1% decrease in rate of salary escalation	(105.76)	(76.14)

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, 2019	As at March 31, 2018
Defined benefit obligation		
Less than a year	382.08	355.93
Between 1 - 2 years	343.89	402.48
Between 2 - 5 years	958.71	933.78
Over 5 years	1,410.81	1,398.26
Total	3,095.49	3,090.45





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Category of planned asset

	As at March 31, 2019	As at March 31, 2018
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, 2019 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year INR 15.96 (March 31, 2018 INR 13.82).

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, 2017	1,606.31
Current service cost	108.97
Interest expense/(income)	121.53
Total amount recognised in profit or loss	230.50
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	(113.35)
Experience (gains)/losses	0.00
Total amount recognised in other comprehensive income	(113.35)
Benefit payments	(95.88)
March 31, 2018	1,636.58

	Present value of obligation
April 1, 2018	1,636.58
Current service cost	40.94
Interest expense/(income)	128.27
Total amount recognised in profit or loss	169.21
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	39.42
Experience (gains)/losses	(87.89)
Total amount recognised in other comprehensive income	(48.46)
Employer contributions	
Benefit payments	(126.71)
March 31, 2019	1,630.62

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

	As at March 31, 2019	As at March 31, 2018
Unfunded plans (Liabilities recognized in balance sheet)	1,630.62	1,636.58

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, 2019			As at March 31, 2018	
	Serving Managing Director	MD who retired during the year	Retired Managing Directors	Serving Managing Directors	Retired Managing Directors
Discount rate	7.90%	7.90%	7.90%	8.10%	8.20%
Pension growth rate	6.00%	6.00%	6.00%	6.00%	6.00%
Compensation growth rate	8.00%	0.00%	0.00%	8.00%	-
Expected average remaining working life	28.74	28.62	21.25	29.52	22.09

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(127.77)	(149.25)
(ii) 1% decrease in discount rate	146.49	174.25
(iii) 1% increase in rate of pension growth rate	47.89	41.92
(iv) 1% decrease in rate of pension growth rate	(47.09)	(40.61)

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, 2019	As at March 31, 2018
Defined benefit obligation		
Less than a year	135.22	90.44
Between 1 - 2 years	143.33	92.87
Between 2 - 5 years	556.78	293.76
Over 5 years	1,062.04	1,351.23
Total	1,897.37	1,828.30





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
April 1, 2017	11,075.71	656.50	10,419.11
Current service cost	216.63	-	216.63
Interest expense/(income)	430.35	30.72	399.53
Total amount recognised in profit or loss	646.98	30.72	616.26
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest (Gain)/loss from change in demographic assumptions, financial assumption and Experience (gains)/losses	(763.03)	(28.71)	28.71
Total amount recognised in other comprehensive income	(763.03)	28.71	(734.32)
Employer contributions	-	100.26	(100.26)
Benefit payments	(583.85)	(52.64)	531.21
Foreign currency translation difference	330.01	46.58	283.44
March 31, 2018	10,705.82	752.81	9,953.01

	Present value of obligation	Fair value of plan assets	Net
April 1, 2018	10,705.82	752.81	9,953.01
Opening balance adjustments	-	-	-
Current service cost	285.30	-	285.30
Interest expense/(income)	199.18	30.81	168.37
Total amount recognised in profit or loss	484.48	30.81	453.67
<i>Remeasurements</i>			
(Gain)/loss from change in demographic assumptions, financial assumption and Experience (gains)/losses	29.32	(17.35)	46.67
Total amount recognised in other comprehensive income	29.32	(17.35)	46.67
Employer contributions	-	120.90	(120.90)
Benefit payments	(558.82)	(58.19)	(500.63)
Foreign currency translation difference	25.05	88.56	(63.51)
March 31, 2019	10,685.85	796.64	9,889.21

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

	As at March 31, 2019	As at March 31, 2018
Present value of funded obligations	10,685.85	10,705.82
Fair value of plan assets	(796.64)	(752.81)
Deficit of funded plan	9,889.21	9,953.01
Unfunded plans (Non-current liability recognized in balance sheet)		

	As at March 31, 2019	As at March 31, 2018
Discount rate USA / Sweden	1.9% / 3.86%	4.05% / 2.4%
Salary escalation rate USA / Sweden	0% / 0%	0% / 0%

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2019	Year ended March 31, 2018
Increase/(decrease) in present value of defined benefit obligation as at		
(i) 0.5% increase in discount rate	481.47	(430.97)
(ii) 0.5% decrease in discount rate	(433.03)	479.88
(iii) 0.5% increase in rate of salary escalation	474.02	474.37
(iv) 0.5% decrease in rate of salary escalation	(430.79)	(429.83)

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, 2019	As at March 31, 2018
Contribution to employees' superannuation fund	283.81	207.28
Contribution to provident fund/family pension fund (including contribution to social security)	11,754.31	12,968.43
Contribution to labour welfare fund	1.39	0.45
Contribution to employee's state insurance scheme	80.50	17.76

(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:

- Interest rate risk:** The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined
- Salary inflation risk:** Higher than expected increases in salary will increase the defined benefit obligation.
- 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.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 41: 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, 2019	Year ended March 31, 2018
- Components, assemblies and sub-assemblies	3,89,516.97	2,92,724.70
- Tools, dies and moulds	16,393.71	10,169.30
- Scrap	7,471.59	4,729.00
-Service	7,271.48	8,680.00
Total	4,20,653.75	3,16,303.00

Revenue by geographical market

	Year ended March 31, 2019	Year ended March 31, 2017
India	2,09,122.47	1,38,640.20
Europe	1,15,074.31	94,984.04
Others	96,456.97	82,678.76
Total	4,20,653.75	3,16,303.00

Note 42 : Contingent liabilities (To the extent not provided for)

	As at March 31, 2019	As at March 31, 2018
Income tax matters under appeal	1,421.19	768.98
Sales tax matters under appeal	603.95	358.29
Excise duty matters*	524.93	261.37
Claims against company not acknowledged as debts	155.99	595.92
Labour matter**	276.99	213.87
Credit guarantee for pension liabilities	79.15	-
Possible claims arising out of agreements with former Joint Venture Partners	2,442.00	2,442.00
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	197.93	-
Entry Tax Matters	92.55	-
Others	80.76	179.36

* The group has received other show cause notices from the Excise department on various matters. The Company 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.

The Hon'ble Supreme Court of India ("SC") by their order dated 28 February 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively.

Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The provision for the same, has not been made prospectively from the date of the SC order, as the amount is not material.





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 43 : Related party transactions

(a) Related parties and their relationship

Promoters/ Promoter group

- i) Tata Sons Private Limited (Ultimate Holding Company) (Formerly known as Tata Sons Limited)
- ii) Tata Industries Limited
- iii) Tata Motors Limited
- iv) Tata Capital Limited

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

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

Other related parties (Group Companies,with whom transactions have taken place during the period)

- 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
- xiii) TKM Logistics Ltd

Joint ventures

- 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 (ceased to be a joint venture w.e.f. 1st July 2018)
- vii) Taco Sasken Automotive Electronics Limited (Under liquidation)
- viii) Air International TTR Thermal Systems Private Limited (Joint venture of TTR)

Key management personnel (KMP)

Whole-time director

- i) Mr. Ajay Tandon (Managing Director) (up to September 5, 2018)
- ii) Mr. Arvind Goel (Managing Director) (w.e.f. September 6, 2018)

Non-executive directors

- i) Mr. Praveen Kadle
- ii) Mr. Ramnath Mukhija
- iii) Ms. Vedika Bhandarkar (up to July 25, 2018)
- iv) Mr. Hari Lakshminarayan Mundra
- v) Mr. Gopichand Katragadda (up to July 16, 2018)
- vi) Mr. Milind Shahane
- vii) Mr. Ankur Verma (w.e.f. July 30, 2018)





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

(b) Transactions with related parties

Particulars	Transaction value		Closing balance	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Sale of goods				
- Tata Motors Limited	1,13,003.80	73,206.39	11,896.36	1,442.04
- Fiat India Automobiles Private Limited	28,979.09	26,682.46	4,450.45	4,351.70
- Other group companies	5,008.80	9,124.10	91.19	1,624.61
Purchase of goods and services				
- Tata Motors Limited	942.54	812.41	32.49	85.81
- Fiat India Automobiles Private Limited	2,718.44	4,522.52	(330.98)	(409.80)
- Tata Steel Processing And Distribution Co. Limited	4,810.36	3,103.46	(185.04)	(64.64)
- Tata Capital Financial Services Ltd.	272.76	-	(150.50)	-
- Tata Steel Limited	71.15	641.20	4.57	3.22
- Tata Toyo Radiator Limited*	13.49	194.63	-	(9.51)
- Tata Securities Limited	-	6.41	-	-
- Other group companies	2,163.00	2,584.06	(206.70)	(87.50)
Brand equity business promotion contribution				
- Tata Sons Private Limited (Formerly known as Tata Sons Limited)	324.72	286.41	(292.28)	(257.77)
Sale of services				
- Tata Motors Limited	1,327.88	297.88	709.93	48.02
- Tata Toyo Radiator Limited*	320.41	1,362.04	-	347.79
- Tata Autocomp Hendrickson Suspensions Private Limited	1,455.49	1,191.52	260.51	327.16
- Tata Ficosa Automotive Systems Private Limited	302.42	287.87	291.18	69.13
- Tata Autocomp GY Batteries Private Limited	634.12	587.98	112.83	147.98
- TM Automotive Seating Systems Private Limited	134.72	57.72	97.76	33.06
- Tata Autocomp Katcon Exhaust System Private Limited	277.51	232.37	57.13	48.64
- Other group companies	305.54	249.09	313.83	159.83
Sale of property, plant and equipment				
- Tata Toyo Radiator Limited*	-	27.16	-	14.14
- Tata Capital Financial Services Limited	2,544.35	-	-	-
- Tata Autocomp Hendrickson Suspensions Private Limited	10.67	17.08	12.59	8.90
- Tata Ficosa Automotive Systems Private Limited	16.16	6.63	19.06	3.41
- Tata Autocomp GY Batteries Private Limited	24.99	-	24.99	-
- Other group companies	4.57	0.06	5.40	-
Purchase of property, plant and equipment				
- Voltas Limited	7.48	4.30	-	-
Interest free security deposit				
- Tata Capital Financial Services Limited	815.63	-	815.63	-
Interest paid on inter corporate deposit				
- Tata Capital Financial Services Limited	476.80	241.70	(38.05)	(16.03)
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 Private Limited (Formerly known as 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	26.02	72.98	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	112.29	167.72	-	-





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Particulars	Transaction value		Closing balance	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Loan availed				
- Tata Capital Financial Services Limited	17,160.00	4,900.00	(4,224.05)	(2,434.05)
Loan repaid				
- Tata Capital Financial Services Limited	15,370.00	4,100.00	-	-
Dividend received				
- Tata Toyo Radiator Limited*	419.22	490.62	-	-
- Tata Autocomp Hendrickson Suspensions Private Limited	2,511.18	2,160.06	-	-
- Tata Ficosa Automotive Systems Private Limited	168.30	128.94	-	-
Loans granted				
- Tata Ficosa Automotive Systems Private Limited	-	1,050.00	-	688.26
- Tata Autocomp Katcon Exhaust System Private Limited	225.00	1,000.00	800.00	1,460.00
Loans repaid				
- Tata Ficosa Automotive Systems Private Limited	688.26	895.35	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	885.00	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	238.56	288.35	-	(129.33)
Long-term employee benefits	7.80	23.07	-	(50.18)
Post-employment benefits	89.88	158.70	(622.63)	(729.70)
- Mr. Arvind Goel				
Short-term employee benefits	112.95	-	(160.42)	-
Long-term employee benefits	21.52	-	(21.52)	-
Post-employment benefits	8.58	-	(96.64)	-
Sitting fees paid to KMP				
- Mr. Praveen Kadle	3.70	6.00	-	-
- Mr. Ramnath Mukhija	10.70	9.00	-	-
- Mr. Vedika Bhandarkar	-	7.20	-	-
- Mr. Hari Lakshminarayan Mundra	5.00	8.00	-	-
- Mr. Gopichand Katragadda	1.50	5.40	-	-
- Mr. Ankur Verma	1.50	-	-	-
Commission paid to KMP				
- Mr. Praveen Kadle	-	14.92	-	-
- Mr. Ramnath Mukhija	15.00	12.67	-	-
- Mr. Vedika Bhandarkar	12.00	9.27	-	-
- Mr. Hari Lakshminarayan Mundra	15.00	12.49	-	-
- Mr. Gopichand Katragadda	-	10.65	-	-
Investment in equity shares				
- Tata Toyo Radiator Limited*	-	-	-	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	7,150.08
- Tata Autocomp Hendrickson Suspensions Private Limited	-	-	621.00	621.00
- TM Automotive Seating Systems Private Limited	400.00	-	900.00	500.00
- Tata Autocomp Katcon Exhaust System Private Limited	-	-	321.13	321.13

Note:

- a) The closing balances above are net of advances.
- b) The closing balances of investments in equity shares are net of provisions.
- c) * Tata Toyo Radiator Limited is a subsidiary w.e.f. 1st July 2018, accordingly it has been considered for consolidation of financial statements, hence the transactions shown above are upto June 30, 2018.





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 44 : Business combination

(a) Summary of acquisition

On December 30, 2016, Ryhpez Holding (Sweden) AB (100% subsidiary of TACO) acquired Sweden based TitanX Holding AB, supplier of 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 financial year 2016-17, the purchase price of acquisition had been allocated to TitanX's assets and liabilities on a provisional basis as per Ind AS 103. 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. Accordingly, the provisional goodwill recorded in the consolidated financial statement as of March 31, 2017 was INR 34,679.70 Lakhs.

The Group had during the interim period ended September 30, 2017 finalised the values of assets and liabilities which were hitherto provisional, resulting in a revised goodwill of INR 45,606.83 lakhs. 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 had restated the amount of Goodwill to INR 39,454.90 lakhs, which was finalized on September 30, 2017 with the corresponding impact in the opening 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	12,920.68	1,574.75	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	12,920.68
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
Goodwill Value as at March 31, 2018	39,697.76
Foreign currency translation difference	1,048.19
Goodwill Value as at March 31, 2019	40,745.95

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.





Tata AutoComp Systems Limited
Notes to consolidated financial statements (continued)
 (All figures in INR Lakhs, unless otherwise stated)

(b) Summary of acquisition

On July 1 2018, Tata AutoComp Systems Limited amended its joint venture agreement with Tata Toyo Radiator (TTR) which resulted in Tata AutoComp System Limited acquiring control (erstwhile consolidated under equity method).

As per Para 42 of IND AS 103, "Business Combinations", for business combination achieved in stages, the acquirer shall remeasure its previously held equity interest in the acquiree at its acquisition date fair value and recognise the resulting gain/loss in the statement of profit and loss. Accordingly the company has fair valued its equity interest in TTR and the resulting gain is recognised in the statement of profit and loss (refer note below).

Given how recently the acquisition was finalized, the fair value of equity interest previously held has been allocated to Tata Toyo Radiator Limited assets and liabilities on a provisional basis as per IND AS -103. Provisional goodwill resulting from this acquisition amounts to INR 17,556.52 lakhs. The group expects to finalise the identification and measurement of 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.

Accordingly, the figures in the balance sheet as of March 31, 2019 and the statement of profit and loss for the period from April 1, 2018 to March 31, 2019 are not comparable with the balance sheet as of March 31, 2018 and the statement of profit and loss account for the previous period from April 1, 2017 to March 31, 2018 respectively.

The assets and liabilities recognised as a result of the acquisition are as follows:

	Tata Toyo Radiator
	Fair value
Land	8,127.54
Buildings	6,915.72
Plant and machinery	13,024.23
Other PPE	2,518.90
Intangible assets	84.28
Capital work-in-progress	634.68
Investment in joint venture	939.45
Non-current financial assets	348.95
Other tax asset (net)	361.42
Other non-current assets	853.39
Inventories- Raw material, work-in-progress and finished goods	6,087.22
Inventories- Stores and Spares and scrap	1,073.24
Trade receivables	6,328.97
Cash	571.10
Other financial assets	1,199.13
Deferred tax liabilities	(2,234.74)
Non-current financial liabilities - Borrowings	(8,075.00)
Provision for employee benefits	(358.99)
Other provisions	(262.70)
Trade payables	(12,701.76)
Current financial liabilities - Borrowings	(2,048.00)
Other non-current financial liabilities	(2,034.41)
Other current liabilities	(804.95)
Net identifiable assets acquired	20,547.67

Goodwill :

Goodwill arising from the acquisition has been determined as follows :

Fair value of Tata Toyo Radiator Limited as on Acquisition date	38,104.19
Fair value of Net identifiable assets	20,547.67
Goodwill	17,556.52

Note : The remeasurements to fair value of the Group's existing 51% interest in Tata Toyo Radiator Limited resulted in gain of INR 12,732.25 lakhs which has been recognised in statement of profit and loss account as exceptional gain for the year ended March 31, 2019.

Acquisition of Non-controlling interest :

On July 1, 2018, the group acquired control in Tata Toyo Radiator Limited (erstwhile consolidated under equity method) resulting in minority for the balance 49%, details are as follows :

Fair value of Tata Toyo Radiator Limited as on Acquisition date	38,104.19
Fair value of Net identifiable assets to minority (49%)	18,671.12

Consolidated cash flow statement

As per para 43 of Ind AS 7 Statement of Cash Flows, transactions that do not require the use of cash and cash equivalents (i.e. the above acquisitions of assets and liabilities) have been excluded from the consolidated cash flow statement





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 45 : Interests in other entities

(a) Subsidiaries

The group's subsidiaries at 31 March 2019 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, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Subsidiaries (Direct and Indirect):							
1	Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation) has been voluntarily struck-off effective from April 18, 2019.	Training foundation	India	100.00	100.00	-	-
2	Taco Engineering Services GmbH	Engineering services	Germany	100.00	100.00	-	-
3	Taco Holdings (Mauritius) Limited ("THML")	Investment company	Mauritius	100.00	100.00	-	-
4	Nanjing Tata AutoComp Systems Limited (subsidiary of THML)	Plastic interiors and exteriors manufacture	China	100.00	100.00	-	-
5	Automotive Stampings and Assemblies Limited ("ASAL")	Stampings and assemblies Manufacturing	India	75.00	75.00	25.00	25.00
6	Ryhpez Holding (Sweden) AB	Investment company based in Sweden	Sweden	100.00	100.00	-	-
7	TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB)	Investment company based in Sweden	Sweden	99.48	96.17	0.52	3.83
8	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	99.48	96.17	0.52	3.83
9	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	99.48	96.17	0.52	3.83
10	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	99.48	96.17	0.52	3.83
11	TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden))	Manufacture of Engine cooling modules	Brazil	99.48	96.17	0.52	3.83
12	TitanX Engine Cooling, Poland (Subsidiary of TitanX Holding AB (Sweden) (w.e.f. June 11, 2018))	Manufacture of Engine cooling modules	Poland	99.48	-	0.52	-
13	Tata Toyo Radiator Ltd (w.e.f. 1st July 2018)	Manufacture of heat exchange Systems	India	51.00	-	49.00	-





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

(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		Tata Toyo Radiator Limited	
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018*
Current assets	12,900.71	6,787.68	46,188.35	47,572.08	19,531.00	-
Current liabilities	25,319.64	16,359.84	1,18,460.32	47,980.15	22,133.50	-
Net current assets	(12,418.93)	(9,572.16)	(72,271.97)	(408.07)	(2,602.50)	-
Non-current assets	11,407.55	10,909.57	1,04,993.31	1,13,670.18	27,169.00	-
Non-current liabilities	3,143.69	4,228.45	14,210.08	94,758.44	9,288.33	-
Net non-current assets	8,263.86	6,681.12	90,783.23	18,911.73	17,880.67	-
Net assets	(4,155.07)	(2,891.04)	18,511.26	18,503.67	15,278.17	-
Accumulated NCI	(1,038.77)	(722.76)	(46.95)	1,651.27	7,486.30	-

Summarised statement of profit and loss	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB		Tata Toyo Radiator Limited	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	For the period July 1 2018 to March 31, 2019	Year ended March 31, 2018*
Revenue	48,167.24	33,559.24	1,72,497.27	1,46,479.19	54,053.78	-
Profit/ (loss) for the year	(1,262.75)	(4,656.08)	(11,395.51)	(2250.51)	1,938.28	-
Other comprehensive income/ (loss)	(1.29)	8.17	2353.48	(2421.96)	4.00	-
Total comprehensive income/ (loss)	(1,264.04)	(4,647.91)	(9,042.03)	(4,672.47)	1,942.28	-
Profit/ (loss) allocated to NCI	(316.01)	(1,161.98)	-	(109.87)	951.72	-
Dividends paid to NCI (including DDT)	-	-	-	-	815.95	-

Summarised cash flows	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB		Tata Toyo Radiator Limited	
	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	For the period July 1 2018 to March 31, 2019	Year ended March 31, 2018*
Cash flows/(used in) generated from operating activities	(1,287.44)	408.37	1,761.60	6,109.51	3,333.75	-
Cash flows/(used in) generated from investing activities	(1,443.03)	(275.12)	(8,346.95)	(4,952.32)	(3,655.30)	-
Cash flows/(used in) generated from financing activities	2,766.09	(112.93)	(3,077.83)	(1,884.80)	533.23	-
Net increase/ (decrease) in cash and cash equivalents	35.62	20.32	(9663.18)	(727.61)	211.68	-

* ceased w.e.f. 1st July 2018 as joint venture entity





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 2019.

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Value	
					As at March 31, 2019	As at March 31, 2018
Tata Toyo Radiator Limited ("TTR") (ceased w.e.f. 1st July 2018 as joint venture entity)	India	51%	Joint venture	Equity method	-	6,853.26
Air International TTR Thermal Systems Private Limited (AITTR) (JV of TTR)	India	50%	Joint venture	Equity method	1,011.78	-
Tata Ficosa Automotive Systems Private Limited ("TF") (Formerly Known as Tata Ficosa Automotive Systems Limited)	India	50%	Joint venture	Equity method	3,238.52	2,740.12
Tata AutoComp GY Batteries Private Limited ("TGY") (Formerly Known as Tata AutoComp GY Batteries Limited)	India	50%	Joint venture	Equity method	2,229.32	1,638.67
Tata Autocomp Hendrickson Suspensions Private Limited (Formerly Known as Taco Hendrickson Suspensions Private Limited)	India	50%	Joint venture	Equity method	7,353.09	6,181.31
Tata Autocomp Katcon Exhaust System Private Limited (w. e. f. May 19, 2015)	India	50%	Joint venture	Equity method	531.40	429.35
TM Automotive Seating Systems Private Limited (w. e. f. May 22, 2015)	India	50%	Joint venture	Equity method	1,117.99	570.06
Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	India	50%	Joint venture	Equity method	-	-
Total					15,482.10	18,412.77

- 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.
- 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.
- 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.
- TM Automotive Seating Systems Private Limited designs, validates, manufacture and supply seating systems and related products for Commercial Vehicles Segment.
- Tata AutoComp GY Batteries Private Limited is engaged in the business of manufacture and sale of and trading in lead acid storage batteries.
- 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.
- Air International TTR Thermal Systems Private Limited, joint venture of Tata Toyo Radiator, is presently engaged in development of product with plans to manufacture and sale of HVAC systems

(i) Commitments and contingent liabilities in respect of joint ventures

Particulars	As at March 31, 2019	As at March 31, 2018
Commitments – joint ventures		
Commitment to provide funding for joint venture's capital commitments, if called	1,225.15	4,275.15
Contingent liabilities – joint ventures		
Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	302.35	2,001.24





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 Ficosa 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, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Opening net assets	12,733.76	5,887.00	4,643.92	3,235.34	(988.33)	12,900.13	11,295.65	858.89	428.75	1,140.13	1,020.17
Capital invested	-	-	-	-	4,000.00	-	-	-	-	800.00	-
Profit for the year	2,719.12	1,406.42	1,359.98	1,318.80	266.24	8,401.84	6,804.61	205.08	429.92	297.73	120.49
Other comprehensive income	13.75	(4.42)	(7.11)	(95.50)	(0.56)	(3.78)	(0.54)	(0.97)	0.02	(1.87)	(0.53)
Dividends paid	(1,157.85)	(405.78)	(310.39)	-	-	(6,054.62)	(5,199.69)	-	-	-	-
Notional profit on Downstream Transaction	(871.00)	(206.18)	(206.18)	-	-	(537.40)	(537.40)	-	-	-	-
Closing net assets	13,437.77	6,477.04	5,480.23	4,458.64	3,277.34	14,706.17	12,362.63	1,062.80	858.69	2,235.99	1,140.13
Group's share in %	51%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Group's share in INR	6,853.26	3,238.52	2,740.12	2,229.32	1,638.67	7,353.09	6,181.31	531.40	429.35	1,117.99	570.06
Carrying amount	6,853.26	3,238.52	2,740.12	2,229.32	1,638.67	7,353.09	6,181.31	531.40	429.35	1,117.99	570.06

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 Ficosa 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, 2019	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018
Current assets											
Cash and cash equivalents and other bank balances	396.03	537.00	158.20	1,436.10	338.90	611.20	330.10	7.43	282.37	406.96	919.29
Other assets	15,987.22	7,801.20	5,812.30	10,567.10	10,664.43	15,117.02	16,791.89	4,090.06	3,301.53	3,367.79	1,691.79
Total current assets	16,383.25	8,338.20	5,970.50	12,003.20	11,003.33	15,728.22	17,121.99	4,097.49	3,583.90	3,774.75	2,611.08
Total non-current assets	25,108.47	8,370.66	7,312.06	6,715.60	5,872.19	8,226.84	6,391.70	731.43	65.00	2,241.55	857.56
Current liabilities											
Financial liabilities (excluding trade payables)	3,304.01	1,124.00	1,175.00	1,893.10	1,972.48	113.10	125.60	2,208.66	2,405.88	280.79	75.32
Other liabilities	15,301.08	7,197.00	5,344.74	8,773.40	10,462.05	5,299.20	10,185.00	1,129.93	379.02	3,405.29	2,218.41
Total current liabilities	18,605.09	8,321.00	6,519.74	11,433.50	12,434.51	6,412.30	10,311.60	3,338.59	2,784.90	3,686.07	2,292.23
Non-current liabilities											
Financial liabilities (excluding trade payables)	7,850.00	1,224.00	881.50	2,352.30	333.12	-	-	421.52	-	94.25	36.38
Other liabilities	929.04	281.05	194.90	474.40	672.59	299.20	302.00	8.01	5.31	94.25	36.38
Total non-current liabilities	8,579.04	1,505.05	1,076.40	2,826.70	1,005.71	299.20	302.00	429.53	5.31	94.25	36.38
Net assets	14,307.59	6,682.81	5,686.42	4,458.60	3,235.30	15,243.56	12,900.09	1,062.80	858.69	2,235.99	1,140.13

Summarised statement of profit and loss

	Tata Toyo Radiator Limited		Tata Ficosa 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	
	For the period April 1 2018 to June 30, 2018	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2019	Year ended March 31, 2019	Year ended March 31, 2018	Year ended March 31, 2018	Year ended March 31, 2019
Revenue	18,234.30	64,994.16	22,931.31	21,970.00	48,182.10	45,748.01	49,388.50	41,725.20	12,837.06	9,917.41	6,736.82	1,954.48
Interest income	1.85	246.40	2.00	14.40	187.30	8.08	37.21	9.12	0.02	0.08	6.39	33.80
Depreciation and amortisation	615.43	2,147.00	549.00	389.30	774.70	775.80	332.20	321.70	13.03	8.34	124.44	51.40
Finance cost	353.64	718.03	248.00	102.70	815.68	617.38	17.70	-	228.50	179.95	-	0.00
Income tax expense	267.23	1,153.88	539.00	627.56	(1.50)	-	4,550.91	3,481.04	82.54	105.90	131.52	38.03
Profit for the year	692.05	2,719.12	1,406.42	1,359.98	1,318.80	266.24	8,401.84	6,804.61	205.08	429.92	297.73	120.49
Other comprehensive income/ (loss)	1.81	13.75	(4.42)	(7.11)	(95.50)	(0.56)	(3.78)	(0.54)	(0.97)	0.02	(1.87)	(0.53)
Total comprehensive income	693.86	2,732.87	1,402.00	1,352.87	1,223.30	265.68	8,398.06	6,804.07	204.11	429.94	295.86	119.96
Dividends received	419.22	490.62	168.30	128.94	-	-	2,511.18	2,160.06	-	-	-	-





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 46 : Additional information required by Schedule III

For the year ended March 31, 2019

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	81.50%	91,557.83	80.84%	10,993.89	1.15%	13.54	74.47%	11,007.43
Subsidiaries :								
Automotive Stampings and Assemblies Ltd. ("ASAL")	(3.70%)	(4,155.07)	(9.28%)	(1,262.75)	(0.11%)	(1.29)	(8.55%)	(1,264.04)
Taco Engineering Services GmbH	0.07%	84.07	0.19%	25.21	0.00%	-	0.17%	25.21
Taco Engineering (UK) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation) has been voluntarily struck-off effective from April 18, 2019.	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Taco Holdings (Mauritius) Limited ("THML")	11.06%	12,421.72	7.38%	1,004.25	0.00%	-	6.79%	1,004.25
Ryhpez Holding (Sweden)	16.52%	18,558.02	(83.79%)	(11,395.39)	199.29%	2,353.79	-61.17%	(9,041.60)
Tata Toyo Radiator Limited ("TTR") (w.e.f 1st July 2018)	13.60%	15,277.80	14.25%	1,938.28	0.34%	4.00	13.14%	1,942.28
Non-controlling interest in all subsidiaries	15.59%	17,511.97	2.95%	401.22	0.14%	1.64	2.73%	402.86
Joint Ventures* :								
Tata Toyo Radiator Limited ("TTR") (upto 30th June 2018)	-	-	2.59%	352.41	0.09%	1.02	2.39%	353.43
Tata Fiossa Automotive Systems Private Limited ("TF")	2.97%	3,341.60	5.17%	703.21	(0.19%)	(2.21)	4.74%	701.00
Tata AutoComp GY Batteries Private Limited ("TGY")	1.98%	2,229.30	4.85%	659.40	(4.04%)	(47.75)	4.14%	611.65
Tata AutoComp Hendrickson Suspensions Private Limited	6.78%	7,621.73	30.89%	4,200.97	(0.16%)	(1.89)	28.41%	4,199.08
Tata AutoComp Katcon Exhaust System Private Limited	0.47%	531.40	0.75%	102.54	(0.04%)	(0.49)	0.69%	102.05
TM Automotive Sealing Systems Private Limited	1.00%	1,117.99	1.09%	148.86	(0.08%)	(0.93)	1.00%	147.93
Sub total		1,66,098.36		7,872.10		2,319.43		10,191.53
Less: Adjustment on account of elimination / conversion of foreign operation	(47.86%)	(53,763.05)	42.12%	5,727.99	-96.39%	(1,138.37)	31.05%	4,589.63
Total	100.00%	1,12,335.31	100.00%	13,600.09	100.00%	1,181.06	100.00%	14,781.15

* Share in net assets of joint ventures accounted using equity method

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%	-
Taco Holdings (Mauritius) Limited ("THML")	13.39%	11,533.33	16.52%	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%	(4,582.67)
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")	8.47%	7,296.95	20.82%	1,386.75	2.27%	7.01	20.00%	1,393.77
Tata Fiossa Automotive Systems Private Limited ("TF")	3.30%	2,843.21	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	7.49%	6,450.07	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 Sealing Systems Private Limited	0.66%	570.06	0.90%	60.25	(0.09%)	(0.27)	0.86%	59.98
Sub total		1,31,714.47		9,909.35		(2,287.88)		7,621.47
Less: Adjustment on account of elimination / conversion of foreign operation	(52.87%)	(45,556.17)	(48.80%)	(3,249.91)	84.49%	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





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 47 : Commitments

(a) Capital commitments

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	8,391.69	4,256.61

(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 1,768.45 lakhs (March 31, 2018: INR 901.56 lakhs)

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

	Year ended March 31, 2019	Year ended March 31, 2018
Payable in less than one year	2,032.08	1,894.27
Payable between one and five years	6,412.37	2,132.26
Payable after more than five years	2,441.23	604.75
Total	10,885.68	4,631.28

(c) Total of future minimum lease payments in respect of finance leases

	Year ended March 31, 2019	Year ended March 31, 2018
Within less than one year	180.58	129.09
Between one and five years	240.43	196.28
After more than five years	-	-
Total	421.01	325.37

Note 48 : Movements in other provisions

For the year ended March 31, 2019

	Probable claims	Warranty	Other contingencies
Carrying amount at the beginning of the year	661.00	860.95	-
Acquisition of subsidiary [refer note 44(b)]	-	262.70	-
Additional provision made during the year	38.40	2,008.40	882.31
Amounts used / written back during the year	-	(1,656.23)	-
Foreign currency translation difference	-	(569.55)	(34.15)
Carrying amounts at the end of the year	699.40	906.27	848.16

For the year ended March 31, 2018

	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 51

iii) Other contingencies

Other contingencies relating to day to day business activities.

Note 49 : Earnings per share

	As at March 31, 2019	As at March 31, 2018
Profit attributable to owners of the Company	13,198.87	7,869.77
Weighted average number of equity shares	20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	INR 6.56	3.91
Nominal value of an equity share	INR 10.00	10.00

Note 50 : Other Non-current asset in previous year included leasehold land to be acquired for 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 holding company and one of the subsidiary subsidiary suspended all its activities at Singur. During the current year, the the holding company and one of the subsidiary company received a communication from West Bengal Industry Board approving the payment of lease premium paid subject to Company furnishing a letter waiving all other claims. The holding company and one of the subsidiary company accepted this condition and consequently has got a refund in April 2019. Accordingly during the current year, the amount has been reclassified to other current assets.

Note 51 : During the year ended March 31, 2013, the group divested its investments in two joint ventures, 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 joint ventures.

Out of above, other income for the year 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 joint ventures.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 52 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2019	As at March 31, 2018
Current		
Financial assets		
<i>First charge</i>		
Factored receivables	22,419.04	-
Cash and cash equivalents	4,895.94	15,144.94
Other receivables	6,470.06	30,079.91
Non-financial assets		
<i>First charge</i>		
Inventories	29,411.15	21,416.29
Total current assets pledged as security	63,196.19	66,641.14
Non-current		
<i>First charge</i>		
Plant and machinery	35,243.17	28,776.22
Land	650.90	824.06
Building	7,053.99	8,569.68
Intangible asset	21,358.35	25,138.95
Other assets	8,253.56	13,308.95
<i>Second charge</i>		
Land	23.55	23.55
Building	1,152.16	1,183.56
Total non-currents assets pledged as security	73,735.68	77,824.98
Total assets pledged as security	1,36,931.87	1,44,466.12

Note 53 : Exceptional items

During the year the Group has recognized a net income of INR 11,106.99 lakhs as exceptional items in the consolidated financial statements. The net exceptional item is on account of gain of INR 12,732.25 lakhs related to remeasurements of fair value of the Group's existing 51% interest in Tata Toyo Radiator Limited (now consolidated as a subsidiary) and as explained in Note 44(b) reduced by loss of INR 1,625.26 lakhs on account of restructuring plan at Group's material subsidiary viz. Ryphez Holding (Sweden) AB in respect of expenditure related to closure of one office and reduction of production personnel.

Note 54 : Other notes

Mr. Prashant Mahindrakar resigned as a Manager designated as Chief Executive Officer of the subsidiary company - ASAL with effect from close of working hours of August 5, 2018. The approval of Members in terms of Companies Act, 2013 has been obtained at the 27th Annual General Meeting held on July 28, 2017.

Mr. Neeraj Shrivastava is appointed as Manager designated as Chief Executive Officer of the subsidiary company - ASAL w.e.f. August 6, 2018. The approval of Members in terms of Companies Act, 2013 for his appointment and remuneration would be obtained at the 29th Annual General Meeting proposed to be held on July 1, 2019.

Mr. Ajay Tandon resigned as Managing Director and CEO of the holding company with effect from close of working hours of September 5, 2018.

Mr. Arvind Goel is appointed as Managing Director and CEO of the holding company w.e.f. September 6, 2018 which has been approved by the shareholders in the 22nd Annual General Meeting (AGM) held on July 26, 2018. Further the managerial remuneration payable to Mr. Arvind Goel has been approved by the Nominations and Remuneration Committee ("NRC") and the shareholders in the AGM held on July 26, 2018.

Subsequent changes in the managerial remuneration of Mr. Arvind Goel would be obtained at the 23rd Annual General Meeting proposed to be held on July 02, 2019.

Note 55: The disclosures regarding details of specified bank notes held and transacted during 8 November 2016 to 30 December 2016 has not been made in these financial statements since the requirement does not pertain to financial year ended 31 March 2019.





Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
(All figures in INR Lakhs, unless otherwise stated)

Note 56: 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.

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

sd/-
Swapnil Dakshindas
Partner
Membership No. 113896

Place: Pune
Date: April 30, 2019

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

sd/-
Praveen Kadle
Chairman
(DIN 00016814)

sd/-
Arvind Goel
Managing Director and CEO
(DIN 02300813)

sd/-
Ashish Boradkar
Company Secretary

sd/-
Hari Mundra
Director
(DIN 00287029)

sd/-
Deepak Rastogi
Chief Financial Officer

Place: Pune
Date: April 30, 2019