



25th Annual Report 2020-21

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



NOTICE

NOTICE IS HEREBY GIVEN THAT THE TWENTY FIFTH ANNUAL GENERAL MEETING OF TATA AUTOCOMP SYSTEMS LIMITED WILL BE HELD ON TUESDAY, JUNE 08, 2021, AT 12 NOON THROUGH VIDEO CONFERENCING (“VC”) / OTHER AUDIO VISUAL MEANS (“OAVM”) AT DEEMED VENUE 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 AT A SHORTER NOTICE:

ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone Financial Statements of the Company for the year ended March 31, 2021 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, 2021 together with Report of the Auditors thereon.
3. To appoint a Director in place of Mr. Arvind Goel (DIN- 02300813) who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS

4. **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 2021-22.**

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 2021-22 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.”

5. **Payment of Performance Incentive and Remuneration for the Financial Year 2020-21 to Mr. Arvind Goel, MD & CEO.**

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



RESOLVED THAT pursuant to the provisions of, Section 196, 197, 203 and any other applicable provisions of the Companies Act, 2013 and the rules made thereunder, (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, consent of the members of the Company be and is hereby accorded for Total Remuneration of [REDACTED]

including salary, bonus, perquisites, allowances, retiral benefits and Performance incentive etc. and subject to deduction of tax at source, to be paid/payable to Mr. Arvind Goel, Managing Director and Chief Executive Officer, for Financial year 2020-21, in excess of limits provided under Section 197 read with Schedule V of the Companies Act, 2013

RESOLVED FURTHER THAT notwithstanding anything to the contrary contained herein, where in any financial year during the currency of the tenure of Mr. Arvind Goel, Managing Director and Chief Executive Officer, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of salary, bonus, perquisites, Performance Incentives and allowances, retiral benefits as may be approved by the Board of Directors.

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.”

6. Commission to Non-Executive Directors of the Company

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 Sections 197, other applicable provisions, if any of the Companies Act, 2013 (the 'Act') read with Rules made there under and subject to other applicable laws or approvals, as may be required, a sum not exceeding 1% per annum of net profits of the Company for that financial year, computed in accordance with the provisions of Sections 198 of the Act, be paid to and distributed as remuneration by way of Commission for each financial year or part thereof, among the Non- Executive Directors of the Company, in such amounts or proportion and in such manner and in all respects as may be decided by the Board of Directors of the Company."



RESOLVED FURTHER THAT the above remuneration shall be in addition to the sitting fees payable to the Director(s) for attending the Meetings of the Board or any Committee thereof or for any other purpose whatsoever as may be decided by the Board of Directors and reimbursement of expenses for participation in the Board and other meetings."

By order of the Board
For Tata AutoComp Systems Limited

Ashish Boradkar
Company Secretary
(M. No.: A15036)

Date : May 05, 2021
Place : PUNE



Notes :

- (a) In view of the global outbreak of the COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its General Circular No. 20/2020 dated May 5, 2020 and General Circular No. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of Annual General Meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” read with General Circular No. 14/ 2020 dated April 8, 2020 and the General Circular No. 17/ 2020 dated April 13, 2020 in relation to “Clarification on passing of Ordinary and Special Resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by COVID-19” (collectively referred to as “MCA Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 (“Act”), and MCA Circulars, the AGM of the Company is being held through VC / OAVM on Tuesday, June 08, 2021 at 12 Noon. (IST). The deemed venue for the 25th AGM will be TACO House, Plot No- 20/B FPN085, V.G. Damle Path, Off Law College Road, Erandwane, Pune: 411004, Maharashtra, India
- (b) The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the business as set out above is annexed hereto.
- (c) PURSUANT TO THE PROVISIONS OF THE ACT, A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON HIS/HER BEHALF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. SINCE THIS AGM IS BEING HELD PURSUANT TO THE MCA CIRCULARS THROUGH VC OR OAVM, THE REQUIREMENT OF PHYSICAL ATTENDANCE OF MEMBERS HAS BEEN DISPENSED WITH. ACCORDINGLY, IN TERMS OF THE MCA CIRCULARS, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THIS AGM AND HENCE THE PROXY FORM, ATTENDANCE SLIP AND ROUTE MAP OF AGM ARE NOT ANNEXED TO THIS NOTICE.
- (d) Corporate members intending to appoint 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.
- (e) Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to the Company.
- (f) Members desirous of receiving any information on Accounts or other items of Notice are requested to forward their queries to the Company so as to enable the management to keep the information ready.
- (g) Electronic copy of the relevant documents referred to in the AGM Notice and Explanatory Statement will be made available through email for inspection by Members, if so desired. Electronic copies of necessary statutory registers and auditors report/certificates will be available for inspection by the members at the time of AGM.
- (h) Members who wish to inspect the relevant documents referred above and in the Notice can send an email to Ashish.Boradkar@tataautocomp.com up to date of this AGM.
- (i) The attendance of the Members attending the AGM through VC/OAVM will be counted for reckoning the quorum under Section 103 of the Act.
- (j) As per the provisions of Clause 3.A.III. of the General Circular No. 20/ 2020 dated May 5, 2020, the matters of Special Business as appearing at Item Nos. 4 to 6 of the accompanying Notice, is considered to be unavoidable by the Board and hence, forming part of this Notice.
- (k) The Members can join the AGM in the VC/OAVM mode 15 minutes before and 15 minutes after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice.



- (l) Members may attend the AGM, by following the invitation link sent to their registered email ID. Members will be able to locate JOIN MEETING tab. By Clicking on JOIN MEETING, they will be redirected to Meeting Room via browser or by running Temporary Application. In order to join the Meeting, provide the required details, and Join the Meeting. Members are encouraged to join the Meeting through Laptops/desktops for better experience.
- (m) Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
- (n) The helpline number for joining the Meeting through Electronic Mode will be provided in the Meeting Invitation, which will be sent to the eligible applicants.
- (o) In line with the MCA Circular dated May 5, 2020, the Notice of the AGM along with the Annual Report of 2020-21 is being sent only through electronic mode to those Members whose email addresses are registered with the Company. The Notice convening the 25th AGM has been uploaded on the website of the Company at www.tataautocomp.com



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. 3

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

Profile of Mr. Arvind Goel

Mr. Arvind Goel is the MD & CEO of Tata AutoComp Systems Limited (Tata AutoComp), a leading global auto component manufacturer & services supplier. With his passion for automotive technology he has been serving the automotive industry for nearly 4 decades.

He joined Tata AutoComp as President in 2008 to head a group of business units within Tata AutoComp and was elevated to the position of MD & CEO in 2018. During his tenure he headed several important portfolios including Technology, Operations, and Strategic Growth, where he was also responsible for Mergers and Acquisitions.

Under his leadership Tata Autocomp entered into 6 new Joint Ventures, 2 Technological Agreements, and acquired TitanX, a global leader in Engine and Powertrain cooling systems based in Sweden. Acquiring TitanX helped Tata Autocomp in boosting their global footprints beyond China. Keeping the current megatrends in mind, Mr. Goel ensured future readiness by realigning the focus on Electric Vehicles components. With his relentless efforts Tata AutoComp today offers solutions in the entire value chain of Electric Vehicles and for all segments ranging from Two Wheelers to Buses.

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 successfully 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 headed several business units.

Mr. Goel has been an active member of various industry bodies and currently serves on the Executive Committees of Automotive Components Manufacturers Association (ACMA) and Maratha Chamber of Commerce, Industries and Agriculture (MCCIA), Elected Member of CII Western Regional Council and immediate Past Chairman of CII Maharashtra State Council He has also served as President of Rotary International where he actively worked towards community service aiming at poverty alleviation.

Mr. Goel holds a BE degree in Mechanical Engineering from NIT Kurukshetra. He has undergone several advance leadership and management programs from institutes like Harvard, NYU Stern and Center for Creative leadership at Singapore.

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



The Board recommends the resolution set forth in Item No. 3 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 4

The Board of Directors at their meeting held on May 05, 2021, 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 2021-22 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. 4 of the notice for ratification of the remuneration payable to the Cost Auditors for the financial year 2021-22.

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

Item No. 5

The Members had earlier passed the special resolution at the Extra Ordinary General Meeting (EGM) held on September 20, 2019, approving the terms of remuneration payable to Mr. Arvind Goel, as Managing Director and Chief Executive Officer of the Company. It is informed that as per the said Member's approval, Mr. Arvind Goel is entitled, to Performance Incentive as recommended by NRC and approved by Board from time to time. Since the Company has inadequate profits for the financial year 2020-21 the payment of said performance incentive together with remuneration already paid for FY 2020-21 is in excess of the limits specified in the Section 197 read with Schedule V to the Companies Act, 2013 and a special resolution is required to be passed by the Members in terms of Section II of Part II of Schedule V of the Companies Act, 2013.

Accordingly, the resolution at Item No. 5 above is placed for the approval of members as a special resolution. Pursuant to the provisions of Clause A of Section II of Part II of the Schedule V of Companies Act, 2013, a statement containing General Information, information about Mr. Arvind Goel, certain disclosures and other relevant information is enclosed as Annexure to this Explanatory Statement.

None of the Directors of the Company and Key Managerial personnel and the relatives of Directors or Key Managerial Personnel, except for Mr. Arvind Goel, is concerned or interested in the said resolution.



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

Item No 6

The Members/Shareholders of the Company in their Annual General Meeting held on September 23, 2015 had approved by way of special resolution payment of Commission not exceeding 1 % of the net profit of the Company to the Non- Executive Directors of the Company for the period of five financial years with effect from April 01, 2015. It is now proposed to continue paying Commission to Non - Executive Directors of the Company considering their professional expertise, rich and wide experience, significant contribution made and valuable guidance provided, upto 1 % of the net profit of the Company, in aggregate, in any Financial Year.

The aggregate amount of Commission to be paid to Non - Executive Directors, as may be decided by the Board of Directors, shall not exceed 1 % of net profits of the Company for that financial year as computed under Section 198 of the Companies Act, 2013. The Commission shall be in addition to the sitting fees payable to the Director(s) for attending the Meetings of the Board or any Committee thereof and reimbursement of expenses for participation in the Board and other meetings.

Section 197 of the Companies Act, 2013 requires approval of members of the Company in General meeting for payment of Commission to the Directors.

The Managing Director & CEO and Key Managerial Personnel of the Company or their relatives are not concerned or interested financially or otherwise in the resolution set out at item No. 6, Non-Executive Directors are concerned or interested in the resolution to the extent of remuneration by way of commission that may be received by them.

The Board of Directors recommends the special resolution for your approval.

By order of the Board
For Tata AutoComp Systems Limited

Ashish Boradkar
Company Secretary
(M. No.: A15036)

Place: Pune
Date: May 05, 2021



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. Arvind Hari Goel
Date of Birth and Age	October 13, 1957 – 63 Years
Date of first appointment	May 25, 2018
Qualifications	BE Mechanical from NIT Kurukshetra
Expertise in specific functional areas	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.
Terms and conditions of appointment/re-appointment	Refer Item No.3 & 5 of the Notice
Details of remuneration last drawn and sought to be paid, if applicable	Refer Item No.3 & 5 of the Notice
No. of Board Meetings attended during the FY 2020-21	5
Relationships between Directors inter-se	None
List of Companies in which Directorships held as on March 31, 2021.	<ol style="list-style-type: none"> 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 6. Tata Ficosa Automotive Systems Private Limited 7. Tata AutoComp Katcon Exhaust Systems Private Limited 8. Air International TTR Thermal Systems Private Limited 9. Ryhpez Holding (Sweden) AB 10. TitanX Holding AB 11. TitanX Engine Cooling AB 12. TitanX Engine Cooling AB Inc. 13. Nanjing Tata AutoComp Systems Limited (China) 14. Tata AutoComp SECO Powertrain Pvt Ltd 15. Tata AutoComp Gotion Green Energy Solutions Pvt. Ltd. 16. Mahratta Chamber of commerce Industries and agriculture
Chairmanship / Membership of specified Committees* of the Boards of above	Audit Committee: <ul style="list-style-type: none"> • TM Automotive Seating Systems Private Limited – Chairman • Tata Ficosa Automotive Systems Private Limited-



Companies as on March 31, 2021.	Member 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- Chairman• Automotive Stampings And Assemblies Limited- Member• Tata Toyo Radiator Limited - Member
No. of shares held in the Company: (a) Own (b) For other persons on a beneficial basis	Nil



ANNEXURE – I TO THE EXPLANATORY STATEMENT

STATEMENT IN TERMS PURSUANT TO COMPANIES ACT, 2013

I. GENERAL INFORMATION

(1) Nature of Industry

Automobile Components

(2) Date or expected date of commencement of commercial production

The Company commenced its operations in October 1995.

(3) Financial performance based on given indicators

The audited financial results for the year ended March 31, 2021 are given below:

in lakhs

	Standalone results
Particulars	Period ended March 31, 2021
Income:	
- From Operations	1,35,358.93
- Other Income	2,748.75
Total income	1,38,107.68
Expenditure	1,29,093.05
Profit (Loss) before exceptional items and tax	9,014.63
Exceptional items (income)	-
Profit (Loss) before tax	9,014.63
Current tax	2,503.16
Deferred tax	(198.12)
Prior period Tax Expenses / (Income)	-
Profit (Loss) after tax	6,709.59

(4) Foreign investment or collaborators, if any

During the year 2020-21, the Company made the following foreign investments/ collaboration:

- A Shareholder’s Agreement was signed between the Company, Prestolite Electric (India) Private Limited and Prestolite Electric (Beijing) Limited.



II. INFORMATION ABOUT MR. ARVIND GOEL

1. Background details -

Mr. Arvind Goel is the MD & CEO of Tata AutoComp Systems Limited (Tata AutoComp), a leading global auto component manufacturer & services supplier. With his passion for automotive technology he has been serving the automotive industry for nearly 4 decades.

He joined Tata AutoComp as President in 2008 to head a group of business units within Tata AutoComp and was elevated to the position of MD & CEO in 2018. During his tenure he headed several important portfolios including Technology, Operations, and Strategic Growth, where he was also responsible for Mergers and Acquisitions.

Under his leadership Tata Autocomp entered into 6 new Joint Ventures, 2 Technological Agreements, and acquired TitanX, a global leader in Engine and Powertrain cooling systems based in Sweden. Acquiring TitanX helped Tata Autocomp in boosting their global footprints beyond China. Keeping the current megatrends in mind, Mr. Goel ensured future readiness by realigning the focus on Electric Vehicles components. With his relentless efforts Tata AutoComp today offers solutions in the entire value chain of Electric Vehicles and for all segments ranging from Two Wheelers to Buses.

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 successfully 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 headed several business units.

Mr. Goel has been an active member of various industry bodies and currently serves on the Executive Committees of Automotive Components Manufacturers Association (ACMA) and Maratha Chamber of Commerce, Industries and Agriculture (MCCIA), Elected Member of CII Western Regional Council and immediate Past Chairman of CII Maharashtra State Council He has also served as President of Rotary International where he actively worked towards community service aiming at poverty alleviation.

Mr. Goel holds a BE degree in Mechanical Engineering from NIT Kurukshetra. He has undergone several advance leadership and management programs from institutes like Harvard, NYU Stern and Center for Creative leadership at Singapore.

2. Past Remuneration-

Mr. Arvind Goel is working with TACO Group since 2008. The remuneration drawn by Mr. Goel during last financial year is given below:



Year	Total (Rs.)
Annualized Salary for 2019-20	██████████

3. Job profile and suitability:

Mr. Arvind Goel has been appointed as Managing Director & Chief Executive Officer on, September 06, 2018.

Mr. Arvind Goel has substantial powers of management and is responsible for overall management of the Company, subject to the supervision and control of the Board of Directors. He is also responsible to perform such other duties as may from time to time be entrusted by the Board. Taking into consideration the qualifications and expertise, he is best suited for the responsibilities assigned to him by the Board of Directors.

4. Remuneration paid/payable to Mr. Arvind Goel:

The remuneration paid/proposed to be paid to Mr. Arvind Goel is as follows –

Particulars	Remuneration (In Rs.)
Remuneration for FY 2020-21	██████████

The above includes allowance and perquisite, retiral (provident fund, gratuity, superannuation & leave encashment) and other benefits approved at the time of his appointment.

5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person –

Taking into consideration the size of the Company, the profile of Mr. Arvind Goel, the responsibilities assigned to him, his experience in the organization and the industry benchmarks, the aforesaid remuneration is commensurate with the remuneration package paid to similar senior level appointees in other companies.

6. Pecuniary relationship directly or indirectly with the Company or relationship with the managerial personnel, if any-

Besides the remuneration proposed, Mr. Arvind Goel does not have any other pecuniary relationship with the Company and its managerial personnel.

III. OTHER INFORMATION

1. Reasons for inadequate profits:

The profitability has been impacted because of economic scenario due to Covid-19 lockdown.



2. Steps taken or proposed to be taken for improvement:

To cope with the falling volumes, the group has launched various improvement initiatives to enhance efficiencies, cost optimization and drive operational excellence. The benefits from this initiative have helped in minimizing the adverse impact of external challenges on company's margin. The benefits of this initiative will be sustained and will have a positive impact going forward.

The Company has also focused on improvement of its operations, in particular to-

- Strong focus on cost optimization and profitability improvement;
- Generation of free cash flows by reducing cost and optimizing capex
- Diversification of product portfolio and customers
- Bringing operational efficiency in line with industry benchmarks; and
- Strengthening Program Management.

3. Expected increase in productivity and profits in measurable terms:

The above measures undertaken are expected to yield positive results in the coming years, while it is difficult to give precise figures, the above initiatives are expected to improve the financial performance of the Company.

By order of the Board
For Tata AutoComp Systems Limited

Ashish Boradkar
Company Secretary
(M. No.: A15036)



DIRECTORS' REPORT

To
The Members,

Your Directors are pleased to present the Twenty Fifth 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, 2021. The key highlights for the year ended March 31, 2021 are as under:

1. Financial Results:

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

<i>Rs. in Crs</i>				
	Standalone		Consolidated	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Financial results				
Revenue from contracts with customers	1,353.59	951.52	4,177.27	3,751.18
Other Income	27.49	54.65	38.09	56.14
Total Income	1,381.08	1,006.17	4,215.36	3,807.32
Total Expenditure	1,290.93	947.18	4,263.77	3,839.53
Profit / (loss) before tax	90.15	58.99	(48.41)	(32.21)
Share of net profit of joint venture accounted (net)	-	-	8.99	19.73
Loss before exceptional items and tax	90.15	58.99	(39.42)	(12.49)
Exceptional items	-	-	-	24.79
(Loss) / Profit before income tax	90.15	58.99	(39.42)	12.30
Tax expenses (net)	23.05	11.98	7.16	(24.05)
(Loss) / Profit for the year	67.10	47.01	(46.58)	36.35
Attributable to:				
Shareholders of the company	-	-	(28.30)	102.78
Non controlling interest	-	-	(18.28)	(66.43)
Other comprehensive (loss) / income	(1.82)	(2.29)	8.19	(13.56)
Total comprehensive income / (loss)	65.27	44.72	(38.40)	22.79
Attributable to:				
Shareholders of the company	-	-	(19.93)	89.71
Non controlling interest	-	-	(18.46)	(66.92)

2. Performance Overview:

The Consolidated income for FY 2020-21 is Rs. 4215.36 Cr (FY 2019-20 Rs. 3807.32 Cr) with a loss attributable to owners of the Company is Rs 28.30 Cr (FY 2019-20 profit attributable to owners Rs. 102.78 Cr). The similar figures for Standalone basis are Rs.1381.08 Cr (FY 2019-20 Rs. 1006.17 Cr) with PAT of Rs. 67.10 Cr (FY 2019-20 Rs. 47.01 Cr).

The Company's sales are higher as compared to last year. The profit attributable to owners of the Company has gone down from Rs. 102.78 Cr to loss of Rs. 28.31 Cr mainly due to exceptional gains included last year amounting to Rs. 39.84 Crs (THSL consolidation and TTR impairment (net gain Rs 18.84 Crs) and gain for ASAL land sale Rs 21.00 Crs). Additionally there is an increase in Loss in FY 2020-21 in Titan X amounting to Rs 52.00 Crs, ASAL Rs. 9.51 Crs, TTR Rs.10.24 Crs.

3. Standalone Financial Performance

During the year under review, your Company earned a total income of Rs. 1381.08 Cr for the year ended March 31, 2021, as against Rs. 1006.17 Cr for the previous year ended March 31, 2020, increase of 37.26%. The profit after tax (PAT) for the year under review has been Rs. 67.10 Cr as against Rs. 47.01 Cr during the previous year (increase of 42.74%). The profit is higher due to increase in sales.



4. **Consolidated Financial Performance**

During the year under review, your Company and subsidiaries (the Group) earned a total consolidated income of Rs. 4215.36 Cr for the year ended March 31, 2021 as against Rs. 3807.32 Cr for the previous year ended March 31, 2020, increase of 10.73%. The loss attributable to owners of the Company for the year under review has been Rs. 28.30 Cr, as against profit of Rs. 102.78 Cr during the previous year.

5. **Aggregate Financials**

The aggregate sales of the Company are Rs. 5476.36 Cr for FY 2020-21 as compared to Rs. 5055.71 Cr for FY 2019-20 (increase of 8.32%%). The aggregate loss of the Company is Rs. 24.27 Cr for FY 2020-21 as compared to Rs. 36.02 Cr for FY 2019-20.

6. **Industry structure and development**

The COVID 19 Pandemic affected the global economy in FY2020-21. The Auto Industry was affected by this pandemic and witnessed a negative growth of 14.04 per cent. The Passenger Vehicle segment, which includes passenger cars, vans and utility vehicles, registered a negative growth of 10.58 per cent. Within this segment, while the Utility vehicle market grew at 4.04 per cent the Van segment and the Passenger Car segment recorded a negative growth of 18.50 per cent and 17.80 per cent respectively. The Commercial Vehicle segment also registered a negative growth of 17.42 per cent. Within the CV segment, the M&HCV segment registered a negative growth of 22.02 per cent and LCV segment registered a negative growth of 15.38 per cent. The Two wheeler segment registered a negative growth of 12.76% and three wheeler segments registered a negative growth of 46.06 per cent also.

The chart given below shows the production of various categories of vehicles during FY2020-21 vis-à-vis FY2019-20.

Segment	FY2019-20	FY2020-21	% Growth
Passenger cars	21,56,868	17,72,972	-17.80
Utility vehicles	11,36,209	11,82,085	4.04
Vans	1,31,487	1,07,164	-18.50
Passenger Vehicles	34,24,564	30,62,221	-10.58
M&HCVs	2,32,414	1,81,242	-22.02
LCV	5,24,311	4,43,697	-15.38
Commercial vehicles	7,56,725	6,24,939	-17.42
Three Wheelers	11,32,982	6,11,171	-46.06
Two wheelers	2,10,32,927	1,83,49,941	-12.76



Quadricycle	6,095	3,836	-37.06
Total of All Categories	2,63,53,293	2,26,52,108	-14.04

Source SIAM report

7. Information on Joint Venture and subsidiaries:

A. During the year under review Taco Holdings (Mauritius) Limited was merged with Tata AutoComp Systems Limited.

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. In your company, Safety of all employees and stake holders is a first priority. We continuously monitor safety performance across all business units to ensure safe & healthy working environment. There is a continued focus on capturing of "Potential Near Miss Incidences" and tracking of first aid incidents. There are 4 reportable accidents and 1 fatality happened during the year. Safety is rated as highest engagement driver amongst the 18 parameters assessed in Employee Engagement survey consecutively for last two years.

Your Company has initiated a process of implementation of the British Safety Council (BSC) Standards at all plants of the Business Units. All 39 plants and 02 offices have achieved BSC Five Star Rating through internal audits.

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 all 37 plants have received ISO 14001 and 45001 certification. Your company has celebrated Environment Day and Safety Week across all locations.

Your Company has adopted Sustainability Policy of the Tata Group. We have identified 13 sustainability issues and mapped into Focus, Track and Review priorities. We have tracked all 13 key sustainability issues and their KPIs for the year 2020-21 for all business units. We have also engaged top 5% suppliers (45 Nos.) in sustainable supply chain initiative. Your company has participated in Tata Sustainability Month activities. One of our employees won Photo competition organized by Tata sustainability group.

Your Company has brought focus on Health Wellness Initiative across all business units and approximately 3194 employees have been covered so far. Out of 522 employees identified for critical ailment, 412 employees have shown improvements in their health during the year. There is positive improvement in health index year on year.



COVID 19

Your company had taken number of initiatives to protect the health of our employees and employees engaged during this period.

There were 108 Covid-19 Positive employees reported during FY 2020-21 in the Company. All employees have recovered.

1. Policies/Engagement:

Your company has taken Policy/engagement various initiatives which are enumerated below:

- **Work from Home:**
 - Your company has issued Work from Home policy to ensure employees stay home and stay safe and to help in arresting the pandemic
- **We Care for YOU focus on Wellbeing and Engagement :**
 - Daily Con-call to check wellbeing of employees
 - Drawing, Essay, Video etc. competitions for employees and their family and their children
- **Daily Work Management focus on Business continuity:**
 - Daily review by BU Head, Functional Head, Plant Heads and the respective teams on EBITDA Projects, Initiatives, TQM and other business-related points
- **Learn from Home focus on Skill enhancement & Time utilization:**
 - E-learning platforms provided to the employees like TBLDC online module, Coursera, Tata Edge, ACMA, CII etc. Online training through Internal Trainers e.g. 5S, Six Sigma, safety
 - Close to 2000 employees across BU's participated in more than 200 diverse learning sessions resulted into more than 30k training hours
- **On Line suggestions focus on Engagement & Cost saving:**
 - Online suggestion / Kaizen scheme launched in business units. Online suggestions were received through WhatsApp, SMS and e mail.
 - **863** employees across groups had given **919** suggestions

2. Continuous precautions at all plants:

While re-opening, your company followed SOPs strictly to ensure safety of your employees.

- Compulsory thermal screening thrice a day
- Issued reusable mask and compulsory usage of same
- Social distancing – in bus, working place, canteen, toilets
- Hand washing/sanitizer availability at prominent locations
- Daily disinfection/decontamination of plant
- No visitors & No physical meetings
- Food and water bottle from home
- Formation of Corona Commandos team at each plant.



3. Medical consultation and Vaccination:

- All employees can consult Company Medical Doctor, if feeling unwell. The medical consultation is available 24X7 on phone / WhatsApp.
- Your company is also encouraging employees for compulsory vaccination and the data is tracked on daily basis. **Currently 84% employees (Above 45 yrs of age) are vaccinated.**

CSR at Tata AutoComp Systems in FY'20-21

I) **Focus on COVID related support** to community through following interventions

a) **Digitization support for education** – Digital devices, training to Teachers and online sessions for students

II) **Long Term Project undertaken for support to Key Communities** – eg. Khed Taluka

a) WASH (Water, Sanitation & Hygiene Management) & MHM (Menstrual Hygiene Management) in 20 schools and 12 villages

b) Girls Scholarship Program for High School Education

III) **Involvement of Volunteers** –

a) Launch of Tata AutoComp Change Makers – common volunteer's groups across all Business Units

b) Women Leaders/ Mangers driving key Projects – WASH & MHM and Girls Scholarship Program with Phone Sakhi initiative

IV) **FY'20-21 CSR Summary: 12** Key long Term initiatives, **106** Digital + Physical initiatives, **5000+** volunteering Hours, **20000+** Beneficiaries Reached, Key projects driven by Women Leaders

9. Dividend:

Based on the Company's performance, the Directors decided not to recommend any dividend on the equity shares of the Company for the year ended March 31, 2021 (previous year – No Dividend was recommended in previous year).

10. Share Capital:

The paid up Equity Share Capital as on 31st March, 2021 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, 2021, 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. 25.00 Crs from Debenture Redemption Reserve to General Reserve as the debentures are redeemed.

12. Industrial Relations:

Your Company accords high importance to build and sustain healthy industrial relations with an 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.

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 1700 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 is having 12% affirmative action employees and 9% gender diversity (female employees).

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.

DIGITAL LEARNING UPDATES FY 2020-21

- We at Tata AutoComp **adopted 100% digital learning** & centrally transformed all key learning's into Digital which enabled individual to develop their functional & behavioral competencies across locations. **Associated with Tata Tomorrow University, Tata Steel, ACMA, CII, MCCIA, ARAI** to provide learning opportunities in operational excellence, customer centricity, business excellence and functional based learning's. **As on today completed 7000+ learning hours which includes 200+ learning sessions & 300 webinars.**



- Tata Tomorrow University in partnership with Coursera had launched a learning opportunity “Coursera for Employee Resilience”. This was a special learning opportunity for Tata AutoComp Employees & TTU has recognised the Company as “**Champions**” for active participation in this program. In 90 days of duration Tata Autocomp has achieved **highest enrolment** and **highest course completion** in the whole Tata Group. Also won **Man of the learning** under this program. **Successfully trained 1500+ employees from top universities at zero training cost.**
- **On boarding & induction process** - Transformed induction & on boarding process digitally & as on **50+ new joinees inducted**. The key topics covered were Tata Group, Tata AutoComp, VMV, HR processes & polices, Safety, TBEM, Ethics & CSR. This program is being conducted quarterly.

13. Performance of Companies that are Consolidated:

The Consolidated Financial Statements of the Company 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 these companies and related detailed information will be kept at the Registered Office of the Company, as also at the registered offices of the respective companies and will be available to investors seeking information at any time.

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

- Automotive Stampings and Assemblies Ltd.
- Nanjing Tata AutoComp Systems Ltd.
- Ryhpez Holding (Sweden) AB
- TACO Engineering Services GmbH
- Tata Toyo Radiator Limited *
- Tata AutoComp Hendrickson Suspensions Private Limited (w.e.f. 1st January 2020) *

(* Tata Toyo Radiator Limited and Tata AutoComp Hendrickson Suspensions Private Limited are joint ventures, however they are getting consolidated for reporting purpose)

Performance of Companies which are consolidated

- (a) **Automotive Stampings and Assemblies Ltd**- Revenue from Operations is Rs. 339.13 Cr. (FY 2019-20 Rs. 362.40 Cr.) and Profit after Taxes Rs. (-) 29.70 Cr. (FY 2019-20 (-) 17.01Cr.)
- (b) **Nanjing Tata AutoComp Systems Ltd**- Revenue from Operations is Rs.319.88 Cr. (FY 2019-20 Rs. 302.49 Cr.) and profit after tax is Rs. 11.40 Cr. (FY 2019-20 Rs. 13.83 Cr.)
- (c) **Ryhpez Holding (Sweden) AB** - Revenue from Operations is Rs. 1493.13 Cr. (FY 2019-20 Rs. 1613.11 Cr.) and profit after tax is (-) Rs. 76.77 Cr. (FY 2019-20 (-) 24.77 Cr.)



- (d) **TACO Engineering Services GmbH** - Revenue from Operations is Rs. 1.79 Cr. (FY 2019-20 Rs. 1.62 Cr) and profit after tax (-) Rs. 0.37 Cr. (FY 2019-20 Rs. 0.15 Cr.)
- (e) **Tata Toyo Radiator Ltd** - Revenue from Operations is Rs. 579.18 Cr (FY 2019-20 559.91) and Profit after Tax is Cr. (-) Rs. 35.39 Cr (FY 2019-20 Rs. (-) Rs.15.32 Cr).
- (f) **Tata AutoComp Hendrickson Suspensions Private Limited** - Revenue from Operations is Rs. 161.77 Cr (FY 2019-20 Rs. 32.02 Cr) and Profit after Tax is Cr. 21.33 Cr (FY 2019-20 0.27 Cr) (THSL consolidation started as per Ind AS w.e.f. 1st January 2020 based on the amendment Rule, JV agreement as per IND-AS requirements)

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. 65.50 Crs to Automotive Stampings and Assemblies Limited.
2. Company has given Loan of Rs. 46.00 Crs to Tata Toyo Radiator Ltd.
3. Company has given Loan of Rs. 4.50 Crs to Tata Autocomp Katcon Exhaust Systems Private Limited.
4. Company has given Loan of Rs. 10.00 Crs to Tata Ficosa Automotive Systems Private Limited.
5. Company has invested Rs. 15.00 Crs in share capital Tata Autocomp GY Batteries Private Limited.
6. Company has invested Rs. 11.00 Crs as share application money in Prestolite Electric India Private Ltd.

15. Related Party Transactions:

During the year 2020-21, 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, were listed on National Stock Exchange [ISIN INE928F08026] which were due for redemption on May 20, 2020. The same were redeemed on the due date.

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) Ms. Rati Forbes

All independent Directors have complied with the requirement of inclusion of their name in the data bank maintained by Indian Institute of Corporate Affairs as envisaged under Companies (Appointment and Qualification of Directors) Fifth Amendment Rules, 2019, as applicable.

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 No observations/qualifications/reservations made by M/s. Prajot Tungare & Associates, Company Secretary in Practice, in their audit report annexed as Annexure 2.



Material changes and commitments:

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

19. Corporate Social Responsibility (CSR):

1. Brief outline of the Company's CSR policy:

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:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Ms. Rati Forbes (Chairperson)	Independent Director	1	1
2	Mr. Milind Shahane	Non-Executive Director	1	1
3	Mr. Arvind Goel	MD & CEO	1	1

3. The web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

The said details are provided on <https://tataautocomp.com/csr/>

4. The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

Not Applicable

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:

Not Applicable

Sl. No.	Financial Year	Amount available for set-off from preceding financial years	Amount required to be set-off for the financial year, if any
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		(in Rs)	(in Rs)
	Total	Nil	Nil

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

(Rs in lakhs)

Financial Year	Net Profit*
FY 2017-18	9000.78
FY 2018-19	9738.39
FY 2019-20	5071.49
Average Net Profit	7936.83

**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.*

7. (a) Two percent of average net profit of the company as per section 135(5)

The prescribed CSR expenditure for FY 2020-21 was Rs.158.74 lakhs.

(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

(c) Amount required to be set off for the financial year, if any : Nil

(d) Total CSR obligation for the financial year (7a+7b-7c): Rs. 158.74 lakhs

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
FY'20-21	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
126.91	31.83	13.04.2021	Nil	Nil	Nil



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

(1) Sl. No.	(2) Name of the Project.	(3) Item from the list of activities in Schedule VII to the Act.	(4) Local area (Yes/No).	(5) Location of the project.		(6) Project duration. (Years)	(7) Amount allocated for the project (in Rs.Lakh).	(8) Amount spent in the current financial Year (in Rs. Lakh).	(9) Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs. Lakh).	(10) Mode of Implementation - Direct (Yes/No).	(11) Mode of Implementation - Through Implementing Agency	
				State	District.						Name	CSR Registration number.
1.	Scholarship for High School Girls in Khed Taluka (Pune)	II. Promoting Education	Yes	Maharashtra ,	Pune	3	8.00	4.00	4.00	No	YOJAK	In Process
2.	Engineering Education Sponsorship of 13 girl students (Pune)	II. Promoting Education	Yes	Maharashtra ,	Pune	3	14.00	7.09	7.00	No	Lila Poonawalla Foudnation and Urban Rural Management Empower Establishment	CSR0000009
3.	Food for children at Punarutthan	I.Eradicating Hunger	Yes	Maharashtra ,	Pune	3	15.00	4.41	10.50	Yes	NA	NA



	Sama rsata m Guru kula m Orpha nage (Pune) & Saras wati Anath Shiks han Ashra m (SAS A) (Pune)										
4.	Person ality devel opme nt & Engli sh speak ing of 40 stude nts	Il.Prom oting Educati on	Yes	Maharas htra , Pune	3	3.00	1.50	1.50	Yes	NA	NA
5.	Youth Holist ic Devel opme nt Supp ort from schoo ls in Pune	Il. Prom oting Educati on	Yes	Maharas htra , Pune	3	11.83	3.00	8.83	No	Rotary Club of Khadki, Milleni um Trust	In Process
	Total					51.83	20.00	31.83			

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

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sl.	Name of the	Item from	Local	Location of	Amount	Mode of	Mode of



No.	Project	the list of activities in schedule VII to the Act.	area (Yes/No).	the project.		spent for the project (in Rs. Lakh).	implementation - Direct (Yes/No).	implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	Community Support towards COVID -1) Reviving Livelihood of Marginalized	II. Enhancing Vocational Skills & Livelihood Enhancement Projects	Yes	Maharashtra ,	Pune	13.51	No	Center of Development for Youth Activities	In Process
2.	Community Support towards COVID -2) Center for Homeless	III. reducing inequalities faced by socially & economically backward groups	Yes	Maharashtra ,	Pune	5.00	No	Center of Development for Youth Activities	In Process
3.	Digital Education Support to Schools	II. Promoting Education	Yes	Maharashtra,	Pune	12.40	No	Teach to Lead	In Process
4	WASH & Menstrual Hygiene Management with Tata Trusts	I.Promoting Health care including preventive Health care and Sanitation & making available Safe drinking water	Yes	Maharashtra,	Pune	75.00	No	Tata Education and Development Trust	In Process
5	Balance to be spent on MDs Discretion	II. Promoting Education	Yes	Maharashtra,	Pune	1.00	No	Urban Rural Management Empower Establishment	In Process
	Total					106.91			

(d) Amount spent in Administrative Overheads: NIL

(e) Amount spent on Impact Assessment, if applicable: NIL

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): Rs. 126.91 Lakh

(g) Excess amount for set off, if any: Nil



Sl. No.	Particular	Amount (in Rs. Lakhs)
(i)	Two percent of average net profit of the company as per section 135(5)	Rs. 158.74
(ii)	Total amount spent for the Financial Year	Rs. 126.91
(iii)	Excess amount spent for the financial year [(ii)-(i)]	Nil
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

9. (a) Details of Unspent CSR amount for the preceding three financial years: Not applicable

Sl. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs.)	Date of transfer.	
1.	-	-	-	-	-	-	-
-	Total	-	-	-	-	-	-

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): Not applicable

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sl. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration.	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs.).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
	-	-	-	-	-	-	-	-
	Total	-	-	-	-	-	-	-

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year



Nil

asset-wise details:

- (a) **Date of creation or acquisition of the capital asset(s):** Nil
- (b) **Amount of CSR spent for creation or acquisition of capital asset:** Nil
- (c) **Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc:** Nil
- (d) **Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset):** Nil

11. The reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5).

Tata AutoComp Systems has carried forward an amount of Rs.31.83 Lakh from FY'2020-21 CSR Funds for ongoing project in line with the applicable provisions of Companies Act, 2013 and rules made thereunder. The said ongoing projects are approved by the Board of Directors to be multi - year projects through its circular resolution dated March 19, 2021. Ongoing multiyear projects includes Scholarship for High School Girls, Engineering Education sponsorship for girl students, Support to Orphanages, Personality development & English speaking and Holistic Development of youth from schools in Pune.

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 2020-21
Grammer	NTACO received the Quality Improvement Award in 2019
Tata Motors	Interiors & Plastics Division, Chinchwad Plant received "Certificate of Appreciation"
The Economics Times POLYMERS Awards	Tata AutoComp Systems Ltd (Interiors & Plastics Division) was adjudged as Winner in Automotive-Exteriors (Large Enterprise)
White Page International and UK Asian Business Council	Mr. Arvind Goel wins Business Leader of the Year Award,
White Page International and UK Asian Business Council	Tata AutoComp wins Company of the Year Award
CII	Tata AutoComp-Composites Division wins Diamond and Gold Rating in National 5S Excellence Awards 2020
QCFI, Pune Chapter	Interiors & Plastics Division received award from QCFI, Pune Chapter – Quality Circle Gold
John Deere Dewas	CD Pithampur Plant receives Letter of Appreciation from



	John Deere Dewas for Sustained Quality Performance and Production Ramp up
TBEM	Tata AutoComp received Emerging Industry Leader award at JRD QV Award
ET Now & World Leadership Congress	Tata AutoComp was awarded "Company of the Year"
ET Now & World Leadership Congress	Mr. Arvind Goel has been awarded "Global Indian of the year 20-21"
Amity University	Tata AutoComp was awarded "Amity Corporate Excellence Award " by Amity University

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. 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, 2021.

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 2020-21 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', Corporate Social Responsibility Committee for;

- The review of the performance of all the Directors was also evaluated for FY 2020-21 by the 'Nomination and Remuneration Committee'.
- The performance review of the Non-independent Directors was evaluated for FY 2020-21 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 , Managing Director & CEO of your Company is retiring by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

Number of meetings held:

Five meetings of the Board of Directors were held during the year on July 09, 2020, July 18, 2020, October 12, 2020, February 02, 2021, March 09, 2021.

Details required under schedule V of Companies Act, 2013 are given in Annexure-1 enclosed to this Report.

26. Committees of the Board:

➤ **Audit Committee**

The Board has Audit Committee comprising of Three Directors viz. Mr. Hari Mundra (Chairman), Ms. Rati Forbes 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.

Three meetings of Audit Committee were held during the year on July 09, 2020, October 12, 2020, February 02, 2021.

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 Ms. Rati Forbes (Chairperson), Mr. Praveen Kadle and Mr. Hari Mundra.

During the year, Four meetings of Nomination and Remuneration Committee were held on July 09, 2020, July 18, 2020, March 08, 2021, March 24, 2021.

The terms of reference of NRC includes:

- a) Recommend to the Board the setup and composition of the Board and its Committees. This shall include "Formulation of the criteria for determining qualifications, positive attributes and independence of a Director".



- b) Periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- c) Recommend to the Board the appointment or reappointment of Directors.
- d) Devise a policy on Board diversity.
- e) Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by the Committee).
- f) Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and Individual Directors.
- g) Formulation of criteria for evaluation of Independent Directors and the Board.
- h) Oversee the performance review process of the KMP and the executive team of the Company.
- i) Recommend to the Board the remuneration policy for Directors, executive team/ KMP as well as the rest of the employees.
- j) On an annual basis, recommend to the Board the remuneration payable to Directors and executive team/ Managerial Person of the Company.
- k) Oversee familiarization programmes for Directors.
- l) Oversee the HR philosophy, HR and People strategy and HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- m) Provide guidelines for remuneration of Directors on material subsidiaries.
- n) Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

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

➤ **CSR Committee:**

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

The CSR Committee comprises of Ms. Rati Forbes, (Chairperson), Mr. Milind Shahane and Mr. Arvind Goel.

During the year one meetings of CSR Committee was held on November 06, 2020.

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 2020-21.

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, 2021, 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, 2021 and of the profit/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.

Your Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The Company has not received any complaint during FY 2020-21.

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 2020-21

30. Significant and Material Orders Passed by the Regulators or Courts:

No significant or 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 2020-21. Your Company recommends the appointment of the same cost auditor for FY 2021-22. Maintenance of cost records as specified by the Central Government under Section 148 (1) of the Act is applicable to the Company and accordingly such accounts and records are made and maintained.

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 had appointed M/s. Prajot Tungare and Associates, Company Secretaries, Pune to undertake the Secretarial Audit of the Company for the Financial year ended March 31, 2021. Your Directors have re-appointed as M/s. Prajot Tungare and Associates, Company Secretaries, Pune, as Secretarial Auditors of the Company for the next financial year ending on March 31, 2022.



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. Weblink of the Company: www.tataautocomp.com has the Annual Return of the Company on it.

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 : May 05, 2021

Place : Mumbai

Chairman

Annexure 1 - Annual Report

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2021

[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, Erandwane, Pune 411 004
vi)	Whether listed company	No, Debentures were listed on NSE. Redeemed on May 20, 2020
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	L28932PN1990PLC016314	Subsidiary	75%	2(87)(ii)

	Area, Bhosari, Pune- 411026				
3.	Tata Toyo Radiator Limited SURVEY NO 235/245 Village Hinjewadi Taluka Mulshi, Pune- 411027	U99999PN1997PLC110139	Subsidiary	51%	2(87)(ii)
4.	#TACO Holding (Mauritius) Ltd, IFS Court, 28 cyber city, Ebene, Mauritius	NA	Subsidiary	100%	2(87)(ii)
5.	TACO Engineering Services GmbH, Kurt-Blaum-Platz 8, 63450 Hanau	NA	Subsidiary	100%	2(87)(ii)
6.	TACO Sasken Automotive Electronics Ltd. (Under liquidation since 30.9.2010) TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411 004	NA	Subsidiary	50% + 1 share	2(87)(ii)
7.	Nanjing Tata AutoComp Systems Ltd, No. 986, QingShui Ting East Road Jiangning Economic & Technological Development Zone NANJING 211102 CHINA	NA	Subsidiary	100%	2(87)(ii)
8.	Tata AutoComp GY Batteries Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411004	U31300PN2005PTC021394	Associate	50%	2(6)
9.	Tata Ficosa Automotive Systems Pvt Limited SURVEY NO235\245VILLAGE HINJEWADI, PUNE – 411057	U74999MH1998PTC112992	Associate	50%	2(6)
10.	TM Automotive Seating Systems Pvt Ltd. TACO House, Damle Path, Off Law College Road, Erandwana, Pune- 411 004	U34100PN2015PTC154431	Associate	50%	2(6)
11.	Tata Autocomp Katcon Exhaust Systems Pvt. Ltd TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U35900HR2009PTC038884	Associate	50%	2(6)
12.	Tata Autocomp Hendrickson Suspensions Private Limited TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U29130PN2006PTC128649	Associate	50%	2(6)
13.	Ryhpez Holding (Sweden) AB C/o – Baker & McKenzie Advokatbyra KB	NA	Subsidiary	100%	2(87)(ii)

	Box 180 101 23 Stockholm Sweden				
14	Tata AutoComp SECO Powertrain Private Limited TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U29309PN2019PTC188046	Associate	50%	2(6)
15	##Tata AutoComp Gotion Green Energy Solutions Pvt. Ltd. - TACO House, Damle Path, off Law College Road, Erandawane, Pune-411 004	U29304PN2020PTC190510	Subsidiary	60%	2(87)(ii)

TACO Holding (Mauritius) Ltd is now merged into Tata AutoComp Systems Limited

Investment amount (Subscription amount) is yet to be infused in Tata AutoComp Gotion Green Energy Solutions Pvt. Ltd.

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

i) Category-wise Share Holding

Category of shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF									
b) Central Govt									
c) State Govt (s)									
d) Bodies Corp.	97,920,551		97,920,551	48.65%	97,920,551		97,920,551	48.65	0
e) Banks / FI									
f) Any Other....									
Total shareholding of	97,920,551		97,920,551	48.65%	97,920,551		97,920,551	48.65	0

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

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

S N	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No of shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1	Tata Industries Limited	69,244,953	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 2020-21

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	% of total	No. of	% of total

		shares	shares of company	shares	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 Bhagwagar				
	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	-	100,00,00,000	-	100,00,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	3,68,83,880	-	3,68,83,880
Total (i+ii+iii)	-	103,68,83,880	-	103,68,83,880
Change in Indebtedness during the financial year				
Addition (Interest)	103,18,00,000	1,34,49,016	-	104,52,49,016
Reduction	-	(105,03,32,896)	-	(105,03,32,896)

Net Change	103,18,00,000	(103,68,83,880)	-	(50,83,880)
Indebtedness at the end of the financial year				
i) Principal Amount	103,18,00,000	-	-	103,18,00,000
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	103,18,00,000	-	-	103,18,00,000

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director: -

SN.	Particulars of Remuneration	Arvind Goel	Total Amount
	Gross salary		
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	██████████	██████████
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	██████████	██████████
	(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)	██████████	██████████
	Ceiling as per the Act	██████████	

Notice Period and Severance Fee for MD: Notice Period for MD is 6 Month. Severance Fee is 6 months' remuneration.

There is no separate Service Contract executed with MD apart from the MD Agreement executed on September 6, 2018.

B. Remuneration to other Directors:

SN	Particulars of Remuneration	Name of Directors		Total Amount
1.	Independent Directors	<i>Mr. Hari Mundra</i>	<i>Ms. Rati Forbes</i>	
	Fees for attending	██████████	██████████	██████████

	Board/Committee Meetings			
	Commission	Proposed to be paid after the AGM		
	Others, please specify	-	-	
	Total (1)	████████████████████		████████
2.	Other Non-Executive Directors	Mr. Praveen Kadle	Mr. Ankur Verma	Mr. Milind Shahane
	Fees for attending Board/Committee Meetings	████████	████████	-
	Commission	Proposed to be paid after the AGM		
	Others, please specify	-	-	-
	Total (2)	████████	████████	-
	Total (B) = (1+2)	████████████████████		████████
	Total Managerial Remuneration	████████████████████		
	Overall ceiling as per Act (1%)	████████████████████		

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

SI No	Particulars of Remuneration	Key Managerial Personnel		
		Deepak Rastogi (CFO)	Ashish Boradkar(Company Secretary)	Total
	Gross salary			
1	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	████████	████████	████████
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	████████	0	████████
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2	Stock Option			
3	Sweat Equity			
4	Commission			
	- as % of profit			

	others, specify...			
5	Others, please specify*			
	Total			

VII. PENALTIES/PUNISHMENTS/COMPOUNDING OF OFFENCES- NIL

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

For and on behalf of the Board of Directors

Date : May 05, 2021

Place : Mumbai

Chairman



Annexure 2 - Secretarial Audit Report

FORM NO. MR-3

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED 31ST MARCH 2021**

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

To,
The Members,
Tata Autocomp Systems Limited,
TACO House, Plot No. 20/B, FPN085,
V. G. Damle Path, Off Law College Road,
Erandwane, Pune - 411004

We have conducted Secretarial Audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Tata Autocomp Systems Limited ("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.

Management is responsible for the preparation and filling of all the forms, returns and documents for the compliances under the Companies Act, 2013, rules there under and laws and regulations listed hereinafter and to ensure that they are free from material non-compliance, whether due to fraud or error.

Secretarial Audit for the Company is conducted as a process of verification of records and documents on sample basis to check compliances with the provisions of laws, rules and procedures. The procedure for Secretarial Audit is selected on the Secretarial Auditor's judgment of material facts of the documents filed. Our responsibility is to express an opinion on the secretarial compliances of the aforesaid laws done by the Company on the basis of our audit. We have conducted our audit solely on the basis of compliances and filling done by the Company under the below mentioned laws.

Based on our verification of the 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 make our report on the basis of our opinion, that the Company has during the audit period covering the financial year ended on 31st March 2021, complied with the statutory provisions listed hereunder and 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 2021, through online verification of the data and documents according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;

Prajot Tungare & Associates Company Secretaries

- (ii) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of overseas direct investment, the Company has complied with the law applicable specifically to the Company;
- (iii) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'), to the extent of Debentures which were listed on national stock exchange have been complied with:
 - The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; and
 - The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations 2015.
- (iv) As discussed with the Officials of the Company, there are no Other Industry Specific Laws applicable to the Company.
- (v) We have also examined compliance with respect to the applicable clauses of Secretarial Standards 1 & 2 issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. It has been reported that the managerial remuneration paid/accrued to the Managing Director and CEO of the Company exceed the prescribed limits under section 197 read with schedule V to the Act. The management has confirmed that the said managerial remuneration shall be subject to obtaining shareholders' approval in the ensuing Annual General Meeting as per the provisions of section 197(9) and (10) of the Act.

We further report that the compliance by the Company of applicable financial statements and corresponding laws has not been reviewed in this audit since the same has been subject to review by statutory financial audit and other designated professionals.

We further report that:

- The Board of Directors of the Company is duly constituted with proper balance of Executive Director, Non-Executive Directors and Independent Directors. During the year under review there were no changes in the composition of the Board of Directors.
- As per information and representation given, adequate notice is given to all Directors of scheduled Board Meetings, agenda and detailed notice on the agenda were sent in advance and a system exists for seeking and obtaining further information and clarifications of the agenda items before the meeting and the meaningful participation in the meeting. Further, where notice, agenda, notes on agenda were circulated with shorter period of less than seven days, all Directors have consented for shorter period of circulation of the same.

Prajot Tungare & Associates Company Secretaries

- The decisions are carried through proper voting in the Board & Committee meetings and has been recorded as part of the minutes. Further, few circular resolutions were passed during the year which were approved and noted at subsequent meeting.
- As per minutes of the meetings recorded and noted by the Chairman, no dissenting views have been recorded.

We report that based on the information provided by the Company, its officers and authorised representatives during the conduct of the audit and also on the review of representation provided by the Officers, Company Secretary and Directors of the Company, in our opinion adequate systems, processes and control mechanism exist in the Company commensurate with its size and operations to monitor and ensure compliance with the applicable laws, rules, regulations and guidelines as mentioned above.

We further report that during the audit period the Company has carried out following specific activities:

- Redeemed Unsecured Redeemable Non-Convertible Debentures amounting to Rs.100 Crore, listed on National Stock Exchange;
- Altered its Memorandum of Association with respect to object clause; and
- Made equity investment into Tata Autocomp GY Batteries Private Limited amounting to Rs.15 Crore.

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CP No: 4449
UDIN: F005484C000243183

Date: 5th May 2021
Place: Pune

**ANNEXURE TO SECRETARIAL AUDIT REPORT ISSUED BY
COMPANY SECRETARY IN PRACTICE FOR 2020-21**

To,
The Members
Tata Autocomp Systems Limited
Pune

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Where ever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. 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.

For Prajot Tungare & Associates
Company Secretaries

CS Prajot Tungare
Partner
FCS: 5484
CP No: 4449
UDIN: F005484C000243183

Date: 5th May 2021
Place: Pune



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. Optimum utilization of the GA30 Compressor in Paint shop -2 and Saves 31110 Electrical Units (Hinjewadi Plant)
2. Optimum utilization of GA 75 Air Compressor by resetting max rpm setting from 100% to 80% - IPD Sanand
3. Cooling tower fan auto control (Bangalore Plant)
4. Energy savings by Timer circuit for street light (Bangalore Plant), Auto on Off circuit for Borewell (Bangalore Plant)
5. Replacement of Halogen light & Tube lights with LED Lights in Sanand & Jamshedpur Plant
6. 7 Productivity improvement Projects completed in Robotic Paint shop in Hinjewadi

Composites Division

1. Optimized the power consumption of Cooling Tower motor by modulating the Flow of water based on its temperature saving 200units / day.
2. Optimized power consumption of Vacuum Unit in 3000T compression molding press by introducing auto stop during idle condition saving 250units / day.
3. LPG replaced with Piped Natural Gas as Boiler and Paint Shop Burner Fuel at Pantnagar.
4. Solar Energy consumption started in Chakan and Pantnagar Plants

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

Interiors & Plastics Division

1. Replaced old Air compressor with energy efficient compressor in Hinjewadi plant
2. 2000T A & B Machine Servo motor retro fitment done in Hinjewadi plant
3. APFC Panel will be installed in Hinjewadi plant for achieving better Power Factor



4. New Pigging system planned in Hinjewadi Robotic Paintshop for Paint circulation
5. FCS 1900 T servo pump up gradation done at Sanand plant
6. Energy Efficiency Motor for Utility Pump, Chiller-replacement of condenser in Chinchwad Plant
7. Installation of heater jackets for all heaters in 400T machine at IPD Bangalore
8. Counting sensor will be installed and hanger will stop antistatic blower in absence of part on conveyor at IPD Jamshedpur
9. Pressure setting change in compressor from 7.5 bar to 6.0 bar in IPD Jamshedpur
10. Changeover of gas from Propane to Piped Natural Gas planned in IPD Sanand
11. 3 Productivity improvement Projects planned in Robotic Paint shop in Hinjewadi

Composites Division:

1. 1000T1 Energy conservation through modification of hydraulic circuit in Chakan Plant
2. Energy conservation into vacuum system by controlling pump motor running hours in Chakan Plant
3. Cooling Tower Energy Conservation by controlling Fan motor through water temperature controller in Chakan Plant
4. 150T Press Energy Conservation by putting Variable Frequency Drive to main motor in Chakan Plant.
5. Reduction in electricity consumption by reducing loss of AC due to opening of FRS door frequently by providing manual small door in Chakan Plant

(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.2.4 Cr. in FY 2020-21. Projects include Solar Power plants (1.61 Cr.), Servo system implementation (0.13 Cr.), Energy Efficient Lights etc.

Rebate of Rs. 0.06 Cr. is received in Energy Bills for maintaining power factor.

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

Year	Investment (Rs. In Crores)	Savings (Rs. In Crores)
2020-21	0.09	3.03
2019-20	2.27	3.72



B. TECHNOLOGY ABSORPTION

1. Research and Development (R&D)

I) Specific Areas of Research & Development

Interiors & Plastics Division:

- In Mold Decoration (IMD): decorative technology for appliques and other interior parts
- Smart Switches-Touch and Capacitive: Door switches integrating function with haptics
- Light weighting through physical/chemical foaming: Weight reduction technology for structural and interior parts
- Medical Equipment: ventilator parts
- High Gloss Finish through Rapid Heat Cool Technology: Paint elimination technology for interior and exterior decorative parts
- Roto molding/ Blow molding: manufacturing process for urea tank, fuel tank, hoses, underhood parts

Composites Division

- FST compliant Material development meeting European Metro Railways safety norms.
- Fire resistant composite material for EV application
- Cost effective Low Density formulation development
- Indigenous LPA development for special grade BMC

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

Interiors & Plastics Division

- FSS (Full Service Supplier) project for console and door trim parts
- Work in progress on development of new product verticals (Roof rails, urea tanks/ fuel tanks)
- Innovation: 4 entries selected for Tata Innovista Stage 1

Composites Division

- 5 entries qualifying to TATA Global level Innovista competition.
- New customer acquisition. Entry into Metro Rail segment
- Sustenance and Growth of Compound business



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.

- Continue to build FSS (Full Service Support) capability
- Technology development for Touch/Capacitive switches for door/console
- In house Decorative appliques using IMD
- Technology development for Blow molding applications – Urea tank/ Fuel pipes
- Technology development of Electrical and Electronic touch applications
- Decorative appliques with paint elimination using Rapid Head and Cool

Composites Division

- New Application development for EV in both thermoset and thermoplastic composites using Long Fiber Technology
- High strength formulation development for structural applications in Railways and Automotive.
- High performance material formulation for fatigue loading applications
- Sandwich composite molding technology for new applications in Industrial and construction segments
- Coated nano cenosphere development for LD formulation improvement.

1. Expenditure on R&D

(Figures in Rs. Crs)

Particulars	FY 20-21 (Actuals)	Eligible Expenditure u/s 35(2AB)
IPD		
Capital Expenditure on R&D	Nil	Nil
Recurring Expenditure on R&D	Nil	Nil
Total Expenditure on R&D (A)	Nil	Nil
Composites		
Capital Expenditure on R&D	Nil	Nil
Recurring Expenditure on R&D	Nil	Nil
Total Expenditure on R&D (B)	Nil	Nil



(A+B)	Nil	Nil
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The above disclosure regarding the Company's expenditure on its research and development activity have not been made for the financial year ended on March 31, 2021 in the audited accounts since the Company is not claiming deduction u/s 35(2AB) of Income tax act, 1961 consequent to its decision to opt for lower income tax rate u/s 115 BAA of Income tax act, 1961.

2. 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:

- Tech Shows were conducted in which IPD presented its Portfolio to customer, understood upcoming project needs from them and inputs were taken for FSS projects
- Through competitor benchmarking, customer insights and discussions with suppliers/partners- projects in short, medium- and long-term technology roadmap initiated.
- To keep updated with latest technology trends, workshops held with suppliers/partners: projects for EV segment identified.

Composites Division

- Class A molding capability through vacuum integration
- Structural bonding capability for multi material system design & Manufacturing

II) Benefits derived as a result of the above efforts

Interiors & Plastics Division

- FSS awarded for Kanger console
- Projects with new customers/ OEMs
- Providing OEMS with end to end solutions

Composites Division

- Growth of Export business
- Import substitution for key performance additives. Cost reduction.

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

Technology Imported	Year of Import	Has Technology been fully	If not fully absorbed, areas where this has not taken place, reasons therefor and



		absorbed	future plans of action
Interiors & Plastics Division:			
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 by 51 Cr. and Company will continue to work towards adding customers for potential export business.

(b) Total foreign exchange used and earned:

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

Year	Export Turnover (In INR Crs)
2018 – 19	135.96
2019 – 20	151.98
2020 – 21	195.98

In terms of aforesaid Rules, your Company has earned foreign exchange of Rs. 139.63 Crs and has spent Rs. 256.38 Crs in foreign exchange currency during the last year.

For and on behalf of the Board of Directors

Date : May 05, 2021
Place : Mumbai

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)	1995-96	March 31, 2021	INR	NA	201.28	753.07	1,651.34	1,651.34	612.30	1,353.59	90.15	23.05	67.10	-1.82	65.28	-	72.65%**
2	Ryphex Holding (Sweden) AB	2016-17	March 31, 2021	SEK	Closing rate = 8.38 Average rate = 8.37	354.63	(286.41)	1,791.92	1,791.92	-	1,493.13	(88.31)	(11.54)	(76.77)	(13.97)	(90.74)	-	100%
3	Automotive Stampings and Assemblies Limited	2003-04	March 31, 2021	INR	NA	15.86	(104.59)	174.83	174.83	-	339.18	(29.70)	-	(29.70)	(0.19)	(29.89)	-	75%
4	Nanjing Tata AutoComp Systems Limited	2006-07	March 31, 2021	RMB	Closing rate = 11.14 Average rate = 10.96	40.18	120.24	359.66	359.66	-	319.88	13.49	2.08	11.41	-	11.41	-	100%
5	TACO Engineering Services GmbH	2013-14	March 31, 2021	EUR	Closing rate = 88.75 Average rate = 86.63	0.21	0.51	1.18	1.18	-	1.79	-0.37	-	-0.37	-	-0.37	-	100%
6	Tata Toyo Radiator Limited	2018-19	March 31, 2021	INR	NA	32.00	66.46	624.04	624.04	7.75	579.18	-47.10	-11.72	-35.38	-0.22	-35.60	-	51%
7	Tata AutoComp Hendrickson Suspensions Private Limited (refer note 3)	2019-20	March 31, 2021	INR	NA	12.42	170.37	239.03	239.03	-	161.77	29.47	8.14	21.33	-0.06	21.27	-	50%
8	TACO Sisken Automotive Electronics Limited	Under liquidation	March 31, 2019															

UNDER LIQUIDATION. HENCE NO FINANCIALS AS OF MARCH 31, 2021.

* % 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.
- Taco Holding Mauritius Limited has been merged with Tata AutoComp Systems Limited

Additional details:

- Name of subsidiaries which are yet to commence operations Nil
- Name of subsidiaries which have been liquidated or sold during the year Nil

For and on behalf of the Board of Directors

Chairman

Date : May 05, 2021

Place : Mumbai

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

Name of the entity	Latest audited Balance Sheet date	Date on which the Associate or Joint Venture was associated or acquired	Reporting currency	Shares of the Associate / Joint Ventures held by the Company as on March 31, 2021		Description of how there is significant influence	Reason why the Associate / Joint Venture is not consolidated	Networth attributable to shareholding as per latest balance sheet (₹ crores) (Refer Note 1)	Share of Profit / (Loss) for the year		
				No of shares held by the company in associate / joint venture	Amount of investment in associate / joint venture (₹ crores)				Extent of holding	Considered in Consolidation (₹ crores)	Not Considered in Consolidation (₹ crores)
A. Joint Ventures											
TATA AutoComp GY Batteries Private Limited	March 31, 2021	10-10-2005	INR	10,37,49,950	86.50	50.00%	50% Voting power	(TACO's Portion only)	-2.47	(JV partner's portion)	-2.47
TATA Ficosa Automotive Systems Private Limited	March 31, 2021	14-01-1998	INR	1,87,50,000	18.75	50.00%	50% Voting power		2.19		2.19
TM Automotive Seating Systems Private Limited	March 31, 2021	22-05-2015	INR	90,00,000	9.00	50.00%	50% Voting power		5.90		5.90
Tata AutoComp Katcon Exhaust System Private Limited	March 31, 2021	19-05-2015	INR	48,91,118	3.21	50.00%	50% Voting power		4.71		4.71
AIR International TTR Thermal Systems Private Limited	March 31, 2021	10-10-2014	INR	1,00,00,000	10.00	25.50%	25-50 % Voting power		-0.68		-1.99
Tata AutoComp SECO Powertrain Private Limited (w.e.f November 26, 2019)	NA	26-11-2019	INR	25,000	0.03	50.00%	50% Voting power		-		-
Tata AutoComp Gotion Green Energy Solutions Private Limited (w.e.f. March 28, 2020)	NA	28-03-2020	INR	-	0.00	60.00%	60% Voting power		-		-
B. Associates											
There is no Associate Company for TACO											

Note :

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

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

None.

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

None.

For and on behalf of the Board of Directors

Chairman

Date : May 05, 2021
Place : Mumbai



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 special retirement benefits as applicable.
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]
 - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.]
 - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.
- **Remuneration payable to Director for services rendered in other capacity**

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

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

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

For and on behalf of the Board of Directors

Date : May 05, 2021
Place : Mumbai

Chairman



Annexure 6 - CSR Policy

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. Mr. Milind Shahane
2. Mr. Ms. Rati Forbes(Chairperson)
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							



Annexure 7

Information pursuant to Section 197 (12) of the Companies Act, 2013 read with Rule 5 (1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended and forming part of Directors Report for the year ended March 31, 2020.

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	4.37:1	(56.38)
Mr. Ramnath Mukhija*	2.24:1	(67.95)
Mr. Hari Mundra	3.59:1	(49.21)
Mr. Milind Shahane	-	-
Mr. Ankur Verma	0.45:1	(20)
Ms. Rati Forbes	2.51:1	348

* Mr. Ramnath Mukhija retired from the Board from March 31, 2020.

- 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 2020-21 are given below:

Managing Director & CEO	Ratio of MD's remuneration to Median of all employees	Percentage increase in remuneration #
Arvind Goel	111.94:1	0.0 %

Based on Basic Salary



- The percentage increase in remuneration (Basic salary) of the Chief Financial Officer is 0.0% and that of Company Secretary is 0.0%*

**Based on basic salary*

2. The percentage increase in the median remuneration of employees in the financial year: 5.39 % .
3. The number of permanent employees on the rolls of Company: employees: 1323 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 0.0 % as against an increase (Increment) of 0.0% in the salary of the Key Managerial Personnel.

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

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

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

For and on behalf of the Board of Directors

Date : May 05, 2021

Place : Mumbai

Chairman

Tata AutoComp Systems Limited

Standalone financial statements together with the
Independent Auditors' Report

For the year ended 31 March 2021

B S R & Co. LLP

Chartered Accountants

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA AUTOCOMP SYSTEMS LIMITED

Report on the Audit of 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 2021, and 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 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 2021, 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 on the standalone financial statements.

**Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (continued)**

Emphasis of Matter

We draw your attention to Note 3.2 (b) (1) and Note 3.2 (b) (2) to the standalone financial statements for the year ended 31 March 2021, which describes the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the uncertainties involved in developing some of the estimates involved in preparation of the standalone financial statements including but not limited to liquidity and going concern, recoverable values of its property, plant and equipment, right-of-use assets, intangible assets, intangible assets under development and net realizable value of other assets. Based on information available of this date, Management believes that no further adjustments are required to the standalone financial statements. However, in view of uncertain economic environment impacting the automotive industry and the Company's customers, a definitive assessment of the impact is dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these standalone financial statements.

Our opinion is not modified in respect of this matter.

Information Other than the Standalone Financial Statements and Auditors' Report Thereon

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 and Board of Directors' 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 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.

**Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

**Management's and Board of Directors' Responsibility for the Standalone Financial Statements
(*continued*)**

In preparing the standalone financial statements, the 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The 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.

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 in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors 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.

**Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

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

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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143 (11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, 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 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2021 from being appointed as a director in terms of Section 164(2) of the Act;
 - f. With respect to the adequacy of the internal financial controls 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:
 - a. The Company has disclosed the impact of pending litigations as at 31 March 2021 on its financial position in its standalone financial statements - Refer note 40 to the standalone financial statements;

**Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

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

- b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - c. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company;
 - d. The disclosures 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 standalone financial statements since they do not pertain to the financial year ended 31 March 2021.
4. With respect to the matter to be included in the Auditors' Report under section 197(16):
- a. We draw attention to Note 54 to the standalone financial statements for the year ended 31 March 2021 according to which the managerial remuneration paid/accrued by the Company to its Managing Director & CEO of Rs. 573.58 lakhs exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by INR 122.14 lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the company proposes to obtain in the forthcoming Annual general Meeting.
 - b. 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

Place : Pune
Date: 5 May 2021

Swapnil Dakshindas
Partner
Membership No.: 113896
ICAI UDIN: 21113896AAAACS2187

**Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021**

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) In our opinion and 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 parties, 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 and have been properly dealt with in the books of accounts. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) According to the information and explanations given to us, and on the basis of our examination of records of the Company, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under section 189 of the Act. Accordingly, paragraph 3(iii), 3(iii) (a), 3(iii) (b) and 3(iii) (c) of the Order are not applicable.
- (iv) In our opinion and according to the information and explanations given to us, and on the basis of our examination of records of the Company, 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) 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 2021 (continued)

- (vii) (a) In our opinion and 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 Services Tax and other 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 40 to the standalone financial statements. As explained to us, during the year, the Company did not have any dues on account of cess.

According to the information and explanations given to us, and on the basis of our examination of records of the Company, no undisputed amounts payable in respect of Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Goods and Services Tax and other statutory dues were in arrears as at 31 March 2021, for a period of more than six months from the date they became payable. We draw attention to note 40 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) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, there are no dues of Income-Tax, Sales tax, Duty of excise and Goods and Services Tax which have not been deposited with the appropriate authorities 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
Maharashtra Value Added Tax Act, 2002	Sales Tax	26.26	0.25	2012-13	Joint Commissioner of State Tax
Maharashtra Value Added Tax Act, 2002	Sales Tax	151.45	11.53	2015-16	Joint Commissioner of State Tax
Maharashtra Value Added Tax Act, 2002	Sales Tax	176.86	-	2016-17	Joint Commissioner of State Tax
Central Excise Act, 1944	Duty of Excise	10.86	-	2015-16	Deputy Commissioner of Central Excise

Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of Tata AutoComp Systems Limited for the year ended 31 March 2021 (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*
Central Excise Act, 1944	Duty of excise	403.20	403.20	2007-08, 2008-09	Central Excise & Service Tax Appellate Tribunal
Goods and Services Tax Act, 2017	Goods and Services Tax	21.15	-	2017-18	Deputy Commissioner of State Tax
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	61.02	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	99.87	99.87	2009-10	Assistant Commissioner of Income Tax
Income Tax Act, 1961	Income Tax	131.60	12.60	2010-11	Assistant Commissioner of Income Tax
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	14.31	2015-16	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	31.11	-	2017-18	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 2021 (*continued*)

- (viii) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the records of the Company, the Company has not defaulted in the repayment of loans to banks and dues to debenture holders during the year. The Company did not have any dues to any financial institution or government outstanding during the year.
- (ix) 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 explanations given to us, and on the basis of our examination of records of the Company, managerial remuneration paid/accrued by the Company to its Managing Director & CEO of Rs. 573.58 lakhs exceeds the prescribed limits under Section 197 read with Schedule V to the Companies Act, 2013 by INR 122.14 lakhs. The Company has represented to us that it is in the process of complying with the prescribed statutory requirements to regularize such excess payments, including seeking the approval of the shareholders, as necessary. Refer note 54 to the standalone financial statements.
- (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, and on the basis of our examination of the records of the Company, 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. Accordingly, paragraph 3(xiv) of the Order is not applicable.
- (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.

B S R & Co. LLP

**Annexure A to the Independent Auditors' Report on the Standalone Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

(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. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For B S R & Co. LLP

Chartered Accountants

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

Swapnil Dakshindas

Partner

Membership No.: 113896

ICAI UDIN : 21113896AAAACS2187

Pune: Pune

Date : 5 May 2021

Annexure B to the Independent Auditors' Report on the Standalone Financial Statements of Tata AutoComp Systems Limited for the year ended 31 March 2021

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 2021 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 2021, 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"). We also draw your attention to the emphasis of matter paragraph reported in audit report.

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 2021 (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: 5 May 2021

Membership No.: 113896

ICAI UDIN: 21113896AAAACS2187



Tata AutoComp Systems Limited
Standalone Balance Sheet

(All figures in INR Lakhs, unless otherwise stated)

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	25,789.97	24,253.18
Capital work-in-progress	4	3,568.91	4,668.87
Right-of-use assets	5	11,490.75	10,864.14
Intangible assets	6	301.61	315.94
Intangible assets under development	6	47.15	31.40
Investments in subsidiaries and joint ventures	7	61,229.92	59,729.92
Financial assets			
(i) Loans	8	1,850.00	1,850.00
(ii) Other financial assets	9	3,229.10	1,386.60
Income tax asset (net)	11	1,745.22	1,494.73
Other non-current assets	12	905.03	435.13
Total non-current assets		1,10,157.66	1,05,029.91
Current assets			
Inventories	13	12,370.41	8,009.98
Financial assets			
(i) Investments	14	11,014.39	-
(ii) Trade receivables	15	18,470.07	15,052.34
(iii) Cash and cash equivalents	16	1,785.32	3,919.40
(iv) Bank balances other than (iii) above	17	510.00	1,500.00
(v) Loans	8	2,950.00	5,263.93
(vi) Other financial assets	9	2,269.14	2,240.89
Other current assets	18	5,606.76	12,209.29
Total current assets		54,976.09	48,195.83
Total assets		1,65,133.75	1,53,225.74
EQUITY AND LIABILITIES			
Equity			
Equity share capital	19	20,128.14	20,128.14
Other equity			
Reserves and surplus	20	75,306.70	68,779.27
Total equity		95,434.84	88,907.41
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	21	8,795.41	-
(ii) Lease liabilities	5	4,522.89	3,776.96
(iii) Other financial liabilities	22	772.23	1,142.61
Provisions	23	3,865.99	2,786.96
Deferred tax liabilities (net)	10	52.31	311.69
Total non-current liabilities		18,008.83	8,018.22
Current liabilities			
Financial liabilities			
(i) Borrowings	24	500.00	-
(ii) Trade payables	25		
(a) total outstanding dues of micro and small enterprises		353.91	1,269.27
(b) total outstanding dues other than (ii) (a) above		38,277.81	23,199.30
(iii) Lease liabilities	5	1,070.01	590.97
(iv) Other financial liabilities	26	5,152.64	13,027.29
Provisions	23	1,222.10	1,122.46
Other current liabilities	27	5,113.61	17,090.82
Total current liabilities		51,690.08	56,300.11
Total equity and liabilities		1,65,133.75	1,53,225.74

Summary of significant accounting policies 2-3
See accompanying notes to the standalone financial statements 4-57

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

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

Swapnil Dakshindas
Partner
Membership No. 113896
ICAI UDIN:

Praveen Kadle
Chairman
(DIN 00016814)

Hari Mundra
Director
(DIN 00287029)

Place: Pune
Date: May 05, 2021

Arvind Goel
Managing Director
and CEO
(DIN 02300813)

Deepak Rastogi
Chief Financial Officer

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021



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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers	28	1,35,358.93	95,152.10
Other income	29	2,748.75	5,464.69
Total income		1,38,107.68	1,00,616.79
Expenses			
Cost of materials consumed	30	72,901.06	42,130.07
Purchases of stock-in-trade		17,610.39	16,374.84
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	31	(447.43)	(529.49)
Employee benefits expense	32	15,799.39	15,034.16
Finance costs	33	1,735.97	2,187.02
Depreciation and amortization expense	34	4,010.25	3,635.88
Other expenses	35	17,483.42	15,885.64
Total expenses		1,29,093.05	94,718.12
Profit before tax		9,014.63	5,898.67
Income tax expense:			
Current tax	36	2,305.04	1,197.99
Deferred tax (credit) / expenses		(198.12)	(139.52)
Profit for the year		6,709.59	4,700.68
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations		(243.42)	(305.92)
Income tax relating to items that will not be reclassified to profit or loss		61.26	76.99
Total other comprehensive loss for the year		(182.16)	(228.93)
Total Comprehensive income for the year (TCI)		6,527.43	4,471.75
Earnings per equity share			
Basic earning per share of face value of Rs 10 each	43	3.33	2.34
Diluted earning per share of face value of Rs 10 each		3.33	2.34

Summary of significant accounting policies 2-3
See accompanying notes to the standalone financial statements 4-57

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
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**For and on behalf of the Board of Directors of
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Swapnil Dakshindas
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Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021



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, 2019	20,128.14
Changes in equity share capital	-
As at March 31, 2020	20,128.14
Changes in equity share capital	-
As at March 31, 2021	20,128.14

B. Other equity

Particulars	Reserves and surplus						Total
	General reserve	Capital redemption reserve	Securities premium	Debenture redemption reserves	Capital Reserve	Retained earnings	
As at April 1, 2019	6,404.76	5,350.00	69.39	2,425.00	9,683.54	45,206.55	69,139.24
Profit for the year	-	-	-	-	-	4,700.68	4,700.68
Other comprehensive income, net of tax	-	-	-	-	-	(228.93)	(228.93)
Dividend on equity shares [Rs.2 per share (previous year Rs.2 per share)]	-	-	-	-	-	(4,025.63)	(4,025.63)
Dividend distribution tax	-	-	-	-	-	(806.09)	(806.09)
Transfer to debenture redemption reserve	-	-	-	75.00	-	(75.00)	-
As at March 31, 2020	6,404.76	5,350.00	69.39	2,500.00	9,683.54	44,771.58	68,779.27
As at April 1, 2020	6,404.76	5,350.00	69.39	2,500.00	9,683.54	44,771.58	68,779.27
Profit for the period	-	-	-	-	-	6,709.59	6,709.59
Other comprehensive income, net of tax	-	-	-	-	-	(182.16)	(182.16)
Transfer from debenture redemption reserve to general reserve (refer note below)	2,500.00	-	-	(2,500.00)	-	-	-
As at March 31, 2021	8,904.76	5,350.00	69.39	-	9,683.54	51,299.01	75,306.70

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 will be utilised in accordance with the provisions of the Companies Act, 2013.

Debenture Redemption Reserve (DRR)

The Company had issued redeemable non-convertible debentures during the year ended 31 March 2011. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended) ('the Rules'), 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.

On May 18, 2020, the Company has repaid the afore-mentioned non-convertible debentures and consequently, the balance in Debenture Redemption Reserve of Rs.2,500 lakhs has been transferred to General Reserve.

Capital reserve

Capital reserve was created on merger of wholly owned subsidiary of the Company viz. TACO Holdings (Mauritius) Limited (THML) with the Company. Capital reserve is the excess between share capital of THML and investment in THML which was carried at deemed cost (net of impairment) in the books of the Company as at April 1, 2018.

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 4-57

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

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

Swapnil Dakshindas
 Partner
 Membership No. 113896
 ICAI UDII*

Praveen Kadle
 Chairman
 (DIN 00016814)

Hari Mundra
 Director
 (DIN 00287029)

Place: Pune
 Date: May 05, 2021

Arvind Goel
 Managing Director and CEO
 (DIN 02300813)

Deepak Rastogi
 Chief Financial Officer

Ashish Boradkar
 Company Secretary

Place: Pune
 Date: May 05, 2021



Tata AutoComp Systems Limited
Cash Flow Statement

(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
Profit before tax	9,014.63	5,898.67
Adjustments for:		
Depreciation and amortisation expense	4,010.25	3,635.88
Gain on disposal of property, plant and equipment	(21.03)	(0.25)
Gain on sale of investments	(60.09)	(191.06)
Sundry provisions written back	(133.38)	-
Unwinding of financial guarantee obligation	(370.39)	(347.05)
Dividend income	(131.79)	(820.07)
Finance costs	1,735.97	2,187.02
Interest income	(708.18)	(841.03)
	13,335.99	9,522.11
Change in operating assets and liabilities:		
Trade receivables	(3,417.73)	2,210.01
Inventories	(4,360.43)	454.55
Trade payables	14,296.53	(3,187.25)
Loans current	63.93	-
Other financial assets non-current	(742.50)	(1,335.86)
Other financial assets current	28.84	(778.94)
Other non-current assets	84.50	5.66
Other current assets	6,602.53	(9,843.64)
Provisions- non current	835.61	380.19
Provisions- current	99.64	83.79
Other current liabilities	(11,977.21)	13,688.22
Other financial liabilities current	1,677.72	(797.31)
Cash generated from operations	16,527.42	10,401.52
Income taxes paid (net of refund, if any)	(2,753.65)	(1,757.39)
Net cash flow from operating activities (A)	13,773.77	8,644.13
B. Cash flow from investing activities		
Purchase of property, plant and equipment, including capital work in progress, intangible assets, intangibles under development, right of use assets and capital advances (net)	(4,000.41)	(3,810.00)
Proceeds on sale of property, plant and equipment	51.26	0.50
Payment for purchase of non - current investments	(2,600.00)	(2.50)
Purchase of current investments	(33,544.67)	(24,884.00)
Proceeds from sale of current investments	22,590.39	33,392.52
Dividend from joint ventures and subsidiary	131.79	820.07
Fixed deposit with banks (net) having maturity over 3 months	990.00	(1,454.77)
Loans to related parties (net)	2,250.00	(1,036.73)
Interest received	753.68	785.86
Net cash outflow from investing activities (B)	(13,377.96)	3,810.95
C. Cash flow from financing activities		
(Payment of) / proceeds from derivative contracts (net)	(257.71)	194.78
Proceeds / (payment of) from short term borrowings	500.00	(4,188.84)
Repayment of debentures	(10,000.00)	-
Proceeds from Long term borrowings	9,777.21	-
Payment of lease liabilities	(863.71)	(623.83)
Finance cost paid	(1,685.67)	(1,861.32)
Dividend paid (including dividend distribution tax)	-	(4,831.72)
Net cash flow used in financing activities (C)	(2,529.88)	(11,310.93)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	(2,134.08)	1,144.15
Cash and cash equivalents at the beginning of the year	3,919.40	2,775.25
Cash and cash equivalents at the end of the year	1,785.32	3,919.40



Tata AutoComp Systems Limited
Cash Flow Statement

(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2021	Year ended March 31, 2020
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.05	0.05
Balances with banks	1,785.27	3,919.35
	1,785.32	3,919.40

Summary of significant accounting policies

2-3

See accompanying notes to standalone financial statements

4-57

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

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors

Tata AutoComp Systems Limited

CIN U34100PN1995PLC158999

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN:

Praveen Kadle

Chairman

(DIN 00016814)

Hari Mundra

Director

(DIN 00287029)

Place: Pune

Date: May 05, 2021

Arvind Goel

Managing Director and CEO

(DIN 02300813)

Deepak Rastogi

Chief Financial Officer

Ashish Boradkar

Company Secretary

Place: Pune

Date: May 05, 2021



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 1: Corporate overview

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 and other customers.

As at March 31, 2021, the Company caters to its customers through its five operating divisions, fourteen subsidiaries (direct and indirect) and eight joint ventures (direct and indirect) with leading companies in the global auto component industry (together known as the 'TACO Group'). One joint venture is under liquidation and one joint venture has become a dormant company.

Note 2: Significant accounting policies

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

The accounting policies applied in these standalone financial statements are same as those applied in the standalone financial statements as at and for the year ended 31 March 2020.

2.1 Basis of preparation

(i) Statement of compliance

The standalone 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 standalone financial statements were authorized for issue by the Company's Board of Directors on May 05, 2021.

(ii) Basis of measurement

The standalone 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 of defined benefit obligations less fair value of plan assets

(iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

2.2 Revenue from contract with customers

The Company generates revenue principally from -

(i) Sale of products including scrap sales and traded goods:

The Company recognizes revenue when 'control' of the promised goods underlying the particular performance obligation is transferred to the customer in an amount that reflects the consideration it expects to receive in exchange for those goods. Control of products passes to the customers, at a point in time which is usually upon delivery of goods to the customer / carrier appointed by the customer. Invoices are generated, and revenue is recognised at that point in time. Invoices are usually payable within 30 – 90 days. Revenue excludes taxes collected from customers on behalf of the government.

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. The amount disclosed as revenue is net of Goods and Services Tax collected on behalf of third parties.

(ii) 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.

Generally, the Company receives short-term tooling advances from its customers which are utilised for providing advance to supplier of the tool. Using the practical expedient in Ind AS 115, the Company does not adjust the promised amount of consideration for the effects of any significant financing component.

(iii) Sales of services:

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 provides for time and material billing model and related performance obligations are satisfied over such time period.

Administrative services:

Revenue from administrative services is recognised 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.

Logistic services:

Revenue from logistic services is recognised when the services are rendered and accepted by the customer.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

(iv) Other operating revenues:

The Company earns revenue from sale of duty credit scrips under the merchandise export from India scheme of Government of India. The Duty credit scrips are freely transferrable and revenue from sale of such scrips is recognised on transfer of scrips to customer.

2.3 Functional and presentation currency

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

These standalone 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).

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 comprises of purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. 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. High value stores and spares having cost greater than INR 10 lakhs are capitalised under property, plant and equipment. 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 using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those have been determined based on technical evaluation by the Management. The Management believes that these estimated useful lives are realistic and reflect fair approximation over the period over which the assets are likely to be used.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

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 equipment		
- 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
Furniture and fixtures	10	10
Factory buildings	30	20 to 30
Office equipment	5	5

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date/ month on which asset is ready for use (disposed of).

The assets' residual values, useful lives and method of depreciation 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 gains / (losses).

2.6 Intangible asset

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

A summary of amortization policies applied to the Company's intangible assets is as below:



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

Asset category	Amortisation period
Specialised computer software	4 years
Engineering and development cost	4 years

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 asset 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.

Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable costs that are capitalised as part of the asset include employee costs and an appropriate portion of relevant overheads.

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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

2.9 Leases

A. Recognition

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
 - the Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
 - the Company has the right to direct the use of the asset. The Company has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Company has the right to direct the use of the asset if either:
 - the Company has the right to operate the asset; or
 - the Company designed the asset in a way that predetermines how and for what purpose it will be used.
- This policy is applied to contracts entered into, or changed, on or after April 01, 2019.

At inception or on reassessment of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. Company as a lessee

Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. The Company has considered all

relevant facts and circumstances to determine whether the option to extend the lease shall be exercised. This includes but is not limited to the fact that certain assets have been leased to us by related parties for operations directly linked to them.

The Company recognises a Right-Of-Use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Company has applied a single discounting rate to a portfolio of leases of similar assets.

C. Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.10 Inventories

Inventories which comprises of raw materials, stores and spares, work-in-progress, tools under development, traded and finished goods are valued at the lower of cost and net realisable value. Cost of inventory comprises of all cost of purchases, costs of conversion and other costs incurred in bringing the inventory 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. 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.

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.

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value. The comparison of cost and net realizable value is made on an item-by-item basis.

Inventories in transit are valued at cost.

Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

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.

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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

(b) Defined contribution plans

Provident fund:

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. 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. The Company has no further payment obligations once the contributions have been paid. The contributions are charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

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 Financial instruments

Financial assets and liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

(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.

Financial liabilities issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. 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 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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

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 FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of 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.

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 (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method. Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

(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.

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.

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.

(iv) Derecognition

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.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies *(continued)*

financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

(v) 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.

(v) 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 of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (continued)

2.15 Trade receivables

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

2.16 Contract assets

For certain sale of services wherein performance obligation is satisfied over a period of time, any amount of income accrued but not billed to customers in respect of such contracts is recorded as a contract asset. Such contract assets are transferred to trade receivables on actual billing to customers.

2.17 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

2.18 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.

2.19 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.

2.20 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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

2.21 Cash flow statement

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

2.22 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.

2.23 Income tax and deferred 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 standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

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.

2.24 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.

2.25 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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

2.26 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.

During the financial year ended on March 31, 2021 the Company had given financial guarantee to the bank for the loan facility taken by one of its subsidiary.

2.27 Recognition of interest income or expense

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

2.28 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.

2.29 Government grants

Other income includes government grants. Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled. These export incentives are recognized in statement of profit and loss as other income.

Government grants that are awarded as incentives linked with State Goods and Service Tax payable on sales made during the period are recognised as other income in statement of profit and loss in the period in which such sales are made.

Grants that compensate the Company for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 2: Significant accounting policies (*continued*)

2.30 Common control business combinations

Business combination involving entities that are under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- The financial information in the standalone financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the standalone financial statements, irrespective of the actual date of the combination.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves are preserved and the reserves of the transferor become the reserves of the transferee.
- The excess between share capital of transferor and corresponding investment in the books of transferee is recognised as capital reserve in the books of transferee.

Note 3.1: Significant accounting judgements, estimates and assumptions

The preparation of the Company's standalone 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 continuously 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.

Note 3.1 (a): 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 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 Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 3.1: Significant accounting judgements, estimates and assumptions (continued)

2. Segment reporting

Ind AS 108 Operating Segments requires Management to determine the reportable segments for the purpose of disclosure in standalone financial statements based on the internal reporting reviewed by Chief Operating Decision Maker 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 joint ventures

On transition to Ind AS the management had evaluated the guidance provided under Ind AS 28 and Ind AS 110 for establishing the Company's joint control over its Joint Venture companies. Both the Company and its Joint Venture partner hold 50% of the equity shares of one such Joint Venture company, Tata AutoComp Hendrickson Suspensions Private Limited (THSPL). The Company had concluded that it has joint control over THSPL along with its joint Venture partner and accordingly, the Company's interest in THSPL was disclosed as an 'Investment in joint venture' in the standalone financial statements. On 1 January 2020, the Company amended its joint venture agreement of THSPL, giving the Company the power to direct the relevant activities, which eventually resulted in the Company acquiring control of THSPL. Consequently w.e.f. 1 January 2020, the Company's interest in THSPL is disclosed as an 'Investment in subsidiary' in the standalone financial statements.

Note 3.2 (b): Significant estimates and assumptions

1. Going Concern

These standalone financial statements have been prepared on a going concern basis. The standalone financial statements for the year have been negatively impacted due to outbreak of the COVID-19. The Company has also given guarantees for loans taken by one of its foreign subsidiaries. The Management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note 3.2(b)(2), assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these standalone financial statements. The Management believes that the Company will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these standalone financial statements based on the following:



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 3.2: Significant accounting judgements, estimates and assumptions (continued)

Note 3.2 (b): Significant estimates and assumptions (continued)

- 1) As at March 31, 2021, the Company reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Company's operations. Expected future cash flows from operating activities is based on the undermentioned key assumptions in the business projections:
 - Post relaxation of lockdowns imposed due to COVID-19, the Indian automobile industry and auto component industry has shown signs of recovery from second quarter of financial year 2020-21. The recovery momentum has continued in the third quarter and fourth quarter. The Company's performance is expected to be above the industry performance due to significant increase in sales of passenger vehicles by one of its major customer and also basis the expected productions plans received from its other large customers.
 - Working capital cash inflows due to lower levels of inventory and trade receivables along with increase in acceptances with more suppliers/ vendors opting for the same.
- 2) Available credit facilities: Various undrawn limits from banks available with the Company amounting to INR 9,540 lakhs, as at March 31, 2021.
- 3) With respect to the guarantees given for the loans outstanding in the books of its foreign subsidiary, the Company has obtained a waiver letter from the banks to defer the compliance of its financial covenants up to September 30, 2021. Next financial covenant compliance is due based on financial statements for the year ended March 31, 2022.

Based on the above factors, Management has concluded that the 'going concern' assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a Going Concern.

2. Estimation of uncertainties relating to the global health pandemic from COVID-19:

COVID-19 pandemic has rapidly spread throughout the world, including India. Government in India has taken significant measures to curb the spread of the virus including Imposing mandatory lockdowns and restrictions in activities. Consequently, Company's manufacturing plants and offices had to be closed down for a considerable period of time during the year. As a result of the lockdown, the revenue for the year has been impacted. The Company is monitoring the situation closely taking into account directives from the Governments.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the standalone financial statements including but not limited to its assessment of Company's liquidity and going concern, recoverable values of its property, plant and equipment, right-of-use assets, investments in subsidiaries and joint ventures, financial assets and the net realizable values of other assets. However, given the effect of these lockdowns on the overall economic activity in India and in particular on the automotive and auto component industry, a definitive assessment of the impact is highly dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these financial statements.

The Company will continue to monitor any material changes to future economic conditions and consequential impact on its financial statements.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 3.2: Significant accounting judgements, estimates and assumptions *(continued)*

Note 3.2 (b): Significant estimates and assumptions *(continued)*

3. Impairment in investment of subsidiaries and joint ventures

Investment in subsidiary and joint venture 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.

4. Impairment of financial assets

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.

5. 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. 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.

6. Defined benefit plan

The cost of the defined benefit plan, the present value of the defined benefit plan 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) (modified) 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.

7. 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.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 3.2: Significant accounting judgements, estimates and assumptions (continued)

Note 3.2 (b): Significant estimates and assumptions (continued)

8. Measurement of fair value

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Note 3.3: Standard issued but not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.



Tata AutoComp Systems Limited

Notes forming part of the standalone financial statements for the year ended March 31, 2021

Note 3.3: Standard issued but not yet effective (*continued*)

- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.



Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2021

(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, 2020											
Gross carrying amount											
Opening 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
Additions	-	-	199.72	2.71	29.21	1,154.31	8.83	40.31	346.72	1,781.81	2,330.55
Disposals / write off	-	-	-	-	-	-	(11.06)	-	-	(11.06)	-
Transfer	-	-	-	-	-	-	-	-	-	-	(544.45)
Reclassified to Right-of-use assets on application of Ind AS 116	-	(6,896.16)	-	-	-	-	-	-	-	(6,896.16)	-
Closing gross carrying amount	1,557.17	-	11,673.99	410.90	205.11	20,856.17	212.07	237.03	675.72	35,828.15	4,668.87
Accumulated depreciation											
Opening accumulated depreciation	-	106.90	1,026.86	73.95	63.84	7,334.03	52.95	117.99	174.41	8,950.93	-
Depreciation charge during the year	-	-	395.48	13.97	25.56	2,125.69	54.17	28.73	98.16	2,741.76	-
Disposals / write off	-	-	-	-	-	-	(10.82)	-	-	(10.82)	-
Reclassified to Right-of-use assets on application of Ind AS 116	-	(106.90)	-	-	-	-	-	-	-	(106.90)	-
Closing accumulated depreciation	-	-	1,422.34	87.92	89.40	9,459.72	96.30	146.72	272.57	11,574.97	-
Net carrying amount	1,557.17	-	10,251.65	322.98	115.71	11,396.45	115.77	90.31	403.15	24,253.18	4,668.87

	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, 2021											
Gross carrying amount											
Opening gross carrying amount	1,557.17	-	11,673.99	410.90	205.11	20,856.17	212.07	237.03	675.72	35,828.15	4,668.87
Additions	-	-	2,144.31	187.01	178.44	1,736.17	34.60	5.96	106.61	4,393.10	1,031.46
Disposals / write off	-	-	-	-	-	(10.79)	(29.19)	(0.08)	(38.49)	(78.55)	-
Transfer / sale	-	-	-	-	-	-	-	-	-	-	(2,131.42)
Closing gross carrying amount	1,557.17	-	13,818.30	597.91	383.55	22,581.55	217.48	242.91	743.84	40,142.70	3,568.91
Accumulated depreciation											
Opening accumulated depreciation	-	-	1,422.34	87.92	89.40	9,459.72	96.30	146.72	272.57	11,574.97	-
Depreciation charge during the year	-	-	531.64	19.51	27.24	2,048.37	52.35	26.77	142.51	2,848.39	-
Disposals / write off	-	-	-	-	-	(2.87)	(29.19)	(0.08)	(38.49)	(70.63)	-
Closing accumulated depreciation	-	-	1,953.98	107.43	116.64	11,505.22	119.46	173.41	376.59	14,352.73	-
Net carrying amount	1,557.17	-	11,864.32	490.48	266.91	11,076.33	98.02	69.50	367.25	25,789.97	3,568.91

b. Capital work-in-progress

Capital work-in-progress primarily includes land of Rs 2,201.06 lakhs under development and related cost and 1500T press machine amounting to Rs.443.76 lakhs. (March 31, 2020 - Capital work-in-progress primarily includes land of Rs 2,201.06 lakhs under development and related cost and civil work related to Lucknow plant under development of Rs 1,509.27 Lakhs.)

c. Contractual Obligation

Refer note 41 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, 2021
(All figures in INR Lakhs, unless otherwise stated)

Note 5 : Leases

A. Right of use assets

	Land	Building	Plant and Machinery	Total
As at March 31, 2019				
Gross carrying amount				
Opening gross carrying amount *	8,281.22	484.46	1,505.85	10,271.53
Additions ^	24.95	46.10	1,246.09	1,317.14
Initial direct cost	-	-	113.72	113.72
On account of remeasurement of lease liability	14.21	-	-	14.21
Closing gross carrying amount	8,320.38	530.56	2,865.66	11,716.60
Accumulated depreciation				
Opening accumulated depreciation	-	-	-	-
Depreciation charge during the year	337.57	173.28	341.61	852.46
Closing accumulated depreciation	337.57	173.28	341.61	852.46
Net carrying amount	7,982.81	357.28	2,524.05	10,864.14

	Land	Building	Plant and Machinery	Total
As at March 31, 2020				
Gross carrying amount				
Opening gross carrying amount	8,320.38	530.56	2,865.66	11,716.60
Additions ^	-	1,544.03	95.22	1,639.25
Initial direct cost	-	25.28	32.78	58.06
Closing gross carrying amount	8,320.38	2,099.87	2,993.66	13,413.91
Accumulated depreciation				
Opening accumulated depreciation	337.57	173.28	341.61	852.46
Depreciation charge during the year	339.99	328.53	402.18	1,070.70
Closing accumulated depreciation	677.56	501.81	743.79	1,923.16
Net carrying amount	7,642.82	1,598.06	2,249.87	11,490.75

* Includes prepaid rent of Rs. 121.89 lakhs which has been reclassified to Right-of-Use Asset pursuant to transition to Ind AS 116.

^ Includes prepaid rent of Rs 45.00 lakhs. (March 31, 2020 Rs. 70.32 lakhs)

B. Lease liabilities

	As at March 31, 2021	As at March 31, 2020
Current	1,070.01	590.97
Non Current	4,522.89	3,776.96
Total	5,592.90	4,367.93

C. Interest expenses on lease liabilities

	As at March 31, 2021	As at March 31, 2020
Interest on lease liabilities	450.06	333.69

D. Expenses on short term leases / low value assets

	As at March 31, 2021	As at March 31, 2020
Short term lease	90.34	84.47
Low value assets	74.26	20.05

E. Amounts recognised in the statement of cash flow

	As at March 31, 2021	As at March 31, 2020
Total cash outflow for leases	863.72	623.83

F. Maturity analysis – contractual undiscounted cash flows

	As at March 31, 2021	As at March 31, 2020
Less than one year	1,246.71	891.51
One to five years	3,828.43	3,115.01
More than five years	2,674.49	2,461.12
Total undiscounted lease liabilities	7,749.63	6,467.64

G. Income from leasing

	As at March 31, 2021	As at March 31, 2020
Other income from leasing	16.86	16.12
Total	16.86	16.12



Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2021

(All figures in INR Lakhs, unless otherwise stated)

Note 6 : Intangible assets and intangible assets under development

a. Intangible assets

	Acquired	Internally generated	Total
	Computer software	Engineering and development cost	
As at March 31, 2020			
Gross carrying amount			
Opening gross carrying amount	242.91	62.63	305.54
Additions	329.27	-	329.27
Closing gross carrying amount	572.18	62.63	634.81
Accumulated amortisation			
Opening accumulated amortisation	214.58	62.63	277.21
Amortisation charge for the year	41.66	-	41.66
Closing accumulated amortisation	256.24	62.63	318.87
Net carrying amount	315.94	-	315.94

	Acquired	Internally generated	Total
	Computer software	Engineering and development cost	
As at March 31, 2021			
Gross carrying amount			
Opening gross carrying amount	572.18	62.63	634.81
Additions	37.61	61.53	99.14
Disposals / write off	(30.27)	-	(30.27)
Closing gross carrying amount	579.52	124.16	703.68
Accumulated amortisation			
Opening accumulated amortisation	256.24	62.63	318.87
Amortisation charge for the year	90.69	0.47	91.16
Disposals / write off	(7.96)	-	(7.96)
Closing accumulated amortisation	338.97	63.10	402.07
Net carrying amount	240.55	61.06	301.61

b. Intangible assets under development

Intangible assets under development as at March 31, 2021 amounts to Rs 47.15 lakhs (March 31, 2020 Rs. 31.40 lakhs). Intangible assets under development mainly includes cost incurred for upgradation of current enterprise resource planning (ERP) systems .



Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2021
(All figures in INR Lakhs, unless otherwise stated)

Note 7 : Investments in subsidiaries and joint ventures

	As at March 31, 2021	As at March 31, 2020
Investments carried at cost		
Quoted investments		
<u>Investment in equity instruments</u>		
<u>Investment in subsidiary</u>		
11,898,296 (March 31, 2020: 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>		
Nanjing Tata Autocomp Systems Limited fully paid up (refer note a below)	4,017.92	4,017.92
25,000 (March 31, 2020: 25,000) equity shares of Rs.10/- each fully paid up in TACO Engineering Services GMBH	17.71	17.71
68,360 (March 31, 2020: 68,360) equity shares of SEK 1 each fully paid up in Ryhpez Holding (Sweden) AB (refer note b below)	35,676.61	35,676.61
16,320,000 (March 31, 2020: 16,320,000) equity shares of Rs.10/- each fully paid up in Tata Toyo Radiator Limited	1,632.00	1,632.00
6,210,000 (March 31, 2020: 6,210,000) equity shares of Rs.10/- each fully paid up in Tata AutoComp Hendrickson Suspensions Private Limited (Subsidiary w.e.f January 01, 2020) [refer note 3.2 (a) (3) (ii)]	621.00	621.00
<u>Investment in joint ventures</u>		
18,750,000 (March 31, 2020: 18,750,000) equity shares of Rs.10/- each fully paid up in Tata Ficoso Automotive Systems Private Limited	1,875.00	1,875.00
103,749,950 (March 31, 2020: 88,750,000) equity shares of Rs.10/- each fully paid up in Tata AutoComp GY Batteries Private Limited (refer note below)	8,650.08	7,150.08
9,000,000 (March 31, 2020: 9,000,000) equity shares of Rs.10/- each fully paid up in TM Automotive Seating Systems Private Limited	900.00	900.00
48,91,118 (March 31, 2020: 48,91,118) equity shares of Rs.10/- each fully paid up in Tata AutoComp Katcon Exhaust System Private Limited	321.13	321.13
25,000 (March 31,2020: 25000) equity shares of Rs 10/- each fully paid up in Tata AutoComp Seco Powertrain Private Limited	2.50	2.50
Total	61,229.92	59,729.92

a) Investment in Nanjing Tata Autocomp Systems Limited is not denominated in number of shares as per laws of country of incorporation i.e. The People's Republic of China.

b) As per Swedish law, equity shall be apportioned between non distributable (restricted) and distributable (unrestricted) funds. Out of total investment, Rs. 5.36 lakhs (March 31, 2020: Rs 5.36 lakhs) is restricted and Rs 35,671.26 lakhs (March 31, 2020: Rs 35,671.26 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 3,238.53 lakhs (March 31, 2020: Rs 3,238.53 lakhs) and expenses incurred on behalf of subsidiary amounting to Rs. 483.70 lakhs. (March 31, 2020: Rs 483.70 lakhs)

c) During the year, the Company has invested Rs.1.500 lakhs in Tata AutoComp GY Batteries Private Limited.

d) Total non current investments

	As at March 31, 2021	As at March 31, 2020
Aggregate market value of quoted investments	3,974.03	1,570.58
Aggregate book value of quoted investments	7,515.97	7,515.97
Aggregate amount of unquoted investments	53,713.95	52,213.95



Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2021
(All figures in INR Lakhs, unless otherwise stated)

Note 8 : Financial assets - loans

	As at March 31, 2021		As at March 31, 2020	
	Current	Non- current	Current	Non- current
Unsecured, considered good				
Loan to subsidiary (refer note 39)	2,950.00	1,850.00	5,000.00	1,850.00
Loan to joint ventures (refer note 39) *	-	-	200.00	-
Advance to employees	-	-	63.93	-
Total	2,950.00	1,850.00	5,263.93	1,850.00

* Includes Rs.100 lakhs of loan given to Air International Thermal TTR Private Limited and Rs.100 lakhs to TM Automotive Seating Systems Private Limited, private limited companies with common director as on March 31, 2020.

Break up of security details of current and non - current

	As at March 31, 2021	As at March 31, 2020
Loans considered good - secured	-	-
Loans considered good - unsecured	4,800.00	7,113.93
Loans which have significant increase in credit risk (refer note 49)	-	-
Loans- credit impaired (refer note 49)	-	-
Total	4,800.00	7,113.93

Note 9 : Other financial assets

	As at March 31, 2021		As at March 31, 2020	
	Current	Non- current	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	570.50	426.64	91.28	523.65
Considered doubtful	-	25.79	-	25.79
	570.50	452.43	91.28	549.44
Less : provision for doubtful deposits / loss allowance	-	(25.79)	-	(25.79)
	570.50	426.64	91.28	523.65
Unbilled revenue	665.03	-	318.30	-
Other receivable from related parties	728.56	-	1,375.56	-
Interest accrued on deposits	26.40	-	71.90	-
Application money paid towards securities *	-	1,100.00	-	-
Bank deposits	-	-	6.90	-
Other receivables	29.87	-	11.80	-
Government grant receivable	146.19	1,702.46	365.15	862.95
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts**	102.59	-	-	-
Total	2,269.14	3,229.10	2,240.89	1,386.60

* This represents share application money paid by the Holding Company towards investment in equity shares of Prestolite Electric India Pvt Ltd. Subsequent to the year end, the shares are allotted on April 05, 2021.

** Derivatives not designated as hedge.

Note 10 : Deferred tax liabilities (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax asset		
Defined benefit obligations	398.85	286.37
Provisions for doubtful debts and advances and inventory	389.73	369.05
Right of use assets and lease liabilities	169.29	65.80
Others	53.67	47.35
	1,011.54	768.57
Deferred tax liabilities		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	(1,063.85)	(1,080.26)
	(1,063.85)	(1,080.26)
Total	(52.31)	(311.69)

Movement in deferred tax assets/ (liabilities)

	Defined benefit obligation	Provisions for doubtful debts and advances and inventory	Other items	Right of use assets and lease liabilities	Depreciation	Total
At April 01, 2019	350.31	507.23	77.69	-	(1,463.43)	(528.20)
(Charged)/Credited						
To Profit and Loss Account	(140.93)	(138.18)	(30.34)	65.80	383.17	139.52
To Other Comprehensive Income	76.99	-	-	-	-	76.99
At March 31, 2020	286.37	369.05	47.35	65.80	(1,080.26)	(311.69)
(Charged)/Credited						
To Profit and Loss Account	51.22	20.68	6.32	103.49	16.41	198.12
To Other Comprehensive Income	61.26	-	-	-	-	61.26
At March 31, 2021	398.85	389.73	53.67	169.29	(1,063.85)	(52.31)



Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2021
(All figures in INR Lakhs, unless otherwise stated)

Note 11 : Income tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Opening balance	1,494.73	1,074.85
Taxes paid during the year	2,753.65	1,757.39
Tax expense relating to current year	(2,491.43)	(1,389.65)
(Short) / excess provision for tax in respect of earlier periods	(11.73)	52.14
Closing balance	1,745.22	1,494.73

Note 12 : Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	597.23	42.83
Considered doubtful	15.06	15.06
Less: Provision for doubtful capital advances	612.29	57.89
	15.06	15.06
	597.23	42.83
Balances with government authorities		
Considered good	248.77	254.86
Considered doubtful	48.48	15.00
Less: Provision for doubtful balances	297.25	269.86
	48.48	15.00
	248.77	254.86
Prepaid expenses	59.03	137.44
Total	905.03	435.13

Note 13 : Inventories

	As at March 31, 2021	As at March 31, 2020
Raw materials (includes inventory-in-transit Rs 12.77 lakhs, March 31, 2020 Rs. 59.43 lakhs)	6,007.02	1,922.72
Work-in-progress	1,084.56	1,139.20
Finished goods (includes inventory-in-transit Rs 257.53 lakhs, March 31, 2020 Rs 91.23 lakhs)	344.96	154.13
Stock-in-trade (includes inventory-in-transit Rs. 1,076.60 lakhs, March 31, 2020 Rs 1,450.75 lakhs)	2,045.45	1,920.77
Stores and spares	1,395.56	1,566.86
Tools (under development)	1,492.86	1,306.30
Total inventories	12,370.41	8,009.98

Amount recognised in statement of profit and loss

Write-downs of inventories to net realisable value amounted to Rs.3.53 lakhs (March 31, 2020 Rs.9.77 lakhs). These were recognised as an expense during the year and included in 'cost of materials consumed' in Statement of Profit and Loss.

Note 14 : Current investments

	As at March 31, 2021	As at March 31, 2020
Investment in liquid mutual funds carried at fair value through profit or loss		
Unquoted		
52,223.66 (March 31, 2020: NIL) units of Tata Liquid Fund (Formerly known as Tata Money Market Fund) - Direct Plan - Growth	1,696.03	-
6,43,974.31 (March 31, 2020: NIL) units of Aditya Birla Sunlife Liquid Fund - Growth- Direct Plan (formerly known as Aditya Birla Sun life Cash plus)	2,134.99	-
51,323.90 (March 31, 2020: NIL) units of Kotak Liquid Fund - Growth- Direct Plan	2,134.59	-
43,642.61 (March 31, 2020: NIL) units of HSBC Cash Fund- Growth- Direct Plan	894.16	-
65,047.55 (March 31, 2020: NIL) units of SBI Liquid Fund -Direct-Growth- Plan (Formerly known as SBI Premier Liquid Fund)	2,095.58	-
43,489.18 (March 31, 2020: NIL) units of Aditya Birla Sun Life Overnight Fund - Growth - Direct Plan	484.01	-
49,682.85 (March 31, 2020: NIL) units of Kotak Overnight Fund - Direct - Growth Plan	545.48	-
16,274.51 (March 31, 2020: NIL) units of SBI Overnight Fund -Direct-Growth- Plan (Formerly known as SBI Magnum Insta Cash Fund Liquid Floater)	545.48	-
44,576.15 (March 31, 2020: NIL) units of Tata Overnight Fund - Direct - Growth Plan	484.07	-
Total	11,014.39	-

Information about the Company's exposure to fair value measurement and market risk is included in note 48 and note 49 respectively. Aggregate amount of unquoted investments is Rs. 11,014.39 lakhs (March 31, 2020 Rs Nil)



Tata AutoComp Systems Limited
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Note 15 : Trade receivable

	As at March 31, 2021	As at March 31, 2020
Trade receivables	9,536.01	1,468.69
Receivables from related parties (refer note 39)	9,143.72	13,800.71
Less: Loss allowance	209.66	217.06
Total	18,470.07	15,052.34

Break-up of security details

	As at March 31, 2021	As at March 31, 2020
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	18,679.73	15,269.40
Trade receivable which have significant increase in credit risk (refer note 50)	-	-
Trade receivable credit impaired (refer note 50)	-	-
Total	18,679.73	15,269.40
Less: Loss allowance	209.66	217.06
Total	18,470.07	15,052.34

Trade Receivables from private companies with common directors

	As at March 31, 2021	As at March 31, 2020
Tata AutoComp Hendrickson Suspensions Private Limited	174.97	106.47
TM Automotive Seating Systems Private Limited	311.39	219.49
Tata Ficosa Automotive Systems Private Limited	118.53	802.40
Tata AutoComp GY Batteries Private Limited	223.30	237.82
Air International Thermal TTR Private Limited	19.99	20.81
Tata AutoComp Katcon Exhaust System Private Limited	69.43	197.28

Note 16 : Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	1,785.27	3,919.35
Cash on hand	0.05	0.05
Total	1,785.32	3,919.40

Note 17 : Bank balances other than above

	As at March 31, 2021	As at March 31, 2020
Earmarked deposit for repayment of non-convertible debentures	-	1,500.00
Other balances in deposit accounts	510.00	-
Total	510.00	1,500.00

Note 18 : Other current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	4,991.29	3,546.64
Considered doubtful	296.12	296.12
	5,287.41	3,842.76
Less: Provision for doubtful advances	296.12	296.12
	4,991.29	3,546.64
Export incentive receivable	389.75	331.12
Balances with government authorities	26.92	433.76
Prepaid expenses	198.80	209.75
Other advances (refer note 56)	-	7,688.02
Total	5,606.76	12,209.29



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Note 19: Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
329,600,000 (March 31, 2020: 329,600,000) equity shares of Rs. 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2020: 70,000,000) 8% preference shares of Rs. 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2020: 2,400,000) 7.5% preference shares of Rs. 10/- each	240.00	240.00
8,000,000 (March 31, 2020: 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, 2020: 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, 2021		As at March 31, 2020	
	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, 2021	As at March 31, 2020
28,675,598 equity shares (March 31, 2020 : 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, 2020 : 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, 2020 : 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	As at March 31, 2021		As at March 31, 2020	
	Number of shares held as on	% holding	Number of shares held as on	% holding
Tata Industries Limited	6,92,45,203	34.40%	6,92,45,203	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.



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Note 20 : Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
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	2,500.00	2,425.00
Add: Appropriations during the year	(2,500.00)	75.00
At the end of the year	-	2,500.00
General reserve		
At the commencement of the year	6,404.76	6,404.76
Add: Debenture redemption reserve transferred to General reserve	2,500.00	-
At the end of the year	8,904.76	6,404.76
Capital Reserve		
At the commencement and at the end of the year	9,683.54	9,683.54
Retained earnings		
At the commencement of the year	44,771.58	45,206.55
Profit for the year	6,709.59	4,700.68
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
Remeasurements of post-employment benefit obligations	(182.16)	(228.93)
Transfer to debenture redemption reserve	-	(75.00)
Dividend on equity shares [Nil (March 31, 2020 Rs.2 per share)]	-	(4,025.63)
Dividend distribution tax	-	(806.09)
	51,299.01	44,771.58
Total	75,306.70	68,779.27

Note 21 : Non-current borrowings

	Maturity date	Terms of repayment	Interest rate	As at March 31, 2021	As at March 31, 2020
Unsecured					
Non-convertible debentures	May 20, 2020	Single repayment at the end of the term	10.15%	-	-
Secured					
Term Loan from Bank (refer note 52 for security details)	March 2026	Repayable in 20 quarterly instalments starting from June 2021 and last instalment is due in March 2026	MCLR + 0.60% (currently 8.40%)	9,818.00	-
Total				9,818.00	-
Less: Current maturities of long term borrowings				(981.80)	-
Less: Transaction cost				(40.79)	-
Total				8,795.41	-

Note 22 : Non-current - other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Financial guarantee obligation [refer note 26 (a)]	1,142.62	1,513.00
	1,142.62	1,513.00
Less: Current maturities of financial guarantee obligation	370.39	370.39
Total	772.23	1,142.61

Note 23 : Provisions

	As at March 31, 2021		As at March 31, 2020	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Compensated absences	213.27	821.29	238.94	556.94
Gratuity (refer note 37)	-	550.23	-	341.96
Post employment pension benefits (refer note 37)	232.43	2,206.57	145.72	1,888.06
Other provisions (refer note 42)				
Provision for probable claims	776.40	-	737.80	-
Provision for indirect tax matters	-	219.64	-	-
Provision for warranty	-	68.26	-	-
Total	1,222.10	3,865.99	1,122.46	2,786.96



Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2021

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Note 24 : Financial liabilities - current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured		
Short term borrowings*	500.00	-
Total	500.00	-

* Short term borrowings includes Packing Credit Foreign Currency loan from Axis Bank @ 3% per annum.

Note 25 : Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payable micro and small enterprises (refer note 45)	353.91	1,269.27
Trade payable others		
Acceptances	4,378.23	2,504.78
Other than acceptances	32,506.80	19,681.10
Trade payable to related parties (refer note 39)	1,392.78	1,013.42
Total	38,631.72	24,468.57

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 49.

Note 26 : Current - other financial liabilities

	As at March 31, 2021	As at March 31, 2020
Current maturities of long term borrowings*	981.80	10,000.00
Creditors for capital goods	525.83	505.12
Payable towards employee benefits expense	1,866.37	1,272.74
Interest accrued on debentures and short term borrowings	-	399.76
Other payable	1,408.25	324.16
Financial guarantee obligation	370.39	370.39
Foreign-exchange forward contracts	-	155.12
Total	5,152.64	13,027.29

* For the year ended March 31, 2020 - It represents non-convertible debentures which were due for repayment in May 2020. (refer note 21 and 53)

Note 26 (a) : During the previous year, the Company 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 has recognized liability of Rs.1,860.05 lakhs. The Company unwinds this balance to Other Income over the estimated tenure of the loan.

The Company's exposure to currency and liquidity risks related to the above financial liabilities is disclosed in note 49.

Note 27 : Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advance from customers	4,314.62	4,771.21
Other advances (refer note 56)	-	12,100.00
Statutory dues payables	798.99	219.61
Total	5,113.61	17,090.82



Tata AutoComp Systems Limited
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Note 28 : Revenue from contracts with customer

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sale of products	1,07,084.61	70,089.09
Traded goods	21,025.46	17,467.79
Sale of services	6,418.97	5,547.39
Other operating revenues	829.89	2,047.83
Total	1,35,358.93	95,152.10

a) Contracts with customer

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customer	1,35,358.93	95,152.10
Disaggregation of revenue		
Based on type of goods		
- Components	1,19,301.11	82,216.53
- Tools, dies and Moulds	8,808.94	5,489.49
- Service	6,418.98	5,547.39
- Others	829.90	1,898.69
Based on Market		
- Original equipment manufacturer	1,24,571.56	82,673.93
- Joint ventures and subsidiaries	8,216.35	7,637.36
- Others	2,571.02	4,840.81
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, 2021	Year ended March 31, 2020
Trade receivable	18,470.07	15,052.34
Unbilled revenue	665.03	318.30
Contract liabilities	4,314.62	4,771.21

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

Significant changes in the contract liability balances are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Contract liabilities at the beginning of the year	4,771.21	2,575.40
Revenue recognised that was included in the contract liability balance at the beginning of the year	(4,033.16)	(2,547.79)
Increase due to cash received, excluding amounts recognised as revenue during the year	3,576.57	4,743.60
Contract liabilities at the end of the year	4,314.62	4,771.21

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 29 : Other Income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets carried at amortised cost	708.18	841.03
Dividend from joint ventures and subsidiary	131.79	820.07
Net gain on current investments mandatorily measured at fair value through profit or loss *	60.09	191.06
Net gain on sale of property, plant and equipments	21.03	0.25
Net gain on account of foreign currency transaction **	-	304.61
Export benefits	656.28	1,094.62
Unwinding of financial guarantee obligation [refer note 26(a)]	370.39	347.05
Sundry provisions / balances no longer required, written back	133.38	553.13
Provision for doubtful debts written back	7.39	-
Government grants (refer note below)	620.55	1,228.10
Other non-operating income	39.67	84.77
Total	2,748.75	5,464.69

* Includes unrealised marked to market gain of Rs.13.58 lakhs (March 31, 2020 - Nil)

** Includes Loss of Rs 194.78 lakhs on March 31, 2020 on account of change in fair value of derivative contracts.

Note- Industrial Promotion Subsidy

The Company is eligible to receive benefits in the form of Industrial Promotion Subsidy (refund of State Goods and Services Tax on eligible products sold), electricity duty exemption, stamp duty exemption and power tariff subsidy subject to fulfillment of certain conditions under Package Scheme of Incentive of Government of Maharashtra. These benefits are in the nature of Government Grants in accordance with Indian Accounting Standard (Ind-AS) 20 "Accounting for Government Grants and Disclosure of Government Assistance".

Note 30 : Cost of materials consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of raw materials at the beginning of the year	1,922.72	2,787.38
Add: Purchases	76,985.36	41,265.41
Less: Inventory of raw material at the end of the year	6,007.02	1,922.72
Total	72,901.06	42,130.07

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

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Work-in-progress	1,139.20	1,281.93
Finished goods	154.13	344.24
Tools	1,306.30	1,310.16
Stock-in-trade	1,920.77	1,054.58
	4,520.40	3,990.91
Closing stock		
Work-in-progress	1,084.56	1,139.20
Finished goods	344.96	154.13
Tools	1,492.86	1,306.30
Stock-in-trade	2,045.45	1,920.77
	4,967.83	4,520.40
Total	(447.43)	(529.49)



Tata AutoComp Systems Limited

Notes forming part of standalone financial statements for the year ended March 31, 2021
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Note 32 : Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	14,007.26	12,963.10
Contributions to provident fund and other fund (refer note 37)	739.50	742.56
Staff welfare expenses	1,052.63	1,328.50
Total	15,799.39	15,034.16

Note 33 : Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest and finance charges on financial liabilities measured at amortised cost	1,258.33	1,849.05
Other borrowing costs	27.58	4.28
Interest expenses on lease liabilities	450.06	333.69
Total	1,735.97	2,187.02

Note 34 : Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	2,848.39	2,741.76
Depreciation on Right-of-use assets	1,070.70	852.46
Amortisation of intangible assets	91.16	41.66
Total	4,010.25	3,635.88

Note 35 : Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores, spares and consumables	1,998.23	1,742.57
Power and fuel	2,232.21	2,236.11
Site expenses and contract labour charges	2,155.12	1,284.98
Rent and service charges	474.28	483.62
Repairs and maintenance:		
Buildings	121.67	129.45
Machinery	619.00	797.02
Others	459.80	365.97
Insurance	219.28	257.08
Rates and taxes	620.01	356.60
Communication expenses	301.34	245.87
Travelling and conveyance	217.29	921.53
Freight and forwarding	3,302.42	2,959.81
Commission	59.88	90.78
Royalty	28.66	-
Corporate social responsibility expenditure [Refer Note 35 (b)]	158.74	156.40
Legal and professional fees [Refer Note 35 (a)]	1,242.47	1,296.98
Provision for bad and doubtful debts	-	145.17
Bad debts written off	-	6.66
Sundry balances written off	17.53	25.21
Net loss on foreign currency transaction and translation *	119.13	-
Security and housekeeping charges	712.71	712.02
Processing charges	2,841.58	2,109.01
Warranty	68.26	-
Miscellaneous expenses	994.58	898.19
Less: Recoveries from joint ventures and subsidiaries	(1,480.77)	(1,335.39)
Total	17,483.42	15,885.64

* Includes gain of Rs 257.71 lakhs on March 31, 2021 on account of change in fair value of derivative contracts.



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35 a) Legal and Professional fees include payment to auditors

	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor		
Statutory audit	14.50	18.00
Tax audit	4.00	4.00
Limited reviews	13.50	13.50
Certifications	3.00	2.00
Other services	3.00	4.00
Reimbursement of expenses	1.90	6.94
Total	39.90	48.44

35 b) Corporate social responsibility expenditure

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Amount required to be spent by the Company during the year	158.74	156.32
(b) Amount spent during the year (in cash)		
(i) Construction / acquisition of any asset	-	-
(ii) On the purpose other than (i) above	126.91	156.40
(c) Provision for unspent amount during the year *	31.83	-

* As per rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, the unspent amount of Rs 31.83 lakhs has been deposited in a separate bank account in ICICI bank on April 13, 2021.

	Year ended March 31, 2021	Year ended March 31, 2020
Cancer Treatment of Children ST Judes, Mumbai	-	3.00
Ration support to SASA orphanage, Pune	4.41	4.15
Tata Community Initiatives Trust for skill development programme	-	12.75
English Speaking class and Personality development to increase employability for affirmative category, Confederation of Indian Industry	1.50	1.50
Sponsorship of Engineering Education for Girls Leela Poonawala	6.00	6.00
Access Life Assistance Foundation	-	3.00
Tata Education and Development center	75.00	121.00
Society of Complementary Therapies	-	5.00
Scholarship for High School Girls in Khed Taluka (Pune)	4.00	-
Assessment and Development Workshop and Dance for Hope for Engineering Girls through Lila Poonawalla Foundation	1.09	-
Reviving Livelihood of Marginalized and Center for Homeless	18.51	-
Digital Education Support to Schools	12.40	-
Youth Holistic Development Support from schools in Pune	3.00	-
HoPE Project at Orphanage	1.00	-
Total	126.91	156.40

Note 36 : Income tax expense

(a) Statement of Profit and Loss Section

	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense		
Current tax		
Current tax on profits for the year	2,491.43	1,389.65
Adjustments for current tax of prior periods	11.73	(52.14)
Total current tax expense	2,503.16	1,337.51
Deferred tax		
(Increase) / decrease in deferred tax assets	(181.70)	243.65
Increase in deferred tax liabilities	(16.41)	(383.17)
Total deferred tax credit	(198.12)	(139.52)
Income tax expense	2,305.04	1,197.99

(b) Other Comprehensive Income (OCI) Section

	Year ended March 31, 2021	Year ended March 31, 2020
(i) Net gain / (loss) on remeasurement of defined benefit plan	(243.42)	(305.92)
(ii) Deferred tax credit / (expense) to OCI on remeasurement of defined benefit plan	61.26	76.99

(c) Reconciliation of tax expense and the accounting profit:

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	9,014.63	5,898.67
Tax Rate of 25.17% (FY 2019-20 – 25.17%)	2,268.80	1,484.58
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	39.95	39.37
Disallowance u/s 14A of Income Tax Act, 1961	-	10.39
Dividend from joint ventures and subsidiary	-	(198.24)
Mark to market loss / (gain)	(48.75)	47.52
Other items	33.31	14.28
Effect of change in rate (refer note below)	-	(147.77)
Adjustments for current tax of prior periods	11.73	(52.14)
Income tax expense	2,305.04	1,197.99

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/conditions defined in the said section. The Company has evaluated and exercised the option of lower tax rate of 25.17% (inclusive of surcharge and cess) under Section 115BAA of the Income Tax Act, 1961 from financial year 2019-20 onwards. Accordingly, the Company has recognised provision for income tax for the year ended March 31, 2020 and remeasured the deferred tax liability basis the revised lower tax rate. This has resulted in deferred tax income of ₹ 147.77 lakhs for the year ended March 31, 2020 on account of remeasurement of net deferred tax liability.



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Note 37 : 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 and dearness allowance 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, 2019	1,276.89	(1,154.28)	122.61
Current service cost	139.46	-	139.46
Interest expense/(income)	87.46	(81.13)	6.33
Total amount recognised in profit or loss	226.92	(81.13)	145.79
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	2.37	2.37
(Gain)/loss from change in financial assumptions	62.08	-	62.08
Experience (gains)/losses	73.42	-	73.42
Total amount recognised in other comprehensive income	135.50	2.37	137.87
Employer contributions	-	(9.31)	(9.31)
Benefit payments	(55.00)	-	(55.00)
Closing defined benefit obligation as at March 31, 2020	1,584.31	(1,242.35)	341.96

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2020	1,584.31	(1,242.35)	341.96
Current service cost	160.31	-	160.31
Interest expense/(income)	95.44	(76.15)	19.29
Total amount recognised in profit or loss	255.75	(76.15)	179.60
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	7.64	7.64
(Gain)/loss from change in demographic assumptions	140.30	-	140.30
(Gain)/loss from change in financial assumptions	(81.22)	-	(81.22)
Experience (gains)/losses	13.31	-	13.31
Total amount recognised in other comprehensive income	72.39	7.64	80.03
Employer contributions	-	(11.94)	(11.94)
Benefit payments	(39.42)	-	(39.42)
Closing defined benefit obligation as at March 31, 2021	1,873.03	(1,322.80)	550.23

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

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	1,873.03	1,584.31
Fair value of plan assets	1,322.80	1,242.35
Non - current liability recognised in Balance Sheet	550.23	341.96

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, 2021	As at March 31, 2020
Discount rate	6.60%	6.10%
Salary escalation	8.00%	8.00%
Rate of return on plan assets	6.91%	7.40%
Attrition Rate- Management	16.00%	18.00%
Attrition Rate- Non- Management	3.00%	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, 2021	Year ended March 31, 2020
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(144.99)	(68.66)
(ii) 1% decrease in discount rate	169.05	75.46
(iii) 1% increase in rate of salary escalation	165.28	73.63
(iv) 1% decrease in rate of salary escalation	(144.68)	(68.33)

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, 2021	As at March 31, 2020
Defined benefit obligation		
Less than a year	264.22	333.35
Between 1 - 2 years	183.94	261.96
Between 2 - 5 years	637.22	765.04
Over 5 years	6,978.57	2,525.70
Total	8,063.95	3,886.05

Category of plan assets are as follows -

	As at March 31, 2021	As at March 31, 2020
Unquoted Insurer managed funds*	(1,322.80)	(1,242.35)

* The Company maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2021 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year Rs. 13.74 lakhs (Previous year Rs. 13.74 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 and to their spouses 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 the retirement. The pension plan is not funded plan.

	Present value of obligation
Opening defined benefit obligation as at April 1, 2019	1,630.62
Current service cost	251.38
Interest expense	123.31
Total amount recognised in profit or loss	374.69
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	159.28
Experience (gains)/losses	8.77
Total amount recognised in other comprehensive income	168.05
Benefit payments	(139.58)
Closing defined benefit obligation as at March 31, 2020	2,033.78

	Present value of obligation
Opening defined benefit obligation as at April 1, 2020	2,033.78
Current service cost	254.56
Interest expense	135.23
Total amount recognised in profit or loss	389.79
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	117.00
Experience (gains)/losses	46.39
Total amount recognised in other comprehensive income	163.39
Benefit payments	(147.96)
Closing defined benefit obligation as at March 31, 2021	2,439.00



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

	As at March 31, 2021	As at March 31, 2020
Unfunded plans	2,439.00	2,033.78
Deficit before asset ceiling	2,439.00	2,033.78

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, 2021		As at March 31, 2020	
	Serving Managing Director	Retired Managing Directors	Serving Managing Director	Retired Managing Directors
Discount rate	7.00%	7.00%	6.90%	6.90%
Pension growth rate	8.00%	8.00%	6.00%	6.00%
Compensation growth rate	8.00%	-	8.00%	-
Expected average remaining working life (years)	25	19 - 27	24	24

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, 2021	Year ended March 31, 2020
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(202.40)	(168.08)
(ii) 1% decrease in discount rate	235.15	195.38
(iii) 1% increase in rate of pension growth rate	75.21	65.42
(iv) 1% decrease in rate of pension growth rate	(72.41)	(62.85)

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, 2021	As at March 31, 2020
Defined benefit obligation (pension)		
Less than a year	232.43	145.72
Between 1 - 2 years	222.44	145.72
Between 2 - 5 years	702.50	665.02
Over 5 years	1,297.86	1,171.24
Total	2,455.23	2,127.70

(B) Defined Contribution Plans

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

	As at March 31, 2021	As at March 31, 2020
Contribution to Employees' Superannuation Fund	198.37	200.40
Contribution to Provident Fund/ Family Pension Fund (including contribution to social security)	515.51	513.93
Contribution to Labour Welfare fund	0.70	0.72
Contribution to Employees' State Insurance	24.92	27.51

(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 38: 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.

i) Product information:

	Year ended	
	March 31, 2021	March 31, 2020
- Components	1,19,301.11	82,216.53
- Tools, dies and Moulds	8,808.94	5,489.49
- Service	6,418.98	5,547.39
- Others	829.90	1,898.69
Total	1,35,358.93	95,152.10

ii) Geographical information

	Revenue		Non-current assets*	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
India	1,15,760.98	79,953.82	43,848.64	42,063.39
Europe	14,394.37	11,209.67	-	-
USA	4,561.95	3,710.67	-	-
Others	641.63	277.94	-	-
Total	1,35,358.93	95,152.10	43,848.64	42,063.39

* Non-current asset excludes financial assets and Investments in subsidiaries and joint ventures.

iii) Major customer

The revenue from customers which is more than 10% of Company's total revenue:

	Year ended	
	March 31, 2021	March 31, 2020
Customer 1	68,728.94	41,776.18
Customer 2	21,914.04	14,673.41
	90,642.98	56,449.58

Note 39 : 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) Nanjing Tata AutoComp Systems Limited
- i) Changshu Tata AutoComp Systems Limited (Subsidiary of Nanjing Tata AutoComp Systems Limited w.e.f. June 10, 2019)
- ii) Automotive Stampings and Assemblies Limited
- iii) Tata Toyo Radiator Limited
- iv) TACO Engineering Services GMBH
- v) Automotive Skills Training Private Limited (Formerly known as Automotive Skill Training Foundation)(Company has been voluntarily struck off w.e.f. April 18, 2019)
- vi) Rhypez Holding (Sweden) AB
- vii) TitanX Holding AB (Sweden) (Subsidiary of Rhypez Holding (Sweden) AB)
- viii) TitanX Engine Cooling, inc. (US) (Subsidiary of TitanX Holding AB (Sweden))
- ix) TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Holding AB (Sweden))
- x) TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden))
- xi) TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden))
- xii) TitanX Engine Cooling, Poland ((Subsidiary of TitanX Holding AB (Sweden))
- xiii) TitanX Engine Cooling SRL (Italy) (w.e.f. March 17, 2021)
- xiv) Tata AutoComp Hendrickson Suspensions Private Limited (w.e.f. January 01, 2020)

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

- 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) Tata Consulting Engineers Limited
- vii) Tata Capital Financials Services Limited
- viii) Bachi Shoes 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) Titan Company Limited
- x) Tata Precision Industries (India) Limited
- xi) Tata Elxsi Limited
- xii) Tata Daewoo Commercial Vehicle Company Limited
- xiii) Tata Communications Collaboration Services Private Limited
- xiv) Tata Housing Development Company Ltd - Employees Provident Fund
- xv) Tata SIA Airlines Limited
- xvi) Tata Power Renewable Energy Limited

Joint controlled entities

- i) Tata Ficosa Automotive Systems Private Limited
- ii) Tata Autocomp GY Batteries Private Limited
- iii) Tata Autocomp Hendrickson Suspensions Private Limited (up to December 31, 2019)
- iv) Tata Autocomp Katcon Exhaust System Private Limited
- v) TM Automotive Seating Systems Private Limited
- vi) Taco Sasken Automotive Electronics Limited (Under Liquidation)
- vii) Air International TTR Thermal Systems Private Limited (Joint venture of Tata Toyo Radiator)
- viii) Tata Autocomp SECO Powertrain Private Limited (w.e.f. November 26, 2019)

Key management personnel

Whole-time director

Mr. Arvind Goel (Managing Director and CEO)

Non-executive directors

Mr. Praveen Kadle
 Mr. Ramnath Mukhija (up to March 31, 2020)
 Mr. Hari Lakshminarayan Mundra
 Mr. Milind Shahane
 Mr. Ankur Verma
 Ms. Rati Forbes (w.e.f. April 30, 2019)



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(b) Transactions with related parties

	Transaction value		Closing balance	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sale of goods				
- Tata Motors Limited	68,061.30	40,660.19	714.13	7,304.77
- Fiat India Automobiles Private Limited	21,914.04	14,673.41	2,580.30	742.28
- Tata Sons Private Limited (refer note f below)	17,630.04	-	54.02	(12,100.00)
- Others	5,481.79	4,938.29	6,190.59	2,446.05
Purchase of goods and services				
- Tata Motors Limited	177.99	737.32	(118.57)	(85.49)
- Tata Capital Financials Services Limited	927.79	513.70	34.17	16.82
- Tata Toyo Radiator Limited	93.11	1,126.74	(93.59)	(33.58)
- Fiat India Automobile Private Limited	1,714.91	1,536.31	(503.96)	(320.48)
- Others	1,188.17	1,416.47	(332.59)	(364.70)
Brand equity business promotion contribution				
- Tata Sons Private Limited (Formerly known as Tata Sons Limited)	342.00	250.00	(378.23)	(226.00)
Sale of services and reimbursement				
- Tata Motors Limited	667.64	1,115.98	70.50	660.54
- Tata Toyo Radiator Limited	1,410.22	1,346.87	835.79	640.08
- Automotive Stampings and Assemblies Limited	136.74	142.57	132.10	267.45
- Tata AutoComp Hendrickson Suspensions Private Limited	610.77	521.79	174.96	97.69
- Tata Ficosa Automotive Systems Private Limited	366.10	330.24	93.69	627.05
- Tata AutoComp GY Batteries Private Limited	690.47	708.27	223.30	237.82
- TM Automotive Seating Systems Private Limited	371.33	248.61	230.33	198.00
- Tata AutoComp Katcon Exhaust System Private Limited	259.23	263.30	69.35	90.23
- TitanX Engine Cooling AB	253.88	129.61	292.89	59.65
- Nanjing Tata AutoComp Systems Limited	559.97	577.09	100.85	240.82
- Tata Medical and Diagnostics Limited	-	-	(1,100.00)	-
- Others	829.00	124.92	167.23	64.10
Sale of Property, plant and equipment				
- Tata Toyo Radiator Limited.	-	33.83	-	39.92
- Tata Ficosa Automotive Systems Private Limited	-	12.83	-	24.98
- Automotive Stampings and Assemblies Limited	-	20.82	-	35.58
- Tata AutoComp GY Batteries Private Limited	-	12.10	-	-
- Tata AutoComp Katcon Exhaust System Private Limited	-	5.43	-	6.40
- Nanjing Tata AutoComp Systems Limited	-	7.26	-	7.26
- Tata AutoComp Hendrickson Suspensions Private Limited	-	8.47	-	3.91
- Air International TTR Thermal Systems Private Limited	-	1.03	-	-
- Tata Medical and Diagnostics Limited	22.03	-	-	-
- TM Automotive Seating Systems Private Limited	-	5.17	-	6.11
Purchase of Property, plant and equipment				
- Voltas Limited	-	19.96	(0.04)	(0.04)
- Tata Toyo Radiator Ltd.	3.33	-	(3.93)	-
- Tata Ficosa Automotive Systems Limited	2.08	-	(2.45)	-
- Tata AutoComp GY Batteries Limited	3.21	-	(3.79)	-
- Tata AutoComp Hendrickson Suspensions Private Limited	1.37	-	(1.62)	-
- TM Automotive Seating Systems Pvt Ltd	0.47	-	(0.55)	-
Equity dividend paid				
- Tata Motors Limited	-	1,046.66	-	-
- Tata Investment Corporation Limited	-	54.40	-	-



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Particulars	Transaction value		Closing balance	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
- Tata Industries Limited	-	1,384.90	-	-
- Tata Sons Private Limited	-	573.51	-	-
- Tata Capital Limited	-	966.15	-	-
Interest received on Inter corporate deposits and loans				
- Automotive Stampings and Assemblies Limited	392.16	693.94	-	-
- Tata Ficosa Automotive Systems Private Limited	39.33	-	-	-
- TM Automotive Seatings Systems Private Limited	1.98	1.21	-	0.07
- Air International TTR Thermal Systems Private Limited	10.24	2.82	-	1.69
- Tata Toyo Radiator	122.54	-	-	-
- Tata AutoComp Katcon Exhaust System Private Limited	8.44	30.19	-	-
Dividend received				
- Tata Toyo Radiator Limited	-	104.04	-	-
- Tata AutoComp Hendrickson Suspensions Private Limited	-	473.64	-	-
- Tata Ficosa Automotive Systems Private Limited	-	210.00	-	-
- Tata AutoComp Katcon Exhaust System Private Limited	131.79	32.40	-	-
Inter corporate deposit given				
- Automotive Stampings and Assemblies Limited	6,550.00	1,600.00	3,900.00	6,850.00
- Tata Ficosa Automotive Systems Private Limited	1,000.00	-	-	-
- TM Automotive Seating Systems Private Limited	-	300.00	-	100.00
- Tata Toyo Radiator	4,600.00	-	900.00	-
- Tata AutoComp Katcon Exhaust System Private Limited	450.00	500.00	-	-
- Air International TTR Thermal Systems Private Limited	-	100.00	-	100.00
Inter corporate deposit received back				
- Automotive Stampings and Assemblies Limited	9,500.00	-	-	-
- TM Automotive Seating Systems Private Limited	100.00	200.00	-	-
- Tata Toyo Radiator	3,700.00	-	-	-
- Tata Ficosa Automotive Systems Private Limited	1,000.00	-	-	-
- Tata AutoComp Katcon Exhaust System Private Limited	450.00	1,300.00	-	-
- Air International TTR Thermal Systems Private Limited	100.00	-	-	-
Security deposit given				
- Tata Capital Financials Services Limited	483.54	244.50	1,053.64	570.10
Interest expenses on lease liability				
- Tata Capital Financials Services Limited	213.78	186.32	-	-
- Tata Motors Limited	69.43	60.55	-	-
Lease liabilities				
- Tata Capital Financials Services Limited	-	-	2,624.21	2,604.80
- Tata Motors Limited	-	-	847.23	817.08
Debenture holder				
- Tata Housing Development Company Ltd - Employees Provident Fund	(20.00)	-	-	20.00
Interest to debenture holder				
- Tata Housing Development Company Ltd - Employees Provident Fund	1.01	2.04	-	0.73
Remuneration to key managerial personnel				
- Mr. Arvind Goel	537.00	437.00	(300.00)	(200.00)
Short-term employee benefits	35.30	70.95	(119.14)	(108.35)
Long-term employee benefits	254.56	251.38	(650.83)	(378.38)
Post-employment benefits				
Commission paid to key managerial personnel				
- Mr. Praveen Kadle	15.00	40.00	-	-
- Mr. Ramnath Mukhija	10.00	25.00	-	-
- Mr. Hari Lakshminarayan Mundra	10.00	25.00	-	-
- Ms. Rati Forbes	5.00	-	-	-



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Particulars	Transaction value		Closing balance	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sitting fees paid to key managerial personnel				
- Mr. Praveen Kadle	4.50	4.70	-	0.90
- Mr. Ramnath Mukhija	-	6.20	-	0.90
- Mr. Hari Lakshminarayan Mundra	6.00	6.50	-	0.90
- Mr. Ankur Verma	2.00	2.50	-	0.45
- Ms. Rati Forbes	6.20	2.50	-	0.90
Investment in other equity				
- Rytpez Holding (Sweden) AB	-	1,860.05	3,722.23	3,722.23
Investment in equity shares				
- Tata Toyo Radiator Limited	-	-	1,632.00	1,632.00
- Nanjing Tata Autocomp Systems Limited	-	-	4,017.92	4,017.92
- Tata Ficoso 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	1,500.00	-	8,650.08	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	-	-	900.00	900.00
- Tata Autocomp Katcon Exhaust System Private Limited	-	-	321.13	321.13
- Rytpez Holding (Sweden) AB	-	-	31,954.38	31,954.38
- Tata Autocomp SECO Powertrain Private Limited	-	2.50	2.50	2.50

Note:

- a) The closing balances above are net of advances.
- b) The closing balances of investments in equity shares are net of provisions.
- c) All outstanding balances are unsecured and are repayable in cash.
- d) Loans to subsidiaries and joint ventures are provided at interest rates ranging from 8.40 % to 10.30% and have a maturity profile ranging from 0 to 5 years. These loans are proposed to be utilized by the related subsidiaries and joint ventures for meeting their working capital requirements and fund the acquisition of plant and equipments in ordinary course of business.
- e) The Company has given commission free financial guarantee of USD 80 million and Euro 63.24 million to bank in respect of loans taken by subsidiary Rytpez Holding (Sweden) AB.
- f) During the year the Company has sold ventilators and personal protective equipments of Rs. 17,630.04 lakhs to Tata Sons Private Limited as part of their response to COVID-19 pandemic. Since the above sales are at nil margin the same has been netted off against the cost of purchases.



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Note 40 : Contingent liabilities (To the extent not provided for)

	As at March 31, 2021	As at March 31, 2020
Income tax matters	1,059.54	1,028.42
Sales tax matters	26.26	26.26
Excise duty matters (refer note 1 below)	143.10	143.10
Goods and Services tax matters	21.15	21.15
Claims against company not acknowledged as debts	58.87	159.83
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	2,326.60	2,365.20

Note:

1) 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.

2) In February 2019, the Honorable Supreme Court of India vide its ruling clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). However, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honorable Supreme Court, in relation to the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. The Company will evaluate its position and act, as clarity emerges. Accordingly, the Company has not disclosed any contingent liability amount for past liability with respect to above ruling.

Note 41 : Capital Commitments

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	504.93	227.84

Note 42 : Movements in provisions for probable claims and indirect tax matters

For the year ended March 31, 2021

	Probable claims (refer note a below)	Indirect tax matters (refer note b below)	Warranty (refer note c below)
Carrying amount at the beginning of the year	737.80	-	-
Additional provision made during the year	38.60	219.64	68.26
Carrying amounts at the end of the year	776.40	219.64	68.26
Current	776.40	-	-
Non-Current	-	219.64	68.26

For the year ended March 31, 2020

	Probable claims (refer note a below)	Indirect tax matters (refer note b below)	Warranty (refer note c below)
Carrying amount at the beginning of the year	699.40	-	-
Additional provision made during the year	38.40	-	-
Carrying amounts at the end of the year	737.80	-	-
Current	737.80	-	-
Non-Current	-	-	-

a. Provision for probable claim includes a claim arising out of share purchase agreement with former joint venture partner, namely Yazaki Corporation in relation to sale of the Company's shareholding in the former joint venture Tata Yazaki AutoComp Limited. As per the agreement, the Company is liable to compensate Tata Yazaki AutoComp Limited (subsequently renamed as "Yazaki India Private Limited") in relation to an excise duty case involving a demand amounting to Rs 450 lakhs. Additionally, as per the demand order, the Company is accruing interest on the said demand @ 10% p.a. since October 2012.

It is not practicable for the Company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

b. This represents provisions made for probable liabilities / claims arising out of pending dispute / litigations with various regulatory authorities in respect of VAT and CST cases. These provisions are affected by numerous uncertainties and management has taken all efforts to make the best estimates. Timing of outflow of resources will depend upon timing of decision of cases.

c. The Company has made warranty provision on account of sale of products with warranty clause. These provisions are based on management's best estimate and past trends. Actual expenses for warranty are charged directly against the provision. Un-utilized provision is reversed on expiry of the warranty period.

Note 43 : Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
Net earnings attributable to equity shareholders	Rs. in lakhs	6,709.59	4,700.68
Weighted average no. of equity shares		20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	Rs.	3.33	2.34
Nominal value of an equity share	Rs.	10.00	10.00



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Note 44 : The disclosure regarding the Company's expenditure on its research and development activity have not been made since the Company is not claiming deduction u/s 35(2AB) of Income tax act, 1961 consequent to its decision to opt for lower income tax rate u/s 115 BAA of Income tax act, 1961.

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

	As at March 31, 2021	As at March 31, 2020
The principal amount and the interest due thereon remaining unpaid to any micro and small supplier at the end of each accounting year:		
- Principal	369.28	1,337.16
- Interest	0.92	2.08
	370.21	1,339.24
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 (Principal amount)	3,256.72	3,620.89
- Interest on the principal amount	-	-
	3,256.72	3,620.89
Interest paid, other than under Section 16 of Micro, Small and Medium Enterprises Development Act, 2006.	-	-
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	10.08	37.22
Interest under section 16 Micro, Small and Medium Enterprises Development Act, 2006 accrued during the year.	11.00	39.30
The amount of interest accrued and remaining unpaid at the end of each accounting year	221.56	210.56
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.	11.00	39.30

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, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Loans to subsidiaries				
- Automotive Stampings and Assemblies Limited	-	6,850.00	-	6,850.00

The above disclosure for current year has not been made as the Company has repaid its debentures during the year and consequently, listing agreement for debt securities is not applicable.

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, 2021	As at March 31, 2020	
Subsidiaries (Direct and Indirect):			
Taco Engineering Services GmbH	100.00	100.00	Germany
Nanjing Tata AutoComp Systems Limited	100.00	100.00	China
Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
Tata Toyo Radiator Limited ("TTR")	51.00	51.00	India
Ryhpez Holding (Sweden) AB	100.00	100.00	Sweden
TitanX Holding AB (Sweden) (Subsidiary of Ryhpez Holding (Sweden) AB)	99.48	99.48	Sweden
TitanX Engine Cooling, Inc. (US) (Subsidiary of TitanX Holding AB (Sweden))	99.48	99.48	USA
TitanX Engine Cooling Kunshan Co., Ltd. (China) (Subsidiary of TitanX Holding AB (Sweden))	99.48	99.48	China
TitanX Engine Cooling AB (Sweden) (Subsidiary of TitanX Holding AB (Sweden))	99.48	99.48	Sweden
TitanX Refrigeração de Motores LTDA (Brazil) (Subsidiary of TitanX Engine Cooling AB (Sweden))	99.48	99.48	Brazil
TitanX Engine Cooling, Poland (Subsidiary of TitanX Holding AB (Sweden))	99.48	99.48	Poland
TitanX Engine Cooling SRL (Italy) (w.e.f. March 17, 2021)	99.48	100.00	Italy
Changshu Tata AutoComp Systems Limited (subsidiary of NTACO) (w.e.f. June 10, 2019)	100.00	100.00	China
Tata Autocomp Hendrickson Suspensions Private Limited (w.e.f. January 01, 2020)	50.00	50.00	India
Joint ventures :			
Tata Ficoso Automotive Systems Private Limited ("TF")	50.00	50.00	India
Tata AutoComp GY Batteries Private Limited ("TGY")	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
Tata Autocomp SECO Powertrain Private Limited (w.e.f. November 26, 2019) *	50.00	50.00	India
Tata Autocomp Gotion Green Energy Solutions Private Limited (w.e.f. March 28, 2020) **	60.00	60.00	India
Air International TTR Thermal Systems Private Limited (AITTR) (JV of TTR)	25.50	25.50	India

* The Company had entered into an agreement with SECO Powertrain Private Limited on June 5, 2019 and formed a joint venture company namely Tata Autocomp SECO Powertrain Private Limited on November 26, 2019. There have been no transactions entered by the newly formed joint venture since its inception and consequently the board of the joint venture has decided to file for dormancy wide a resolution passed in the meeting dated March 30, 2021.

** The Company has entered into an agreement with Hefei Guoxuan High-Tech Power Energy Co. Ltd on February 26, 2019 to form a joint venture company namely Tata Autocomp Gotion Green Energy Solutions Private Limited. The joint venture was incorporated on March 28, 2020. W.e.f. April 18, 2020, amendments have been made to para 3.1.1 of the FDI policy so as to compel any country which shares a border with India to obtain government approval prior to an investment. This covers inter alia China, Bangladesh and Pakistan. The Company is in the process of obtaining approval from the government and as on March 31, 2021, the Company has not made any investment in share capital of the joint venture.



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Note 48 : Fair Value Measurement

Financial Instrument by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Total carrying value
		Designated upon initial recognition	Mandatory	
Financial assets:				
<i>Non-current</i>				
Loans	1,850.00	-	-	1,850.00
Other financial assets	3,229.10	-	-	3,229.10
<i>Current</i>				
Investments	-	-	11,014.39	11,014.39
Trade receivables	18,470.07	-	-	18,470.07
Cash and cash equivalents	1,785.32	-	-	1,785.32
Loans	2,950.00	-	-	2,950.00
Other financial asset	2,166.55	102.59	-	2,269.14
Financial liabilities:				
<i>Non-current</i>				
Borrowings	8,795.41	-	-	8,795.41
Lease liabilities	4,522.89	-	-	4,522.89
Other financial liabilities	772.23	-	-	772.23
<i>Current</i>				
Borrowings	500.00	-	-	500.00
Trade payable	38,631.72	-	-	38,631.72
Lease liabilities	1,070.01	-	-	1,070.01
Other financial liabilities	5,152.64	-	-	5,152.64

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

	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Total carrying value
		Designated upon initial recognition	Mandatory	
Financial assets:				
<i>Non-current</i>				
Loans	1,850.00	-	-	1,850.00
Other financial asset	1,386.60	-	-	1,386.60
<i>Current</i>				
Trade receivables	15,052.34	-	-	15,052.34
Cash and cash equivalents	3,919.40	-	-	3,919.40
Bank balances other than cash and cash equivalent	1,500.00	-	-	1,500.00
Loans	5,263.93	-	-	5,263.93
Other financial asset	2,240.89	-	-	2,240.89
Financial liabilities:				
<i>Non-current</i>				
Lease liabilities	3,776.96	-	-	3,776.96
Other financial liabilities	1,142.61	-	-	1,142.61
<i>Current</i>				
Trade payable	24,468.57	-	-	24,468.57
Lease liabilities	590.97	-	-	590.97
Other financial liabilities	12,872.17	155.12	-	13,027.29

Financial guarantee obligations have been measured at higher of amount of the loss allowance and amount initially recognised less the cumulative amount of income recognised.



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Note 48 : Fair Value Measurement (continued)

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 are 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, 2021:

	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Asset				
Investments in liquid mutual fund units	11,014.39	11,014.39	-	-
Derivative financial instruments - foreign currency forward	102.59	-	102.59	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments - foreign currency forward contracts	155.12	-	155.12	-

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, 2020:

	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures (included in other financial liabilities)	10,400.00	-	10,400.00	-

- The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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 49 : 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, 2021			As at March 31, 2020		
	USD	EUR	Others	USD	EUR	Others
Financial assets						
Trade receivables	4,299.48	6,766.03	127.58	2,333.73	4,096.52	79.80
Bank balances	-	-	-	17.52	-	-
Reimbursements from related parties	74.62	34.01	-	145.38	-	-
Exposure to foreign currency risk (assets)	4,374.10	6,800.04	127.58	2,496.63	4,096.52	79.80
Financial liabilities						
Trade payables	745.86	326.43	199.21	1,075.53	230.68	23.39
Other payable	-	-	-	-	-	0.27
Exposure to foreign currency risk (liabilities)	745.86	326.43	199.21	1,075.53	230.68	23.66

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, 2021	As at March 31, 2020
USD sensitivity		
INR/USD -Increase by 3% (31 March 2020- 9%)*	108.85	127.90
INR/USD -Decrease by 3% (31 March 2020- 9%)*	(108.85)	(127.90)
EUR sensitivity		
INR/EUR -Increase by 4% (31 March 2020- 7%)*	258.94	270.61
INR/EUR -Decrease by 4% (31 March 2020- 7%)*	(258.94)	(270.61)

*Holding all other variable constant

Forward contracts receivable / payable

	As at March 31, 2021	As at March 31, 2020
Forward contracts receivable		
USD	875.90	1,709.21
EUR	1,238.99	2,873.01
Forward contracts payable		
CNH	257.46	448.26



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(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, 2021	As at March 31, 2020
Variable rate borrowings	9,818.00	-
Fixed rate borrowings	500.00	10,000.00
Total borrowings	10,318.00	10,000.00

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

	As at March 31, 2021			As at March 31, 2020		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Term loan from bank (in Rs.)	10.40%	9,818.00	95.15%	-	-	0%

(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	Upto 1 year	Between 1 and 2 years	2 year and above	Total
March 31, 2021				
Non-derivatives				
Borrowings non current	981.80	1,472.70	7,363.50	9,818.00
Borrowings current	500.00	-	-	500.00
Trade payables	38,631.72	-	-	38,631.72
Other financial liabilities	3,800.45	-	-	3,800.45
Lease liability	1,246.71	985.60	5,517.32	7,749.63
Financial guarantee obligation *	1,14,768.88	-	-	1,14,768.88
Total non-derivative liabilities	1,59,929.56	2,458.30	12,880.82	1,75,268.68

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 year and above	Total
March 31, 2020				
Non-derivatives				
Trade payables	24,468.57	-	-	24,468.57
Lease liability	891.51	1,008.93	4,567.20	6,467.64
Other financial liabilities	12,872.17	-	-	12,872.17
Financial guarantee obligation *	1,12,884.03	-	-	1,12,884.03
Total non-derivative liabilities	1,51,116.27	1,008.93	4,567.20	1,56,692.41

* The company has given the financial guarantee for one of its subsidiary (refer note 55 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.



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Exposure to credit risk

The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to Rs 18,470.07 lakhs, Rs 15,052.34 lakhs as of March 31, 2021 and March 31, 2020 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, 2021, 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.

Trade receivables	As at March 31, 2021			As at March 31, 2020		
	Gross	Allowance	Net	Gross	Allowance	Net
Period (in months)						
Not due	14,841.40	-	14,841.40	6,689.61	-	6,689.61
Overdue up to 3 months	2,189.65	15.46	2,174.19	6,302.93	14.38	6,288.55
Overdue 3-6 months	761.33	58.04	703.29	846.33	63.57	782.76
Overdue more than 6 months	887.35	136.16	751.19	1,430.53	139.11	1,291.42
Total	18,679.73	209.66	18,470.07	15,269.40	217.06	15,052.34

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

	Amount
Loss allowance on March 31, 2019	71.89
Changes in loss allowance	145.17
Loss allowance on March 31, 2020	217.06
Changes in loss allowance	(7.40)
Loss allowance on March 31, 2021	209.66

Note 50 : 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 and lease liabilities as disclosed in notes 21, 24 and 5 to the financial statements.

	As at March 31, 2021	As at March 31, 2020
Total debt	15,870.11	14,367.93
Total equity	95,434.84	88,907.41
Net debt to equity ratio	0.17	0.16

(b) Dividends

Particulars	As at March 31, 2021	As at March 31, 2020
(i) Equity shares		
Final dividend for the year ended March 31, 2020- Nil (March 31, 2019 – Rs 2 per share) per fully paid share	-	4,025.63
(ii) Dividends not recognised at the end of the reporting period	-	-
Board of directors have not recommended the payment of a final dividend for the year ended on 31 March 2021 (31 March 2020- Nil)		



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Note 51: Risk assessment by the Company of COVID-19 (Global Pandemic)

Sr No.	Particulars	Risk assessment by the Company
1	Property, plant and equipment	On account of COVID-19, the Company has considered all the relevant market conditions which might impact the recoverable amount of the Property, plant and equipment. This analysis has not highlighted the need to record any losses on account of impairment. The Company has also revisited the method of depreciation being followed and has concluded it to be appropriate. Further, the Company does not expect any material changes in the useful life of these assets on account of the global pandemic.
2	Right-of-use assets (Lease Arrangements)	RoU: The Company has assessed the risk of COVID-19 disruptions to its revenues. Basis its assessment and on-going internal efficiency plans, the Company does not foresee any large scale contraction in demand which could result in significant downsizing of its operations rendering the leased machines and locations redundant. The leasing arrangements with the lessor are long term in nature and no changes in terms (including lease rent concessions) of those leases are expected due to COVID-19.
3	Financial assets	<p>The standalone financial statements include financial assets of Rs. 42,078.02 lakhs as on March 31, 2021 (March 31, 2020 - Rs. 31,213.16 lakhs).</p> <p>Financial assets include trade receivables of Rs. 18,470.07 lakhs as on March 31, 2021 (March 31, 2020 -Rs. 15,052.34 lakhs) which forms a significant part of the financial assets and are carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In calculating expected credit loss on trade receivable, the Company has considered the current and anticipated future economic conditions relating to the customers and the countries where they operate. Further the Company has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect of emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of business, impact immediately seen in the demand, impact of pandemic on respective locations and the financial strength of the customers in respect of whom amounts are receivable. The Company does not expect a material increase in credit risk on an overall basis other than those that are already factored in.</p> <p>Financial assets of Rs. 2,285.32 lakhs have been recorded as on March 31, 2021 (March 31, 2020 - Rs 5,419.40) at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Company has assessed the counterparty credit risk. The Company does not expect a material increase in credit risk on an overall basis other than those that are already factored in.</p>
4	Non-Financial Assets	Non-Financial Assets: The Company has considered the impact of emerging situations due to COVID-19 pandemic while computing recoverable value of its non-financial assets. The Company does not foresee any impairment loss in the value of non-financial assets on account of global pandemic.
5	Deferred Tax Assets	The Company has factored its future projections to consider impact of COVID-19 on the future revenues and taxable profits. These projections have been used for the purpose of assessment of recoverability of deferred tax assets. The Company believes that the deferred tax assets stand recoverable as at period-end.
6	Revenue from contracts with customers	<p>The Company is a leading supplier of automobile components, assemblies and engineering services to automotive original equipment manufacturers and other customers. While the Company strongly believes that it has a rich portfolio of goods and services and the revenue forecasts are stable, the possible impact on revenue streams may arise due to:</p> <ul style="list-style-type: none"> • prolonged lock-down situation resulting in its inability to deploy resources at different locations • furtherance of the downturn in the automobile sector • adversities faced by customers to continue their businesses and its impact on demand • deferment or cancellation of contracts by customers <p>The company has assessed that the customers for passenger and commercial vehicle segment are more prone to immediate impact due to drop in demand. The Company has considered such impact to the extent known and available currently. Also, there have been no executed or proposed changes in key contracts with customers as at the year-end. The Company expects that it shall keep complying with all the agreed terms of contracts and shall duly meet its performance obligations. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.</p>
7	Employee benefits expense	The Company has re-evaluated the actuarial assumptions used for the purpose of valuing employee benefit obligations in light of the COVID-19 outbreak. The Company believes that the assumptions on salary growth rates, attrition rates and discount rate are reasonable.



Tata AutoComp Systems Limited
Notes forming part of standalone financial statements for the year ended March 31, 2021
(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:

Particulars	As at March 31, 2021	As at March 31, 2020
Non-current		
<i>First charge</i>		
Movable property, plant and equipment of Interior and Plastics Division and Composites Division	11,395.00	-
Current		
<i>First charge</i>		
Current assets of Supply Chain Management division	18,871.15	-

Note 53: Repayment of non-convertible debentures

During the year, on May 18, 2020, the Company had fully repaid its non-convertible debentures of INR 10,000 lakhs which were listed on the Wholesale Debt Market of the National Stock Exchange. Consequently, the Company ceased to be a debt listed Company with effect from May 18, 2020.

Note 54: Managerial remuneration

During the current year, the total managerial remuneration accrued by the Company to its Managing Director and CEO, Mr. Arvind Goel is in excess of the limits laid down under section 197 and Schedule V of the Companies Act, 2013 by Rs 122.14 lakhs (March 31, 2020 Rs 143.93 lakhs). The Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration. Management is reasonably certain that the approval will be received.

Note 55: Corporate Guarantees

1. During the previous year, on account of refinancing of loan the financial guarantee given to bank in respect of loans availed by one of its subsidiaries amounting to USD 61.16 million stands withdrawn w.e.f. April 29, 2019 and the Company has given the new financial guarantee to another bank effective from April 25, 2019.

As at 31 March 2021, the Company has given the following financial guarantees:

- To the bank for facility amounting to Euro 63.25 million (March 31, 2020 - Euro 63.25 million)
- To the bank for facility amounting to USD 55.00 million (March 31, 2020 - USD 55.00 million)
- To the bank for hedging agreement amounting to USD 25.00 million (March 31, 2020 - USD 25.00 million)

The Company has pledged its investment in Ryhpez Holding (Sweden) AB with bank for loan facility availed by that subsidiary.

2. Surety bond amounting to SEK 73 million (March 31, 2020: SEK 73 million), in favour of pension fund administrator for one of its subsidiaries.

Note 56: In March 2020, the Company had received advances from Tata Sons Private Limited in relation to their response to the COVID-19 pandemic for the procurement of Ventilators and Personal Protective Equipment. The Company has obtained shareholders approval for updating the object clause of Company's Memorandum of Association to include procurement and sale of Ventilators and Personal Protective Equipments. As on March 31, 2020:

- i) An amount of INR 7,688.02 lakhs given to suppliers had been disclosed as other advances under other current assets in FY 2019-20.
- ii) An amount of INR 12,100.00 lakhs received from Tata Sons Private Limited had been disclosed as other advances under other current liabilities in

During the year the Company has procured and sold the Ventilators and Personal Protective Equipment's against the above advances received in March 2020.

Note 57: Previous year figures have been regrouped / reclassified wherever necessary to correspond 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

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

Swapnil Dakshindas
Partner
Membership No. 113896
ICAI UDIN:

Praveen Kadle
Chairman
(DIN 00016814)

Hari Mudra
Director
(DIN 00287029)

Place: Pune
Date: May 05, 2021

Arvind Goel
Managing Director and CEO
(DIN 02300813)

Deepak Rastogi
Chief Financial Officer

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021

Tata AutoComp Systems Limited

Consolidated financial statements together with the
Independent Auditors' Report

For the year ended 31 March 2021

B S R & Co. LLP

Chartered Accountants

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

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

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF TATA AUTOCOMP SYSTEMS LIMITED

Report on the Audit of the 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 2021 and 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 for the year then ended, and notes to the consolidated financial statements, including a summary of the 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 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at 31 March 2021, of its consolidated loss 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group and its joint ventures in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 opinion on the consolidated financial statements.

**Independent Auditors' Report on the Consolidated Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

Emphasis of Matter

We draw your attention to Note 3 (b) (1) and Note 3 (b) (2) to the consolidated financial statements for the year ended 31 March 2021, which describes the Management's assessment of the impact of COVID-19 pandemic and the resultant lockdowns on the uncertainties involved in developing some of the estimates involved in preparation of the consolidated financial statements including but not limited to its assessment of liquidity and going concern, recoverable values of its property, plant and equipment, right-of-use assets, intangible assets, intangible assets under development and net realizable value of other assets. Based on information available of this date, Management believes that no further adjustments are required to the consolidated financial statements. However, in view of uncertain economic environment impacting the automotive industry and the Group's customers, a definitive assessment of the impact is dependent upon circumstances as they evolve in future and the actual results may differ from those estimated as at the date of approval of these consolidated financial statements.

Our opinion is not modified in respect of this matter.

Information Other than the Consolidated Financial Statements and Auditors' Report Thereon

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.

Management's and Board of Directors' Responsibilities 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 Management and 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 Management and Directors of the Holding Company, as aforesaid.

**Independent Auditors' Report on the Consolidated Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (continued)**

**Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements
(continued)**

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 the respective Board of Directors 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.

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 the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.
- Conclude on the appropriateness of Management and Board of Directors 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 and 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 2021 (*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. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. 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.

Other Matters

- (a) We did not audit the financial information of one subsidiary (including 7 step-down subsidiaries), whose financial information reflect total assets (before consolidation adjustments) of INR 179,192.48 Lakhs as at 31 March 2021, total revenues (before consolidation adjustments) of INR 149,313.12 Lakhs, total net loss after tax (before consolidation adjustments) of INR 7,676.64 lakhs and net cash inflows of INR 6,058.68 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, is based solely on the audit reports of the other auditors.

These subsidiaries are located outside India whose 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 Holding Company's management has converted the financial information 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 Holding 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 Holding Company and audited by us.

**Independent Auditors' Report on the Consolidated Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (continued)**

Other Matters (continued)

- (b) The financial information of one subsidiary, whose financial information reflect total assets (before consolidation adjustments) of INR 117.86 lakhs as at 31 March 2021, total revenue (before consolidation adjustments) of INR 178.83 lakhs, total net loss after tax (before consolidation adjustments) of INR 36.78 lakhs, and net cash inflows of INR 0.01 lakhs 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 these subsidiaries, 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 2021 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 2021 from being appointed as a director in terms of Section 164(2) of the Act;

**Independent Auditors' Report on the Consolidated Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

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

- 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".
2. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors') Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries and joint ventures, as noted in the 'Other Matters' paragraph:
 - a. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2021 on its consolidated financial position of the Group and its joint ventures. Refer note 44 and note 47 (C) to the consolidated financial statements;
 - b. 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 2021;
 - c. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and joint ventures during the year ended 31 March 2021;
 - d. The disclosures 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 consolidated financial statements since they do not pertain to the financial year ended 31 March 2021.

**Independent Auditors' Report on the Consolidated Financial Statements of
Tata AutoComp Systems Limited for the year ended 31 March 2021 (*continued*)**

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

3. With respect to the matter to be included in the Auditors' report under section 197(16):
- a. The remuneration paid / accrued by the Holding Company to its Managing Director & Chief Executive Officer of Rs. 573.58 lakhs exceeds the prescribed limits under Section 197 read with Schedule V to the Act by INR 122.14 lakhs. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the Holding company proposes to obtain in the forthcoming Annual general Meeting. Refer note 57 (i) to the consolidated financial statements;
 - b. Two of the Holding Company's subsidiaries have paid/ accrued remuneration to their Chief Executive Officers of Rs. 65.00 lakhs and Rs 175.85 lakhs respectively which are in excess of the limits prescribed under Section 197 read with Schedule V to the Act by Rs. 5 lakhs and Rs. 55.85 lakhs respectively and are subject to the approval of the shareholders. As per the provisions of the Act, the excess remuneration is subject to approval of the shareholders which the subsidiary companies proposes to obtain in the forthcoming Annual general Meeting. Refer note 57 (ii) to the consolidated financial statements;

The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

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

Place: Pune
Date: 5 May 2021

Swapnil Dakshindas
Partner
Membership No.: 113896
ICAI UDIN: 21113896AAAAC8221

Annexure A to the Independent Auditors' Report on the Consolidated Financial Statements of Tata AutoComp Systems Limited for the year ended 31 March 2021

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 2021, 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 2021, 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"). We also draw your attention to the emphasis of matter paragraph reported in audit report.

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 2021 (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

Pune : Pune

Date: 5 May 2021

Membership No.: 113896

ICAI UDIN: 21113896AAAAC8221



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

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	5	98,101.52	1,00,352.22
Capital work-in-progress	5	12,613.07	15,764.72
Right-of-use assets	6	35,243.16	33,537.33
Goodwill	7(c)	77,835.04	74,578.82
Intangible assets	7(a)	22,863.03	22,325.28
Intangible assets under development	7(b)	60.77	45.02
Investments accounted for using the equity method	47(c)	10,900.34	8,614.95
Financial assets			
(i) Others	8	4,463.60	2,449.62
Deferred tax assets	9	16,379.74	13,234.19
Income tax assets (net)	10	2,735.32	2,703.19
Other non-current assets	11	2,860.88	2,354.06
Total non-current assets		2,84,056.47	2,75,959.40
Current assets			
Inventories	12	56,077.37	44,970.73
Financial assets			
(i) Investments	13	15,862.62	6,814.95
(ii) Trade receivables	14	53,718.59	53,715.81
(iii) Cash and cash equivalents	15	18,793.43	15,925.64
(iv) Bank balances other than (iii) above	16	2,490.96	1,512.96
(v) Loans	17	74.55	374.18
(vi) Other financial assets	8	1,990.81	3,009.72
Other current assets	18	19,872.58	26,703.70
Assets classified as held for sale	19	751.43	-
Total current assets		1,69,632.34	1,53,027.69
Total assets		4,53,688.81	4,28,987.09
EQUITY AND LIABILITIES			
Equity			
Equity share capital	20	20,128.14	20,128.14
Other equity			
Reserves and surplus	21(a)	77,229.83	80,969.13
Other reserves	21(b)	(507.20)	(2,253.20)
Equity attributable to the owners of the Company		96,850.77	98,844.07
Non-controlling interests		28,303.43	30,149.74
Total equity		1,25,154.20	1,28,993.81
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	22(a)	79,964.89	84,224.74
(ii) Lease liabilities	6	21,510.26	18,725.23
(iii) Other financial liabilities	22(b)	4,266.06	-
Provisions	23	17,486.33	15,140.53
Deferred tax liabilities	24	6,313.03	7,023.68
Total non-current liabilities		1,29,540.57	1,25,114.18
Current liabilities			
Financial liabilities			
(i) Borrowings	25	24,789.52	26,793.82
(ii) Lease liabilities	6	4,347.56	3,196.08
(iii) Trade payables	26		
(a) total outstanding dues of micro and small enterprises		3,039.20	2,915.42
(b) total outstanding dues other than (iii) (a) above		1,18,001.97	93,093.77
(iv) Other financial liabilities	27	25,975.45	20,203.40
Provisions	23	5,514.80	5,137.04
Current tax liabilities (net)	28	112.14	-
Other current liabilities	29	17,213.40	23,539.57
Total current liabilities		1,98,994.04	1,74,879.10
Total liabilities		3,28,534.61	2,99,993.28
Total equity and liabilities		4,53,688.81	4,28,987.09

Summary of significant accounting policies 2-4
See accompanying notes to the consolidated financial statements 5-60

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

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

Swapnil Dakshindas
Partner
Membership No. 113896
ICAI UDIN: 21113896AAAAC8221

Praveen Kadle
Chairman
(DIN 00016814)

Hari Mundra
Director
(DIN 00287029)

Place: Pune
Date: May 05, 2021

Arvind Goel
Managing Director and CEO
(DIN 02300813)

Deepak Rastogi
Chief Financial Officer

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021



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

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers	30	4,17,727.40	3,75,117.95
Other income	31	3,808.70	5,613.96
Total income		4,21,536.10	3,80,731.91
Expenses			
Cost of materials consumed	32	2,45,280.11	2,06,386.95
Purchases of stock-in-trade		17,610.39	16,374.84
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	33	(512.90)	2,105.84
Employee benefits expense	34	64,009.33	67,598.33
Finance costs	35	10,056.37	10,586.42
Depreciation and amortization expense	36	29,060.43	24,509.58
Other expenses	37	60,872.93	56,391.40
Total expenses		4,26,376.66	3,83,953.36
Loss before share of profit of equity accounted investees, exceptional items and income tax		(4,840.56)	(3,221.45)
Share of net (loss) / profit of joint ventures accounted for using the equity method (net of income tax)		898.62	1,972.56
(Loss) / Profit before exceptional items and tax		(3,941.94)	(1,248.89)
Exceptional items	53	-	2,478.63
(Loss) / Profit before income tax		(3,941.94)	1,229.74
Tax expense (A+B)	38	716.20	(2,405.25)
Current tax (A)		3,540.71	1,614.08
Deferred tax (B)		(2,824.51)	(4,019.33)
(Loss) / Profit for the year		(4,658.14)	3,634.99
Other Comprehensive Income (OCI)			
Items that will be reclassified to profit or loss			
Exchange differences on translation of foreign operations		1,335.76	269.80
Effective portion of gains/(losses) on hedging instruments in cash flow hedges		513.22	(2,181.05)
Tax on above		(102.98)	411.39
Items that will not be reclassified subsequently to profit or loss			
Remeasurements gains / (losses) of post-employment benefit obligations		(1,058.38)	181.53
Income tax relating to items that will not be reclassified to profit or loss		86.73	140.47
Share of OCI of joint ventures accounted for using the equity method		44.18	(177.87)
Other comprehensive profit / (loss) for the period net of tax		818.53	(1,355.73)
Total Comprehensive (loss) / Income for the period (TCI)		(3,839.61)	2,279.26
(Loss) / Profit attributable to :			
Owners of the company		(2,830.33)	10,278.16
Non-controlling interest		(1,827.81)	(6,643.17)
		(4,658.14)	3,634.99
Other comprehensive income / (loss) attributable to:			
Owners of the company		837.03	(1,307.24)
Non-controlling interest		(18.50)	(48.49)
		818.53	(1,355.73)
Total comprehensive (loss) / income attributable to:			
Owners of the company		(1,993.30)	8,970.92
Non-controlling interest		(1,846.31)	(6,691.66)
		(3,839.61)	2,279.26
Earnings per equity share			
Nominal value of an equity share (INR)		10.00	10.00
Basic and diluted (INR)	49	(1.41)	5.11

Summary of significant accounting policies 2-4
See accompanying notes to the consolidated financial statements 5-60

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
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**For and on behalf of the Board of Directors of
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CIN: U34100PN1995PLC158999

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Place: Pune
Date: May 05, 2021

Arvind Goel
Managing Director and CEO
(DIN 02300813)

Deepak Rastogi
Chief Financial Officer

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021



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, 2019	20,128.14
Changes in equity share capital during the year	-
As at March 31, 2020	20,128.14
Changes in equity share capital during the year	-
As at March 31, 2021	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	Capital Reserve	Retained earnings	Exchange differences on translation of foreign operations	Effective portion of cash flow hedges			
Balance as at April 1, 2019	11,937.29	5,462.50	69.39	2,425.00	9,683.54	45,870.83	(612.79)	(140.55)	74,695.20	17,511.97	92,207.17
Profit for the year	-	-	-	-	-	10,278.16	-	-	10,278.16	(6,643.17)	3,634.99
Other comprehensive income (net of tax)	-	-	-	-	-	192.63	-	(1,769.66)	(1,577.03)	(48.49)	(1,625.52)
Dividend on equity shares	-	-	-	-	-	(4,025.63)	-	-	(4,025.63)	(573.86)	(4,599.49)
Dividend distribution tax	-	-	-	-	-	(924.57)	-	-	(924.57)	(117.64)	(1,042.21)
Transfer to debenture redemption reserve	-	-	-	75.00	-	(75.00)	-	-	-	-	-
Non-controlling interest on acquisition of joint venture [refer note 46]	-	-	-	-	-	-	-	-	-	20,020.93	20,020.93
Exchange differences on translation of foreign operations	-	-	-	-	-	-	269.80	-	269.80	-	269.80
As at March 31, 2020	11,937.29	5,462.50	69.39	2,500.00	9,683.54	51,316.41	(342.99)	(1,910.21)	78,715.93	30,149.74	1,08,865.67
As at April 1, 2020	11,937.29	5,462.50	69.39	2,500.00	9,683.54	51,316.41	(342.99)	(1,910.21)	78,715.93	30,149.74	1,08,865.67
Loss for the period	-	-	-	-	-	(2,830.33)	-	-	(2,830.33)	(1,827.81)	(4,658.14)
Other comprehensive income (net of tax)	-	-	-	-	-	(908.97)	-	410.24	(498.73)	(18.50)	(517.23)
Transfer from debenture redemption reserve to general reserve (refer note below)	2,500.00	-	-	(2,500.00)	-	-	-	-	-	-	-
Exchange differences on translation of foreign operations	-	-	-	-	-	-	1,335.76	-	1,335.76	-	1,335.76
As at March 31, 2021	14,437.29	5,462.50	69.39	-	9,683.54	47,577.11	992.77	(1,499.97)	76,722.63	28,303.43	1,05,026.06

Nature and purpose of reserves

General reserve

The general reserves are the retained earnings of a Group which are kept aside out of Group'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 Group 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 Holding Company had issued redeemable non-convertible debentures during the year ended 31 March 2011. Accordingly, the Companies (Share capital and Debentures) Rules, 2014 (as amended) ('the Rules'), 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.

On May 18, 2020, the Holding Company has repaid the afore-mentioned non-convertible debentures and consequently the balance in Debenture Redemption Reserve of Rs.2,500 lakhs has been transferred to General Reserve.

Capital reserve

Capital reserve was created on merger of wholly owned subsidiary of the Holding Company viz. TACO Holdings (Mauritius) Limited (THML) with the Holding Company. Capital reserve is the excess between share capital of THML and investment in THML which was carried at deemed cost (net of impairment) in the books of the Holding Company as at April 1, 2018.

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

5-60

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

For and on behalf of the Board of Directors of

Tata AutoComp Systems Limited

CIN: U34100PN1995PLC158999

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN: 21113896AAAAC221

Praveen Kadle

Chairman

(DIN 00016814)

Hari Mundra

Director

(DIN 00287029)

Place: Pune

Date: May 05, 2021

Arvind Goel

Managing Director & CEO

(DIN 02300813)

Deepak Rastogi

Chief Financial Officer

Ashish Boradkar

Company Secretary

Place: Pune

Date: May 05, 2021



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

	Year ended March 31, 2021	Year ended March 31, 2020
A. Cash flow from operating activities		
(Loss) / Profit before tax	(3,941.94)	1,229.74
Adjustments for:		
Fair value adjustment on business combinations (refer note 53)	-	(12,206.12)
Impairment of goodwill (refer note 53)	-	10,321.51
Gain on sale of land (refer note 53)	-	(2,100.00)
Forex loss on refinancing of loan (refer note 53)	-	1,505.98
Depreciation and amortisation expense	29,060.43	24,509.58
Gain on disposal of property, plant and equipment (net)	(33.83)	(51.53)
Gain on sale of investments	(184.79)	(272.16)
Share of profits of joint ventures	(898.62)	(1,972.56)
Interest income	(290.23)	(192.13)
Finance costs	10,056.37	10,586.42
Unwinding of discount on security deposits	(54.86)	(34.72)
Cash flow hedges - gains/(loss) reclassified from OCI	513.22	(2,181.05)
Sundry provisions and credit balances no longer required, written back	(152.32)	(593.39)
Net effect of exchange difference on translation of assets and liabilities of foreign operations	783.56	(1,448.60)
	34,856.99	27,100.97
Changes in operating assets and liabilities :		
Trade receivables	2,825.48	2,911.37
Inventories	(8,554.16)	2,800.06
Trade payables	20,271.06	(2,583.45)
Other financial assets non-current	(913.96)	(1,596.25)
Other financial assets current	1,028.56	(827.35)
Other non-current assets	115.78	(708.21)
Other current assets	7,963.84	(14,222.97)
Provisions non-current	(77.77)	1,656.31
Provisions current	(330.16)	(1,102.91)
Other financial liabilities current	204.41	1,039.62
Other financial liabilities non-current	4,266.06	798.94
Other current liabilities	(7,316.08)	13,315.91
Cash generated from operations	54,340.05	28,582.04
Income taxes paid (net of refund)	(3,474.69)	(2,002.82)
Net cash flow from operating activities (A) (refer note 2 below)	50,865.36	26,579.22
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)	(14,089.07)	(22,218.85)
Proceeds from sale of property, plant and equipment	465.57	2,666.71
Purchase of current investments	(51,692.41)	(32,786.72)
Proceeds from sale of current investments	42,829.52	40,245.28
Investment in joint venture	(2,574.38)	(2.50)
Loans repaid by related parties	203.90	800.00
Loans to related parties	-	(100.00)
Fixed deposit with banks (net) having maturity over 3 months	(839.56)	(1,338.88)
Dividends received from joint ventures	131.79	665.20
Interest received	335.73	247.30
Net cash flow used in investing activities (B) (refer note 2 below)	(25,228.91)	(11,822.46)
C. Cash flow from financing activities		
Borrowings (repaid) / availed (net)	(253.86)	8,341.56
Repayment of Debentures	(10,000.00)	-
Payment of lease liability	(4,790.31)	(3,554.14)
Payment of derivative contracts	(144.14)	(341.54)
Finance cost paid	(8,738.97)	(9,312.45)
Dividend paid to Company's shareholders (including dividend distribution tax)	-	(4,950.20)
Dividend paid to non-controlling interests (including dividend distribution tax)	-	(691.50)
Net cash flow used in financing activities (C) (refer note 2 below)	(23,927.28)	(10,508.27)
Net increase / (decrease) in cash and cash equivalents (A+B+C)	1,709.17	4,248.49
Cash and cash equivalents acquisition through business combinations [refer note 46]	-	429.30
Cash and cash equivalents at the beginning of the year	15,925.64	11,151.43
Effect of exchange rate changes on cash and cash equivalents	1,158.62	96.42
Cash and cash equivalents at the end of the year	18,793.43	15,925.64



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

	Year ended March 31, 2021	Year ended March 31, 2020
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	1.45	1.40
Balances with banks	18,791.98	15,924.24
	18,793.43	15,925.64

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

Note 2: Net of effects from business combinations [(refer note 46)]

As per our report of even date.

For B S R & Co. LLP

Chartered Accountants

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

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

CIN: U34100PN1995PLC158999

Swapnil Dakshindas

Partner

Membership No. 113896

ICAI UDIN: 21113896AAAACT8221

Praveen Kadle

Chairman

(DIN 00016814)

Hari Mundra

Director

(DIN 00287029)

Place: Pune

Date: May 05, 2021

Arvind Goel

Managing Director and CEO
(DIN 02300813)

Deepak Rastogi

Chief Financial Officer

Ashish Boradkar

Company Secretary

Place: Pune

Date: May 05, 2021



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 1: Corporate overview

Tata AutoComp Systems Limited (the "Company" or "the Holding Company" or "the parent" or "TACO") 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 consolidated financial statements relate to Tata AutoComp Systems Limited 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 and assemblies to automotive original equipment manufacturers and other customers.

As at March 31, 2021, the Holding Company caters to its customers through its five operating divisions, fourteen subsidiaries (direct and indirect) and eight joint ventures (direct and indirect) 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 (%) as at		Country of Incorporation
		March 31, 2021	March 31, 2020	
	Subsidiaries (Direct and indirect)			
1	Taco Engineering Services GmbH	100.00	100.00	Germany
2	Nanjing Tata AutoComp Systems Limited ("NTACO")	100.00	100.00	China
3	Changshu Tata AutoComp Systems Limited (subsidiary of NTACO) (w.e.f. June 10, 2019)	100.00	100.00	China
4	Automotive Stampings and Assemblies Limited ("ASAL")	75.00	75.00	India
5	Tata Toyo Radiator Limited ("TTR")	51.00	51.00	India
6	Ryhpez Holding (Sweden) AB ("Ryhpez")	100.00	100.00	Sweden
7	TitanX Holding AB (Sweden) {Subsidiary of Ryhpez Holding (Sweden) AB}	99.48	99.48	Sweden
8	TitanX Engine Cooling, Inc. (US) {Subsidiary of TitanX Holding AB (Sweden)}	99.48	99.48	USA
9	TitanX Engine Cooling Kunshan Co., Ltd. (China) {Subsidiary of TitanX Holding AB (Sweden)}	99.48	99.48	China
10	TitanX Engine Cooling AB (Sweden) {Subsidiary of TitanX Holding AB (Sweden)}	99.48	99.48	Sweden
11	TitanX Refrigeração de Motores LTDA (Brazil) {Subsidiary of TitanX Engine Cooling AB (Sweden)}	99.48	99.48	Brazil
12	TitanX Engine Cooling, Poland {Subsidiary of TitanX Holding AB (Sweden)}	99.48	99.48	Poland
13	Tata AutoComp Hendrickson Suspensions Private Limited ("THSL") (w.e.f. January 1, 2020)	50.00	50.00	India
14	TitanX Engine Cooling SRL (Italy) (w.e.f. 17.03.2021)	99.48	Nil	Italy



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 1: Corporate overview (continued)

Sr. No.	Name of the Company	Percentage of holding (%) as at		Country of Incorporation
		March 31, 2021	March 31, 2020	
	Joint ventures			
1	Tata Ficosa Automotive Systems Private Limited ("TF")	50.00	50.00	India
2	Tata AutoComp GY Batteries Private Limited ("TGY")	50.00	50.00	India
3	Tata AutoComp Katcon Exhaust System Private Limited	50.00	50.00	India
4	TM Automotive Seating Systems Private Limited	50.00	50.00	India
5	Tata AutoComp SECO Powertrain Private Limited (w.e.f. November 26, 2019)	50.00	50.00	India
6	Air International TTR Thermal Systems Private Limited (AITTR) (JV of TTR)	25.50	25.50	India
7	Tata AutoComp Gotion Green Energy Solutions Private Limited (w.e.f. March 26, 2020)	60.00	60.00	India
8	Taco Sasken Automotive Electronics Limited ("TSAE") (under liquidation)	50.00	50.00	India

Note 2: Significant accounting policies

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

The accounting policies applied in these consolidated financial statements are the same as those applied in the consolidated financial statements as at and for the year ended 31 March 2020.

2.1 (a) Basis of preparation

(i) Statement of compliance

The consolidated 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 consolidated financial statements were authorized for issue by the Holding Company's Board of Directors on May 05, 2021.

(ii) Basis of measurement

The consolidated 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 of defined benefit obligations less fair value of plan assets



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

(iii) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

(iv) Principles of consolidation and equity accounting

(a) 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 consolidated balance sheet respectively

(b) 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. Interests in joint ventures are accounted for using the equity method, after initially being recognized at cost in the consolidated balance sheet.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

(v) 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.

(vi) 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.

2.2 Revenue from contract with customers

The Group generates revenue principally from -

(i) Sale of products including scrap sales and traded goods:

The Group recognizes revenue when 'control' of the promised goods underlying the particular performance obligation is transferred to the customer in an amount that reflects the consideration it expects to receive in exchange for those goods. Control of products passes to the customers, at a point in time which is usually upon delivery of goods to the customer / carrier appointed by the customer. Invoices are generated, and revenue is recognised at that point in time. Invoices are usually payable within 30 – 90 days. Revenue excludes taxes collected from customers on behalf of the government.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.2 Revenue from contract with customers (continued)

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. The amount disclosed as revenue is net of Goods and Services Tax collected on behalf of third parties.

(ii) 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.

Generally, the Group receives short-term tooling advances from its customers which are utilised for providing advance to supplier of the tool. Using the practical expedient in Ind AS 115, the Group does not adjust the promised amount of consideration for the effects of any significant financing component.

(iii) Sales of services:

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 provides for time and material billing model and related performance obligations are satisfied over such time period.

Administrative services:

Revenue from administrative services is recognised 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.

Logistic services:

Revenue from logistic services is recognised when the services are rendered and accepted by the customer.

(iv) Other operating revenues:

The Group earns revenue from sale of duty credit scrips under the merchandise export from India scheme of Government of India. The Duty credit scrips are freely transferrable and revenue from sale of such scrips is recognised on transfer of scrips to customer.

2.3 Functional and presentation currency

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

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



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

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.

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 comprises of purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. 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 Group 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 statement profit or loss during the reporting period in which they are incurred.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on a pro-rata basis using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives. Useful life of certain assets are different than the life prescribed under Schedule II to the Companies Act, 2013 and those have been determined based on technical evaluation by the Management. The Management believes that these estimated useful lives are realistic and reflect fair approximation over the period over which the assets are likely to be used.

Class of asset	Useful life as prescribed in Schedule II of Companies Act, 2013 (in years)	Useful life as followed by the Group (in years)
Plant and equipment		
- 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	3 to 4
- End use devices such as desktop, laptops etc.	3	3 to 4
Vehicles	8	4
Furniture and fixtures	10	10
Factory buildings	30	20 to 30
Office equipment	5	5

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

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date/ month on which asset is ready for use (disposed of).

The assets' residual values, useful lives and method of depreciation 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 gains / (losses).

2.6 Intangible asset

Intangible assets that are acquired by the Group are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets acquired in a business combination are recognized at fair value at the acquisition date



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.6 Intangible asset (continued)

Internally generated intangible assets and other intangible assets have been distinguished separately in the relevant notes to consolidated financial statements.

Intangible assets are amortized on a straight-line basis over the estimated useful economic life. The Group uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the effect that useful life of an intangible asset exceeds ten years, the Group amortizes the intangible asset over the best estimate of its useful life. Such intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level.

The amortization period and the amortization method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. If there has been a significant change in the expected pattern of economic benefits from the asset, the amortization method is changed to reflect the changed pattern.

A summary of amortization policies applied to the Group's intangible assets is as below:

Asset category	Amortisation period
Specialised computer software	4 years
Engineering and development cost	7 years
Customer relationships	7 years
Patents	7 years

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 Group capitalises the expenditure as an intangible asset 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.

Otherwise, it is recognised in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortisation and any accumulated impairment losses.

Directly attributable costs that are capitalised as part of the asset include employee costs and an appropriate portion of relevant overheads



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

Goodwill

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.

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 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 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.9 Leases

A. Recognition

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

- the contract involves the use of an identified asset – this may be specified explicitly or implicitly and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;
- the Group has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and
- the Group has the right to direct the use of the asset. The Group has this right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Group has the right to direct the use of the asset if either:
 - the Group has the right to operate the asset; or
 - the Group designed the asset in a way that predetermines how and for what purpose it will be used. This policy is applied to contracts entered into, or changed, on or after April 01, 2019.

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

B. Group as a lessee

Ind AS 116 requires lessee to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Group makes an assessment on expected lease term on lease by lease basis and thereby assesses whether it is reasonably certain that any option to extend or terminate the contract will be exercised. The Group has considered all relevant facts and circumstances to determine whether the option to extend the lease shall be exercised. This includes but is not limited to the fact that certain assets have been leased to us by related parties for operations directly linked to them.

The Group recognises a Right-Of-Use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.9 Leases (continued)

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is re measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and ROU asset have been separately presented in the balance sheet and lease payments have been classified as financing cash flows.

The Group has applied a single discounting rate to a portfolio of leases of similar assets.

C. Short-term leases and leases of low-value assets

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.10 Inventories

Inventories which comprises of raw materials, stores and spares, work-in-progress, tools under development, traded and finished goods are valued at the lower of cost and net realisable value. Cost of inventory comprises of all cost of purchases, costs of conversion and other costs incurred in bringing the inventory 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. 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.

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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.10 Inventories (continued)

The net realizable value of work-in-progress is determined with reference to the selling prices of related finished products. Raw materials and other supplies held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

The comparison of cost and net realizable value is made on an item-by-item basis. Inventories in transit are valued at cost. Appropriate adjustments are made to the carrying value of damaged, slow moving and obsolete inventories based on management's current best estimate.

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 Group 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
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Note 2: Significant accounting policies (continued)

2.11 Employee benefits (continued)

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit Obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

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

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:

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. 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. The Group has no further payment obligations once the contributions have been paid. The contributions are charged to the Statement of Profit and Loss during the period in which the employee renders the related service.

Prepaid contributions are recognised 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.11 Employee benefits (continued)

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

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.

2.12 Financial instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss

(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 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 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 issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability. 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.

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



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

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:

- **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 FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of 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 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 recognised 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 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.

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 (that are not held for trading or not designated at fair value through profit or loss) are measured at amortized cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized cost are determined based in the effective interest method. Effective interest method is a method of calculating amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

Financial liabilities denominated in a foreign currency and are measured at amortized cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortized cost of the instruments and are recognized in the Statement of Profit or Loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured at fair value through profit or loss, the foreign exchange component forms part of the fair value gains or losses and is recognized in the Statement of Profit and Loss.

(iii) Impairment of financial assets

The Group 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. For trade receivables only, the Group 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. 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.

(iv) Derecognition

A financial asset is derecognised 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 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 Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income, if any, is recognized in the Statement of Profit or Loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

Financial liabilities are derecognized when, and only when, the obligations are discharged, cancelled or have expired. An exchange with a lender of a debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and a recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of a financial liability derecognized and the consideration paid or payable is recognized in the Statement of Profit or Loss.

(v) 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

(vi) 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 Group or the counterparty.

(vii) Hedge accounting

The subsidiary Company Ryhpez uses foreign currency forward contracts and interest rate derivatives to hedge its risks associated with foreign currency fluctuations on principal and interest payments relating to highly probable forecast transactions. The subsidiary 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 occur. 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 of non-financial assets

The Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

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 forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

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 financial year which are not received. Trade receivable are presented as current assets unless payment is not due within 12 months after the reporting period. Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.

2.16 Contract assets

For certain sale of services wherein performance obligation is satisfied over a period of time, any amount of income accrued but not billed to customers in respect of such contracts is recorded as a contract asset. Such contract assets are transferred to trade receivables on actual billing to customers.

2.17 Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

2.18 Trade and other payables

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

2.19 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.

2.20 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.21 Cash flow statement

Cash flows are reported using the indirect method, where by profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Group are segregated.

2.22 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 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.

2.23 Income tax and deferred tax

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

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognized if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss).

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized, or the deferred income tax liability is settled. Deferred tax assets are recognized for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.23 Income tax and deferred tax (continued)

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.

2.24 Provisions

Provisions are recognised 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 recognised for future operating losses.

Provisions for restructuring are recognised 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 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 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.24 Provisions (continued)

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.

2.25 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.

2.26 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 2: Significant accounting policies (continued)

2.27 Recognition of interest income or expense and dividend

Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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.

2.28 Government grants

Other income includes government grants. Government grants are recognised at their fair value where there is a reasonable assurance that the grant will be received and all attached conditions will be complied with.

Government grants relating to export incentives are accounted for on export of goods if the entitlements can be estimated with reasonable accuracy and conditions precedent to claim is fulfilled. These export incentives are recognized in statement of profit and loss as other income.

Government grants that are awarded as incentives linked with State Goods and Service Tax payable on sales made during the period are recognised as other income in statement of profit and loss in the period in which such sales are made.

Grants that compensate the Group for expenses incurred are recognised in statement of profit or loss as other income on a systematic basis in the periods in which such expenses are recognised.

2.29 Common control business combinations

Business combination involving entities that are under common control are accounted for using the pooling of interest method as follows:

- The assets and liabilities of the combining entities are reflected at their carrying amounts.
- No adjustments are made to reflect fair values or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.
- The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the consolidated financial statements, irrespective of the actual date of the combination.
- The balance of the retained earnings appearing in the financial statements of the transferor is aggregated with the corresponding balance appearing in the financial statements of the transferee. The identity of the reserves is preserved and the reserves of the transferor become the reserves of the transferee.
- The excess between share capital of transferor and corresponding investment in the books of transferee is recognised as capital reserve in the books of transferee.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 3: Significant accounting judgements, estimates and assumptions

The preparation of the Group'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 Group and that are believed to be reasonable under the circumstances.

Note 3(a): Significant judgements

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. Investment in joint ventures

On transition to Ind AS the management had evaluated the guidance provided under Ind AS 28 and Ind AS 110 for establishing the Holding Company's joint control over its Joint Venture companies. Both the Holding Company and its Joint Venture partner hold 50% of the equity shares of one such Joint Venture company, Tata AutoComp Hendrickson Suspensions Private Limited (THSPL). The Holding Company had concluded that it has joint control over THSPL along with its joint Venture partner and accordingly, the Holding Company's interest in THSPL was disclosed as an 'Investments accounted for using equity method' in the consolidated financial statements. On 1 January 2020, the Holding Company amended its joint venture agreement of THSPL, giving the Holding Company the power to direct the relevant activities, which eventually resulted in the Holding Company acquiring control of THSPL. Consequently w.e.f. 1 January 2020, the Holding Company had consolidated THSL as a subsidiary in the consolidated financial statements.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 3(b): Significant estimates and assumptions

1. Impact of COVID-19 on going concern

These consolidated financial statements have been prepared on a going concern basis. During the period, the Group has incurred a net loss of Rs 4,658.14 lakhs. As on 31 March 2021 the group has negative working capital of Rs. 29,361.70 lakhs. The Holding Company has also given guarantees for loans taken by one of its foreign subsidiary. The consolidated financial statements have also been negatively impacted due to outbreak of the COVID-19. The Management has, given the significant uncertainties arising out of the outbreak of COVID 19, as explained in note 3(b)(2), assessed the cash flow projections and available liquidity for a period of at least twelve months from the date of these consolidated financial statements. The Management believes that the Group will be able to continue as a 'going concern' in the foreseeable future and for a period of at least twelve months from the date of these consolidated financial statements based on the following:

1) As at March 31, 2021, the Group reviewed its business and operations to take into consideration the estimated impacts and effects of the COVID-19 pandemic, including the estimated impact on the macroeconomic environment, the market outlook and the Group's operations. Expected future cash flows from operating activities is based on the undermentioned key assumptions in the business projections:

- Post relaxation of lockdowns imposed due to COVID-19, the Indian automobile industry and auto component industry has shown signs of recovery from second quarter of financial year 2020-21. The recovery momentum has continued in the third quarter and fourth quarter as well. Further, the global automobile industry in particular China and Europe has shown recovery during the current period and the global automotive sector is expected to grow in 2022. The Holding Company and its Indian subsidiaries are expected to perform above the industry performance due to significant increase in sales of passenger vehicles by one of its major customer and also basis the expected productions plans received from its other large customers.

- Working capital cash inflows due to lower levels of inventory and trade receivables along with increase in acceptances with more suppliers/ vendors opting for the same.

2) Available credit facilities: Various undrawn limits from banks available with the holding Company and its subsidiaries amounting to Rs 44,890 lakhs as at March 31, 2021.

3) With respect to the guarantees given for the loans outstanding in the books of its foreign subsidiary, the Holding Company has obtained a waiver letter from the banks to defer the compliance of its financial covenants upto 30 September 2021. Next financial covenant compliance is due based on financial statements for the year ended 31 March 2022.

Based on the above factors, Management has concluded that the 'going concern' assumption is appropriate. Accordingly, the financial statements do not include any adjustments regarding the recoverability and classification of the carrying amount of assets and classification of liabilities that might result, should the Company be unable to continue as a Going Concern.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

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

2. Estimation of uncertainties relating to the global health pandemic from COVID-19:

The COVID-19 pandemic has rapidly spread throughout the world, including India and other countries where the Group has its operations. Governments around the world have been taking significant measures to curb the spread of virus including imposing mandatory lockdowns and restrictions in activities. Consequently, Groups manufacturing plants and offices had to be closed down for a considerable period of time during the year. As a result of lockdowns, the revenue for the year has been impacted. Lockdowns have impacted the Group operationally including on supply chain matters. The Group is monitoring the situation closely taking into account directives from the Governments.

Management believes that it has taken into account all the possible impacts of known events arising from COVID-19 pandemic and the resultant lockdown in the preparation of the consolidated financial statements including but not limited to its assessment of Group's liquidity and going concern, recoverable values of its property, plant and equipment, right-of-use assets, intangible assets, financial assets and the net realizable values of other assets. However, given the effect of these lockdowns on the overall economic activity globally and in particular the countries where the Group operates and in particular on the global automotive and auto component industry, the impact assessment of COVID-19 on the abovementioned financial statement captions is subject to significant estimation uncertainties given its nature and duration and, accordingly, the actual impacts in future may be different from those estimated as at the date of approval of these consolidated financial statements.

The Group will continue to monitor any material changes to future economic conditions and consequential impact on its consolidated financial statements.

3. 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.

4. Going concern assumption in a subsidiary –

One of the Group's subsidiary viz. Automotive Stampings and Assemblies Limited has incurred significant losses of INR 2,988.74 lakhs for the year ended March 31, 2021 and its total liabilities exceeded its total assets by INR 8,872.07 lakhs as at March 31, 2021.

The subsidiary's management has carried out an assessment of the subsidiary's financial performance and expects it to continue its operations and meet its liabilities as and when they fall due. Based on the following considerations, the Management of the subsidiary are of the opinion that the preparation of the financial statements of the subsidiary on a going concern basis is appropriate;

1. Support letter from the Holding Company.
2. Financial support from the Holding Company and other Group Companies to meet its short-term liabilities.
3. Expected increase in revenue based on orders in hand from current and upcoming projects of existing customers.
4. Robust business plans for the above expected increase in revenue.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

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

5. Impairment of financial assets

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement 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.

6. 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. 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.

7. Defined benefit plan

The cost of the defined benefit plan, the present value of the defined benefit plan obligation is 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 rates for gratuity is based on Indian Assured Lives Mortality (2006-08) (modified) Ultimate and those for pension are based on Indian Assured Lives Mortality (2012-14) ultimate and Annuity-LIC (a) (1996-98) Ultimate Rates for pre-retirement and post-retirement assumptions respectively. 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.

8. 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

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

9. Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

10. 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.

11. 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 accrual 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.



Tata AutoComp Systems Limited
Notes forming part of the consolidated financial statements for the year ended
March 31, 2021

Note 4: Standard issued by not yet effective

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.

Statement of profit and loss:

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of the standalone financial statements.

The amendments are extensive and the Group will evaluate the same to give effect to them as required by law.



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

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	Buildings	Improvements to leasehold premises	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Computer and peripherals	Computer and peripherals-Leased	Tools, Jigs and Fixtures	Total	Capital work-in-progress
As at March 31, 2020													
Gross carrying amount													
Opening gross carrying amount	5,211.48	11,951.07	33,424.96	604.85	1,257.23	77,067.77	553.05	581.11	360.95	219.52	11,802.53	1,43,034.52	5,783.72
Reclassified to Right-of-use assets on application of Ind AS 116	-	(11,951.07)	-	-	(141.61)	-	-	-	-	(72.23)	-	(12,164.91)	-
Foreign currency translation difference	4.02	-	732.82	-	196.83	3,569.35	0.63	5.38	(5.25)	-	1,478.88	5,982.66	91.49
Acquisition through business combinations [refer note 46]	-	-	-	-	12.69	1,706.23	-	-	74.19	-	-	1,793.11	4,573.37
Additions	-	-	406.91	2.71	96.64	5,997.45	93.65	205.15	351.71	-	3,782.67	10,936.89	6,512.55
Disposals	-	-	-	-	17.70	755.91	11.06	33.77	45.00	-	-	863.44	-
Transfers/ reclassification	-	-	931.41	-	(931.41)	-	-	-	147.29	(147.29)	-	-	(1,196.41)
Closing gross carrying amount	5,215.50	-	35,496.10	607.56	472.67	87,584.89	636.27	757.87	883.89	-	17,064.08	1,48,718.83	15,764.72
Accumulated depreciation													
Opening accumulated depreciation	-	172.98	3,083.84	95.93	183.03	22,776.66	55.17	278.98	192.04	40.30	2,027.26	28,906.18	-
Reclassified to Right-of-use assets on application of Ind AS 116	-	(172.98)	-	-	(116.27)	-	-	-	-	(44.37)	-	(333.62)	-
Foreign currency translation difference	-	-	358.40	-	166.85	3,528.67	0.78	3.98	(4.02)	-	1,462.71	5,517.37	-
Depreciation charge during the year	-	-	1,259.36	13.97	120.20	9,948.03	63.26	118.03	134.19	-	3,209.32	14,866.36	-
Disposals	-	-	-	-	6.50	523.93	10.82	3.83	44.60	-	-	589.88	-
Transfers/ reclassification	-	-	511.57	-	(127.06)	(384.51)	-	-	(4.07)	4.07	-	-	-
Closing accumulated depreciation	-	-	5,213.17	109.90	220.25	35,344.92	108.39	397.16	273.54	-	6,699.29	48,366.61	-
Net carrying amount	5,215.50	-	30,282.93	497.66	252.42	52,239.97	527.88	360.71	610.35	-	10,364.79	1,00,352.22	15,764.72
As at March 31, 2021													
Gross carrying amount													
Opening gross carrying amount	5,215.50	-	35,496.10	607.56	472.67	87,584.89	636.27	757.87	883.89	-	17,064.08	1,48,718.83	15,764.72
Foreign currency translation difference	58.61	-	(271.17)	-	23.24	(3,790.20)	34.72	6.75	(1.28)	-	(1,791.73)	(5,731.06)	175.01
Additions	-	-	4,116.25	187.01	190.13	7,843.09	34.60	44.05	111.48	-	1,065.48	13,592.09	1,590.24
Assets classified as held for sale (refer note 19)	(6.91)	-	(926.20)	-	-	(140.83)	-	-	-	-	-	(1,073.94)	-
Disposals	-	-	-	-	-	76.79	29.19	0.32	38.49	-	-	144.79	-
Transfers/ reclassification	-	-	159.27	-	(159.27)	(831.88)	-	-	-	-	-	(831.88)	(4,916.90)
Closing gross carrying amount	5,267.20	-	38,574.25	794.57	526.77	90,588.28	676.40	808.35	955.60	-	16,337.83	1,54,529.25	12,613.07
Accumulated depreciation													
Opening accumulated depreciation	-	-	5,213.17	109.90	220.25	35,344.92	108.39	397.16	273.54	-	6,699.29	48,366.61	-
Foreign currency translation difference	-	-	(550.45)	-	(137.14)	(4,984.01)	(0.56)	5.63	(0.78)	-	(2,044.38)	(7,711.69)	-
Depreciation charge during the year	-	-	1,527.56	19.51	108.50	11,299.40	74.34	143.34	188.55	-	3,647.20	17,008.40	-
Assets classified as held for sale (refer note 19)	-	-	(241.83)	-	-	(80.68)	-	-	-	-	-	(322.51)	-
Disposals	-	-	-	-	-	13.20	29.19	0.32	38.49	-	-	81.20	-
Transfers/ reclassification	-	-	-	-	-	(831.88)	-	-	-	-	-	(831.88)	-
Closing accumulated depreciation	-	-	5,948.45	129.41	191.61	40,734.55	152.98	545.81	422.82	-	8,302.11	56,427.73	-
Net carrying amount	5,267.20	-	32,625.80	665.16	335.16	49,853.73	523.42	262.54	532.78	-	8,035.72	98,101.52	12,613.07

b. Capital work-in-progress

Capital work-in-progress as at March 31, 2021 amounts to INR 12,613.07 lakhs (March 31, 2020 INR 15,716.41 lakhs) comprising majority of addition to land and other development related cost, expansion of existing plant capacity at foreign and Indian subsidiaries.

c. 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 50.

ii. There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 79-95 years in respect of above classified leasehold land.



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

Note 6 : Leases

A. Right of use assets

	Land	Building	Plant and Machinery	Others	Total
As at March 31, 2020					
Gross carrying amount					
Opening gross carrying amount *	13,559.91	10,425.56	5,165.97	204.96	29,356.40
Add: Initial direct cost	-	-	113.72	-	113.72
Add : Addition during the period ^	24.95	46.10	7,108.94	-	7,179.99
On account of remeasurement of lease liability	14.21	17.30	22.00	-	53.51
Add : Acquisition on account of business combination [refer note 46]	-	613.79	-	-	613.79
Foreign currency translation difference	8.59	58.21	16.05	0.12	82.97
Balance as at March 31, 2020	13,607.66	11,160.97	12,426.68	205.08	37,400.38
Accumulated depreciation					
Opening accumulated depreciation	-	-	-	-	-
Depreciation charged for the period	400.22	2,108.49	1,221.85	101.93	3,832.48
Foreign currency translation difference	0.33	26.57	2.69	0.99	30.57
Closing accumulated depreciation	400.54	2,135.06	1,224.54	102.91	3,863.05
Net carrying amount	13,207.12	9,025.91	11,202.14	102.17	33,537.33
As at March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	13,607.66	11,160.97	12,426.68	205.08	37,400.39
Add: Initial direct cost	-	25.28	32.78	-	58.06
Add : Addition during the period ^	-	3,631.25	2,788.74	-	6,419.99
Less : Deletion during the period	-	-	(517.04)	-	(517.04)
On account of remeasurement of lease liability	-	(4.35)	-	-	(4.35)
Foreign currency translation difference	12.96	982.79	59.06	25.44	1,080.25
Balance as at March 31, 2020	13,620.62	15,795.94	14,790.22	230.52	44,437.30
Accumulated depreciation					
Opening accumulated depreciation	400.54	2,135.06	1,224.54	102.91	3,863.05
Depreciation charged for the period	398.05	2,597.90	2,001.70	87.91	5,085.56
Foreign currency translation difference	0.47	213.78	18.41	12.87	245.53
Closing accumulated depreciation	799.06	4,946.74	3,244.65	203.69	9,194.14
Net carrying amount	12,821.57	10,849.20	11,545.57	26.83	35,243.16

* Includes prepaid rent of Rs. 548.05 lakhs which has been reclassified to Right-of-Use Asset pursuant to transition to Ind AS 116.

^ Includes prepaid rent of Rs 45.00 lakhs. (March 31, 2020 Rs. 70.32 lakhs)

B. Lease liabilities

	As at March 31, 2021	As at March 31, 2020
Current	4,347.56	3,196.08
Non Current	21,510.26	18,725.23
Total	25,857.82	21,921.31

C. Interest expenses on lease liabilities

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on lease liabilities	1,778.59	1,242.01

D. Expenses on short term leases / low value assets

	Year ended March 31, 2021	Year ended March 31, 2020
Short term lease	546.85	601.80
Low value assets	74.26	20.05

E. Amounts recognised in the statement of cash flow

	Year ended March 31, 2021	Year ended March 31, 2020
Total cash outflow for leases	4,790.31	3,554.14

F. Maturity analysis – contractual undiscounted cash flows

	As at March 31, 2021	As at March 31, 2020
Less than one year	5,504.14	4,649.09
One to five years	20,179.60	18,384.15
More than five years	6,901.71	7,593.87
Total undiscounted lease liabilities	32,585.45	30,627.11



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

Note 7 : 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, 2020					
Gross carrying amount					
Opening gross carrying amount	1,606.02	27,439.14	1,487.65	7,485.15	38,017.96
Acquisition through business combination [(refer note 46)]	42.17	-	-	-	42.17
Additions	538.96	1,969.55	118.57	-	2,627.08
Disposals	(15.84)	-	-	-	(15.84)
Foreign currency translation difference	11.23	2,515.72	0.83	239.11	2,766.89
Closing gross carrying amount	2,182.54	31,924.41	1,607.05	7,724.26	43,438.26
Accumulated amortisation					
Opening accumulated amortisation	658.43	10,149.45	309.09	2,213.02	13,329.99
Amortisation charge for the year	249.85	4,429.37	44.32	1,087.20	5,810.74
Disposals	(15.84)	-	-	-	(15.84)
Foreign currency translation difference	8.70	1,886.47	1.56	91.35	1,988.09
Closing accumulated amortisation	901.14	16,465.29	354.97	3,391.57	21,112.98
Net carrying amount	1,281.40	15,459.12	1,252.08	4,332.69	22,325.28
As at March 31, 2021					
Gross carrying amount					
Opening gross carrying amount	2,182.54	31,924.41	1,607.05	7,724.26	43,438.26
Acquisition through business combination	-	-	-	-	-
Additions	114.09	5,804.03	276.62	-	6,194.74
Disposals	(31.67)	-	-	-	(31.67)
Foreign currency translation difference	112.98	(928.22)	199.38	383.30	(232.56)
Closing gross carrying amount	2,377.94	36,800.23	2,083.05	8,107.56	49,368.77
Accumulated amortisation					
Opening accumulated amortisation	901.14	16,465.29	354.97	3,391.57	21,112.98
Amortisation charge for the year	243.80	5,525.41	40.19	1,157.06	6,966.46
Disposals	(8.52)	-	-	-	(8.52)
Foreign currency translation difference	40.56	(1,818.03)	44.09	168.20	(1,565.18)
Closing accumulated amortisation	1,176.98	20,172.67	439.25	4,716.83	26,505.74
Net carrying amount	1,200.96	16,627.56	1,643.80	3,390.73	22,863.03

b. Intangible assets under development

Intangible assets under development as at March 31, 2021 amounts to INR 60.77 lakhs (March 31, 2020 INR 45.02 lakhs). 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 testing:

Reconciliation of carrying amount of goodwill allocated to each of the CGUs :

	ASAL (Refer note iii)	Ryhpez (Refer note iii)	TTR (Refer note iv)	THSL (Refer note v)	Total
As at March 31, 2020					
Gross amount of goodwill as at April 01, 2019	2,499.96	40,745.95	17,556.52	-	60,802.43
Accumulated impairment losses as at April 01, 2019	-	-	-	-	-
Goodwill carrying amount as at April 01, 2019	2,499.96	40,745.95	17,556.52	-	60,802.43
Goodwill recognised during the year	-	-	-	22,958.06	22,958.06
Impairment losses recognised during the year (Refer note iii below)	-	-	10,321.51	-	10,321.51
Exchange rate differences upon translation to presentation currency	-	1,139.84	-	-	1,139.84
Gross amount of goodwill as at 31 March 2020	2,499.96	41,885.79	17,556.52	22,958.06	84,900.33
Accumulated impairment losses as at 31 March 2020	-	-	10,321.51	-	10,321.51
Goodwill carrying amount as at 31 March 2020	2,499.96	41,885.79	7,235.01	22,958.06	74,578.82
As at March 31, 2021					
Goodwill recognised during the year	-	-	-	-	-
Impairment losses recognised during the year	-	-	-	-	-
Exchange rate differences upon translation to presentation currency	-	3,256.22	-	-	3,256.22
Gross amount of goodwill as at 31 March 2021	2,499.96	45,142.01	17,556.52	22,958.06	88,156.55
Accumulated impairment losses as at 31 March 2021	-	-	10,321.51	-	10,321.51
Goodwill carrying amount as at 31 March 2021	2,499.96	45,142.01	7,235.01	22,958.06	77,835.04

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

Note ii: The Group has performed its annual impairment test for the year ended March 31, 2021 for the Goodwill relating to ASAL, Ryhpez, TTR and THSL. (The Group performed its annual impairment test for the year ended March 31, 2020 for the Goodwill relating to ASAL, Ryhpez and TTR).

The Group considers the relationship between CGU's recoverable amount and its carrying amount, among other factors, when reviewing for the indicators of impairment. The Group on reporting date analyses if CGU's recoverable amount is below its carrying amount indicating a potential impairment of goodwill and impairment of assets of the CGU.

Key assumptions used for calculation of recoverable amount.

The valuation has been arrived at by taking the higher of values arrived at under following valuation method:

- (a) Net assets based method and
- (b) Discounted cash flows.

The calculation of recoverable amount 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
- ▶ Fair valuation of fixed assets

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.

Terminal growth rate estimates: Terminal value of future cash flows has been calculated using standard growth rate formula.

Raw material consumption: Raw material consumption has been factored in the financial projections based on historical trends.

Discount rates - Discount rates represent the current market assessment of the risks specific to these entities, which takes into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates and is based on the specific circumstances of these entities. The discount rate for Ryhpez is derived from their weighted average cost of capital (WACC) which takes into account both debt and equity. In case of TTR and THSL, cost of equity is used as the discount rate to discount the future cash flows. The cost of equity for these three entities is derived from the expected return on their investment, and the cost of debt of Ryhpez is based on its interest-bearing borrowing.

Free cash flow to the firm (FCFF): FCFF approach has been followed for valuation of investment in Ryhpez. FCFF been calculated by reducing capital expenditure and making working capital adjustments for the projected period from FY 2021-22 to FY 2025-26. Terminal value cash flow was considered beyond the projected period till perpetuity.

Free cash flow to the equity holders (FCFE): FCFE approach has been followed for valuation of investment in TTR and THSL. FCFE has been calculated by reducing capital expenditure, principal debt and interest repayments and making working capital adjustments for the projected period from FY 2021-22 to FY 2025-26. Terminal value cash flow was considered beyond the projected period till perpetuity.

Growth rate estimates: Terminal value of future cash flows has been calculated using standard growth rate formula.

Fair valuation of fixed assets: Fair valuation of fixed assets is done using the replacement cost method.

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.



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

Note iii: As part of its annual impairment assessment, the Group reassessed the recoverable amount of ASAL and Rynhez as on March 31, 2021 which has resulted in no impairment.

Note iv: On July 1 2018, the Holding Company amended its joint venture agreement for Tata Toyo Radiator (TTR) which resulted in the Holding Company acquiring control (erstwhile consolidated under equity method). This business acquisition has resulted in recognition of goodwill of INR 17,556.52 lakhs.

As part of its annual impairment assessment, the Group reassessed the recoverable amount of TTR as on March 31, 2020. Since the recoverable amount determined for the CGU was lower than its carrying value, the Group had recognized an impairment loss of INR 10,321.51 lakhs for the year ended March 31, 2020. This was mainly the result of a downturn in the Indian automobile market during FY 2019-20 and impact of COVID-19 pandemic on the Indian economy. Discount rate considered for the determination of the recoverable amount (value in use) was 10.9%. On account of its materiality and nature, it has been designated as an exceptional item for FY 2019-20 in the Consolidated Statement of Profit and Loss.

As part of its annual impairment assessment, the Group reassessed the recoverable amount of TTR as on March 31, 2021 which has resulted in no impairment.

Note v: On January 1 2020, the Holding Company amended its joint venture agreement for Tata AutoComp Hendrickson Suspensions Private Limited (THSL) which resulted in the Holding Company acquiring control (erstwhile consolidated under equity method). This business acquisition has resulted in provisional goodwill of INR 22,958.06 lakhs.

The Group had not tested aforementioned goodwill for impairment as at March 31, 2020 as the Group expected to finalise 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 December 31, 2020). The Group had during the year ended March 31, 2021 finalised the values of identifiable assets acquired and liabilities assumed which were hitherto provisional resulting in no change in the values.

As part of its annual impairment assessment, the Group reassessed the recoverable amount of THSL as on March 31, 2021 which has resulted in no impairment.



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

Note 8 : Financial assets - others

	As at March 31, 2021		As at March 31, 2020	
	Current	Non-current	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	574.15	1,460.05	185.00	1,445.35
Considered doubtful	-	40.79	-	40.79
	574.15	1,500.84	185.00	1,486.14
Less : Provision for doubtful deposits / loss allowance	-	40.78	-	40.78
	574.15	1,460.06	185.00	1,445.36
Unbilled revenue	665.03	-	318.30	-
Other receivable from related parties (refer note 45)	363.45	-	1,380.56	-
Interest accrued on loans/ deposits	26.40	-	71.90	-
Advance to employees	22.94	-	4.90	-
Application money paid towards securities [refer note (iii) below]	-	1,100.00	-	-
Claims receivable	-	17.66	409.88	17.66
Government grant receivables	146.19	1,702.46	365.15	862.95
Bank deposits [refer note (i) below]	-	148.18	6.90	2.84
Other receivables	90.06	35.24	207.39	-
Financial assets carried at fair value through profit or loss				
Foreign-exchange forward contracts [refer note (ii) below]	102.59	-	59.74	120.81
Total	1,990.81	4,463.60	3,009.72	2,449.62

(i) 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.

(ii) Derivatives not designated as hedge.

(iii) This represents share application money paid by the Holding Company towards investment in equity shares of Prestolite Electric India Pvt Ltd. Subsequent to the year end, the shares are allotted on April 05, 2021.

Note 9 : Deferred tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets		
Tax losses carried forward	12,079.93	11,144.27
Defined benefit obligations	1,157.06	2,039.99
Right of use asset and lease liability	421.47	-
MAT Credit	9.00	-
Disallowance of interest	1,996.63	-
Others	1,435.70	65.59
	17,099.79	13,249.85
Deferred tax liabilities		
Excess of depreciation/amortization on property, plant and equipment under income tax law over depreciation/amortization provided in the accounts	717.45	-
Investment at fair value	2.60	15.66
	720.05	15.66
Net deferred tax assets	16,379.74	13,234.19

	As at March 31, 2021	As at March 31, 2020
Opening balance	13,234.19	9,226.76
<i>(Charged)/credited to profit or loss</i>		
Tax losses carried forward	935.66	3,996.64
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	(717.45)	(990.46)
Defined benefit obligations	(969.66)	(246.88)
Property, plant and equipment	-	1,292.99
Right of use asset and lease liability	421.47	-
Disallowance of interest	1,996.63	-
Others	1,383.17	(185.33)
	3,049.82	3,866.96
<i>(Charged)/credited to OCI</i>		
Defined benefit obligations	86.73	140.47
	86.73	140.47
Utilisation of MAT credit	9.00	-
Closing deferred tax assets (net)	16,379.74	13,234.19



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

Note 10 : Income tax assets (net)

	As at March 31, 2021	As at March 31, 2020
Opening balance	2,703.19	1,949.96
Refund received net of taxes paid	(330.05)	(424.73)
Tax expense relating to current year	(3,265.48)	(1,437.21)
Tax (expense) / reversal relating to earlier years	(28.70)	82.14
Taxes paid during the year (includes MAT credit utilized)	3,656.36	2,157.17
Acquisition of subsidiary [refer note 46]	-	375.86
Closing balance	2,735.32	2,703.19

Note 11 : Other non-current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	1,042.05	429.20
Considered doubtful	83.58	83.58
	1,125.63	512.78
Less: Provision for doubtful capital advances	83.58	83.58
	1,042.05	429.20
Balances with government authorities		
Considered good	1,654.55	1,508.77
Considered doubtful	48.48	15.00
	1,703.03	1,523.77
Less: Provision for doubtful balances	48.48	15.00
	1,654.55	1,508.77
Prepaid expenses	70.53	152.34
Others	-	126.64
Security deposit	-	36.21
Taxes paid under protest		
Considered good	93.75	100.90
Considered doubtful	126.03	117.28
	219.78	218.18
Less: Provision for doubtful claims receivable	126.03	117.28
	93.75	100.90
Total	2,860.88	2,354.06



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

Note 12 : Inventories

	As at March 31, 2021	As at March 31, 2020
Raw materials (includes goods-in-transit of INR 2,108.36 lakhs; March 31, 2020: INR 859.53 lakhs)	30,234.57	20,720.39
Work-in-progress	9,802.30	7,785.18
Finished goods (includes goods-in-transit of INR 933.40 lakhs; March 31, 2020: INR 1,616.56 lakhs)	4,803.92	6,433.63
Stock-in-trade (includes goods-in-transit of INR 1,076.60 lakhs; March 31, 2020: INR 1,450.75 lakhs)	2,045.45	1,920.77
Stores and spares	4,737.82	4,838.15
Tools (under development)	4,351.13	3,130.64
Others	102.18	141.97
Total	56,077.37	44,970.73

Amount recognised in statement of profit and loss

Write-downs of inventories to net realizable value amounted to INR 31.37 Lakhs (March 31, 2020 INR 49.60 lakhs). These were recognised as an expense during the year and included in 'cost of materials consumed' in Statement of Profit and Loss.

Note 13 : Current Investments

	As at March 31, 2021	As at March 31, 2020
Investment in liquid mutual funds carried at fair value through profit or loss		
23,620.15 units (March 31, 2020: Nil) units of Tata Money market fund Regular Plan - Growth	859.77	-
4,11,493.34 units (March 31, 2020: 3,00,377.31) 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	1,172.59	813.79
52,223.66 (March 31, 2020: NIL) units of Tata Liquid Fund (Formerly known as Tata Money Market Fund) - Direct Plan - Growth	1,696.03	-
6,43,974.31 (March 31, 2020: NIL) units of Aditya Birla Sunlife Liquid Fund - Growth-Direct Plan (formerly known as Aditya Birla Sun life Cash plus)	2,134.99	-
51,323.90 (March 31, 2020: NIL) units of Kotak Liquid Fund - Growth- Direct Plan	2,134.59	-
43,642.62 (March 31, 2020: NIL) units of HSBC Cash Fund- Growth- Direct Plan	894.16	-
65,047.55 (March 31, 2020: NIL) units of SBI Liquid Fund -Direct-Growth- Plan (Formerly known as SBI Premier Liquid Fund)	2,095.58	-
43,489.18 (March 31, 2020: NIL)units of Aditya Birla Sun Life Overnight Fund - Growth - Direct Plan	484.01	-
49,682.85 (March 31, 2020: NIL) units of Kotak Overnight Fund - Direct - Growth Plan	545.48	-
16,274.52 (March 31, 2020: NIL) units of SBI Overnight Fund -Direct-Growth- Plan (Formerly known as SBI Magnum Insta Cash Fund Liquid Floater)	545.48	-
44,576.15 (March 31, 2020: NIL) units of Tata Overnight Fund - Direct - Growth Plan	484.07	-
32,819.41 units (March 31, 2020: Nil) units of Kotak Money Market Fund - Growth	1,137.83	-
1,37,076.84 units (March 31, 2020: 4,96,563.01) of Aditya Birla Sun Life Liquid Fund - Growth - Regular Plan	451.41	1,577.81
Nil units (March 31, 2020: 52,593.33) of HSBC Cash Fund - Growth	-	1,035.78
43,960.92 units (March 31, 2020: 1,41,913.70) of ICICI Prudential Mutual Fund - Growth	133.22	415.10
Nil units (March 31, 2020: 49,603.53) of Tata Liquid fund Regular Plan- Growth	-	1,543.85
Nil units (March 31, 2020: 7,367.10) of HDFC Money Market Fund - Direct Plan - Growth Option	-	310.88
32,622.26 units (March 31, 2020: 34,53,350.93) of SBI Savings Fund - Direct Plan - Growth	1,093.41	1,117.74
Total	15,862.62	6,814.95

	As at March 31, 2021	As at March 31, 2020
Aggregate amount of unquoted investments	15,862.62	6,814.95

Information about the Group's exposure to fair value measurement and market risk is included in note 39 and 40 respectively.



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

Note 14 : Trade receivable

	As at March 31, 2021	As at March 31, 2020
Trade receivables	45,826.02	33,744.55
Receivables from related parties (refer note 45)	8,945.39	20,840.72
Less: Loss allowance	1,052.82	869.46
Total	53,718.59	53,715.81

Break-up of security details

	As at March 31, 2021	As at March 31, 2020
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	54,771.41	54,585.27
Trade receivable which have significant increase in credit risk (refer note 40)	-	-
Trade receivable credit impaired (refer note 40)	-	-
Total	54,771.41	54,585.27
Less: Loss allowance	1,052.82	869.46
Total	53,718.59	53,715.81

Trade Receivables due by private companies with common directors

	As at March 31, 2021	As at March 31, 2020
TM Automotive Seating Systems Private Limited	311.39	198.00
Tata Ficosa Automotive Systems Private Limited	105.77	627.05
Tata AutoComp GY Batteries Private Limited	223.30	237.82
Air International Thermal TTR Private Limited	68.92	111.34
Tata AutoComp Katcon Exhaust System Private Limited	69.43	100.51

Note 15 : Cash and cash equivalents

	As at March 31, 2021	As at March 31, 2020
Balances with banks		
- in current accounts	18,738.52	15,517.60
- in deposits accounts (with original maturity of 3 months or less)	53.46	406.64
Cash on hand	1.45	1.40
Total	18,793.43	15,925.64

Note 16 : Other balances with bank

	As at March 31, 2021	As at March 31, 2020
Bank balances		
- Margin money deposits (with maturity more than 3 months but less than 12 months) (restricted)	0.96	12.96
- Earmarked deposit for repayment of non-convertible debentures	-	1,500.00
- Other balances in deposit accounts	2,490.00	-
Total	2,490.96	1,512.96

Note 17 : Financial assets - loans

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good		
Loan to joint ventures* (refer note 45)	50.05	253.95
Loans to employees	24.50	41.52
Advance to employees	-	78.71
Total	74.55	374.18

* Includes Rs.50.05 lakhs of loan given to Air International Thermal TTR Private Limited, which is private limited company with common director. (March 31, 2020: Rs.153.95 lakhs of loan given to Air International Thermal TTR Private Limited and Rs.100 lakhs of loan given to TM Automotive Seating Systems Private Limited, which are private limited company with common director)

Break up of security details

	As at March 31, 2021	As at March 31, 2020
Loans considered good - secured	-	-
Loans considered good - unsecured	74.55	374.18
Loans which have significant increase in credit risk	-	-
Loans- credit impaired	-	-
Total	74.55	374.18



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

Note 18 : Other current assets

	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	15,870.80	13,349.86
Considered doubtful	406.46	406.46
	16,277.26	13,756.32
Less: Provision for doubtful advances	406.46	406.46
	15,870.80	13,349.86
Balances with government authorities	2,425.46	4,597.94
Prepaid expenses	543.14	721.34
DEPB Licence	400.18	346.54
Other advances (refer note 60)	519.20	7,688.02
Total	19,872.58	26,703.70

Note 19 : Assets classified as held for sale

	As at March 31, 2021	As at March 31, 2020
Freehold land	6.91	-
Buildings	744.52	-
Total	751.43	-

Note - On January 31, 2021, consent of the Board of Directors of one of the subsidiary company was obtained for transfer of the freehold land situated at Halol along with the building. The carrying value of said assets have been presented as "Assets held for sale" under the current assets and the advance consideration received from buyers amounting to INR 245 lakhs is presented under "Other current liabilities". The transaction is expected to be completed in financial year 2021-22.



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

Note 20: Equity share capital

	As at March 31, 2021	As at March 31, 2020
Authorised share capital		
329,600,000 (March 31, 2020: 329,600,000) equity shares of INR 10/- each	32,960.00	32,960.00
70,000,000 (March 31, 2020: 70,000,000) 8% preference shares of INR 10/- each	7,000.00	7,000.00
2,400,000 (March 31, 2020: 2,400,000) 7.5% preference shares of INR 10/- each	240.00	240.00
8,000,000 (March 31, 2020: 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, 2020: 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, 2021		As at March 31, 2020	
	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, 2021	As at March 31, 2020
28,675,598 equity shares (March 31, 2020 : 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, 2020 : 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, 2020 : 52,333,170 shares) held by associate of the company's Ultimate Holding Company	5,233.32	5,233.32
Total	20,128.14	20,128.14

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

Name of the shareholder	Number of shares held as on March 31, 2021		Number of shares held as on March 31, 2020	
	Number of shares	% holding	Number of shares	% holding
Tata Industries Limited	6,92,45,203	34.40%	6,92,45,203	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, 2021	As at March 31, 2020
Equity shares		
<i>Dividends recognized at the end of reporting period</i>		
Final dividend for the year ended March 31, 2020 was Nil (March 31, 2019 INR 2) per fully paid-up equity share	-	4,025.63



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

Note 21 (a) : Reserves and surplus

	As at March 31, 2021	As at March 31, 2020
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	2,500.00	2,425.00
Appropriations during the year	(2500.00)	75.00
At the end of the year	-	2,500.00
General reserve		
At the commencement of the year	11,937.29	11,937.29
Add: Debenture redemption reserve transferred to General reserve	2,500.00	-
At the end of the year	14,437.29	11,937.29
Capital Reserves		
At the commencement of the year	9,683.54	9,683.54
Retained earnings		
At the commencement of the year	51,316.41	45,870.83
Profit for the year	(2,830.33)	10,278.16
<i>Items of other comprehensive income recognised directly in retained earnings</i>		
- Remeasurements of post-employment benefit obligations, net of tax	(971.65)	322.00
- Share of OCI of joint ventures, net of tax	44.18	(177.87)
- Share of OCI of NCI, net of tax	18.50	48.49
Transfer to debenture redemption reserve	-	(75.00)
Dividend on equity shares (March 31, 2020 Rs.2 per share)	-	(4,025.63)
Dividend distribution tax	-	(924.57)
	47,577.11	51,316.41
Total	77,229.83	80,969.13

Note 21 (b) : Other reserves

	As at March 31, 2021	As at March 31, 2020
Foreign currency translation reserve		
At the commencement of the year	(342.99)	(612.79)
Exchange differences on translating financial statement of foreign operations	1,335.76	269.80
At the end of the year	992.77	(342.99)
Cash flow hedging reserve		
At the commencement of the year	(1,910.21)	(140.55)
Effective portion of gains / (losses) on hedging instruments in cash flow hedges	410.24	(1,769.66)
At the end of the year	(1,499.97)	(1,910.21)
Total	(507.20)	(2,253.20)

Note 22 (a) : Non - current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured		
Term Loan		
From banks	98,181.43	88,169.30
From related party	2,084.56	-
Unsecured		
Non Convertible Debentures	-	10,367.07
	1,00,265.99	98,536.37
Less: Current maturities of long-term debt (included in note 27)	18,704.75	12,104.84
Less: Interest accrued (included in note 27)	128.87	514.76
Less: Transaction cost	1,467.47	1,692.03
Total	79,964.89	84,224.74



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

Details of security and repayment terms of non current borrowings

	Maturity date	Terms of repayment	Nature of Security	Coupon / interest rate	As at March 31, 2021	As at March 31, 2020
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.	Nil (March 31, 2020 - LIBOR plus 4%)	-	206.42
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.	HDFC Bank base rate plus 0.05% p.a. currently 7.40% p.a. (March 31, 2020- HDFC Bank base rate plus 0.05% p.a. currently 8.65% p.a.)	5,389.25	6,796.11
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.	HDFC Bank base rate plus 0.05% p.a. currently 7.25% p.a. (March 31, 2020- ' HDFC Bank base rate plus 0.05% p.a. currently 8.20% p.a.)	3,021.00	3,000.00
From banks	Feb-27	Repayable in 20 equal quarterly instalment starting from May 28, 2022 and last instalment due in February 27, 2027.	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.	HDFC Bank base rate plus 0.05% p.a. currently 7.25% p.a. (March 31, 2020- ' HDFC Bank base rate plus 0.05% p.a. currently 8.20% p.a.)	4,027.00	4,000.00
From banks	Mar-26	Quarterly commencing from Q1 of FY 21-22	Secured by first charge on Movable property, plant and equipment of Interior and Plastics Division and Composites Division	MCLR + 0.60% (currently 8.40%) (March 31, 2020- Nil)	9,818.00	-
From related party	May-25	Repayable in monthly installment	Secured by first and exclusive hypothecation of land and building and plant and machinery of Pantnagar plant of the Company.	9% p.a. to 11.50% p.a (March 31, 2020- Nil)	1,256.31	-
From related party	Feb-26	Repayable in equal monthly installments.	Secured by second charge on land and building and plant and machinery at Pantnagar plant.	9% p.a. to 11.50% p.a (March 31, 2020- Nil)	828.25	-
From banks	Apr-24	Repayable in 6 half yearly instalments starting from April, 2021 and ending in April 2024.	All the assets of all subsidiaries of TitanX Engine Cooling Holding AB (except Brazil and China) and corporate guarantee given by holding company.	2.35 % + EURI BOR + / 2.35 % + LIBOR (March 31, 2020 - 2.35 % + EURI BOR + / 2.35 % + LIBOR)	75,926.17	74,166.77
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. (Refer note 54)	Nil	10.15%	-	10,367.07
					1,00,265.98	98,536.37
Less : Current maturities of long-term borrowings (included in note 27)					18,704.75	12,104.84
Less : Interest accrued (included in note 27)					128.87	514.76
Less: Transaction cost					1,467.47	1,692.03
Total					79,964.89	84,224.74

Note: The carrying amount of financials and non-financial assets pledged as security for current and non-current borrowings are disclosed in note 52.

Note 22 (b) : Non - current financial liabilities

Non-current financial liabilities includes mark to market valuation of derivative contracts classified as cash flow hedges in respect of long term borrowings of one of the foreign subsidiary. The purpose of these contracts is to hedge against the adverse impacts of currency and interest rate fluctuations on the principal and interest payments on the subsidiary's non-current foreign currency borrowings.



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

Note 23 : Provisions

	As at March 31, 2021		As at March 31, 2020	
	Current	Non- current	Current	Non- current
Provision for employee benefits				
Compensated absences	3,742.04	1,636.50	3,528.08	1,071.47
Gratuity (refer note 42)	-	1,319.24	3.44	970.93
Retirement benefits (refer note 42)	232.43	12,793.75	145.72	11,421.16
Other provisions (refer note 51)				
Provision for probable claims	776.40	-	737.80	-
Provision for other contingencies	263.73	293.39	273.80	206.57
Provision for warranty	253.41	1,223.81	264.45	1,470.40
Provision for indirect tax matters	-	219.64	-	-
Other Provision	246.79	-	183.75	-
Total	5,514.80	17,486.33	5,137.04	15,140.53

Note 24 : Deferred tax liabilities (net)

	As at March 31, 2021	As at March 31, 2020
Deferred tax asset		
Defined benefit obligations	398.85	286.37
Provisions for doubtful debts and advances and inventory	389.73	369.05
Right of use assets and lease liabilities	169.29	65.80
Others	53.67	47.36
	1,011.54	768.58
Deferred tax liabilities		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	1,063.85	791.11
Revaluation of assets	5,067.61	5,234.25
Adjustment for business combinations	1,193.11	1,766.90
	7,324.57	7,792.26
Net deferred tax liabilities	6,313.03	7,023.68

Movement in temporary differences (deferred tax liabilities)

	As at March 31, 2021	As at March 31, 2020
Opening balance	7,023.68	7,755.47
<i>Charged/(credited) to profit and loss:</i>		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	(301.04)	(1,453.98)
Defined benefit obligation	(112.48)	248.35
Provisions for doubtful debts and advances and inventory	(20.68)	138.18
Undistributed profits of subsidiaries	-	(1,397.97)
Revaluation of assets	(166.64)	1,805.03
Right of use assets and lease liabilities	(103.50)	(65.80)
Other items	929.64	573.83
	225.31	(152.36)
<i>Charged/(credited) to OCI:</i>		
Hedging reserve	102.98	(411.39)
Foreign currency translation difference	(1,038.94)	(56.51)
Adjustment for business combinations	-	72.81
Undistributed profits of JV	-	(184.33)
Closing balance	6,313.03	7,023.68



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

Note 25 : Financial liabilities - current borrowings

	As at March 31, 2021	As at March 31, 2020
Secured		
Loans from banks repayable on demand	17,761.49	17,794.23
Loan from related party repayable on demand	2,117.16	4,442.19
Cash credit facility	1,287.31	3,928.89
Unsecured		
Loan from related party repayable on demand	2,500.00	-
Short term borrowings [refer note (i) below]	500.00	294.78
Customer bill discounting with Bank [refer note (ii) below]	720.06	505.53
	24,886.02	26,965.62
Less: Interest accrued (included in note 27)	96.50	171.80
Total	24,789.52	26,793.82

Details of security and repayment terms of current borrowings

	Terms of repayment	Nature of security	Coupon / interest rate	As at March 31, 2021	As at March 31, 2020
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% (March 31,2020- 9.60% to 11.25%)	1,745.32	1,799.44
From banks	Payable on demand	Secured by hypothecation of stock and book debts	8.40% (March 2020- Nil)	1,287.31	-
From banks	Payable on demand	Secured against land, building, plant and machinery, furniture & fixtures and current assets of the subsidiary company - NTACO	PBOC + 130 bps (March 31,2020- PBOC + 130 bps)	5,528.66	4,657.21
From banks	Payable on demand	Secured against fixed assets and current assets of the subsidiary company - Ryhpez	2.35 % + EURI BOR (March 31,2020- 2.35 % + EURI BOR)	10,487.52	10,970.51
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 bulding of Pantnagar plant of the subsidiary company - ASAL	11.25% (March 31,2020- 11.25%)	2,117.16	4,442.19
				21,165.96	21,869.35
Unsecured					
From related party repayable on demand				2,500.00	-
From banks [refer note (i) below]				500.00	4,590.74
Customer bill discounting with bank [refer note (ii) below]				720.06	505.53
				24,886.02	26,965.62
Less : Interest accrued (included in note 27)				96.50	171.80
Total				24,789.52	26,793.82

Note (i)- Short tem borrowings includes Packing Credit Foreign Currency loan from Axis Bank @ 3% per annum (March 31,2020- Invoice factoring with Development Bank of Singapore, pending liquidation at MCLR 8.85%).

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

Note 26 : Trade payables

	As at March 31, 2021	As at March 31, 2020
Trade payables : micro and small enterprises	3,039.20	2,915.42
Trade payable : Acceptances	10,769.04	5,570.28
Other than Acceptances	1,04,549.60	86,158.67
Trade payables to related parties (refer note 45)	2,683.33	1,384.82
Total	1,21,041.17	96,009.19

The Group's exposure to currency and liquidity risks related to trade payables is disclosed in note 40



Tata AutoComp Systems Limited

Note 27 : Other Current financial liabilities

	As at March 31, 2021	As at March 31, 2020
Creditors for capital goods	1,763.44	2,632.88
Accrued employee liabilities	3,568.81	2,398.75
Interest accrued on borrowings	225.37	686.56
Current maturities of long-term borrowings	18,704.75	12,104.87
Security deposit	56.96	108.05
Derivative contracts*	88.94	155.12
Claims payable to customers	158.73	601.33
Other payable	1,408.45	465.85
Accrued income	-	1,049.99
Total	25,975.45	20,203.40

* 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 40

Note 28 : Current tax liabilities

	As at March 31, 2021	As at March 31, 2020
Opening balance	-	-
Tax expense relating to current year	264.52	258.48
Taxes paid during the year	(148.38)	(270.38)
Foreign currency translation difference	(4.00)	11.90
Closing balance	112.14	-

Note 29 : Other current liabilities

	As at March 31, 2021	As at March 31, 2020
Advance from customers	5,064.37	7,159.88
Deferred grant income	15.00	18.00
Statutory dues	8,270.22	868.68
Other advances (refer note 55)	-	12,100.00
Consideration received in advance for sale of property, plant and equipment (refer note 19)	345.00	-
Provision for incentives	-	127.20
Others	2,889.71	3,265.81
Accrued income	629.10	-
Total	17,213.40	23,539.57



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

Note 30 : Revenue from contracts with customers

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers		
Sale of products	3,86,374.19	3,45,882.70
Traded goods	23,683.68	19,460.50
Sale of services	6,281.24	7,103.31
Other operating revenues	1,388.29	2,671.44
Total	4,17,727.40	3,75,117.95

a) Contracts with customer

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue from contracts with customers	4,17,727.40	3,75,117.95
Disaggregation of revenue		
Based on type of goods		
- Components	3,90,739.27	3,47,236.85
- Tools, dies and Moulds	14,967.08	13,745.81
- Scrap and others	11,451.78	7,031.85
- Service	569.27	7,103.44
Based on Market		
- Original equipment manufacturer	4,03,386.07	3,58,508.10
- Others	14,341.33	16,609.85
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, 2021	Year ended March 31, 2020
Trade receivable	53,718.59	53,715.81
Unbilled revenue	665.03	318.30
Contract liabilities	5,223.10	7,761.21

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 are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Contract liabilities at the beginning of the year	7,761.21	5,820.13
Revenue recognised that was included in the contract liability balance at the beginning of the year	(6,119.30)	(6,204.10)
Increase due to cash received, excluding amounts recognised as revenue during the year	3,581.19	8,908.88
Contract liabilities at the end of the year	5,223.10	7,761.21

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 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.



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

Note 31 : Other income

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income from financial assets at amortised cost	290.23	192.13
Net gain on sale of current investments mandatorily measured at fair value through profit or loss	184.79	272.16
Gain on disposal of property, plant and equipments	36.08	56.03
Gain on account of foreign currency transaction (net) *	-	524.31
Unwinding of discount on security deposits	54.86	34.72
Export benefits	744.54	1,173.85
Sundry provisions and credit balances no longer required, written back	152.32	593.39
Provision for doubtful debts/ advances written back	7.39	-
Government grants (refer note below)	854.32	1,938.06
Insurance claim recovery	334.89	625.58
Other non-operating income	407.99	203.73
Total	3,808.70	5,613.96

* Includes loss of Rs 11.78 lakhs (31 March 2020: loss of Rs 341.54 lakhs) on account of change in fair value of derivative contracts.

Note- Industrial Promotion Subsidy

The Holding Company and one Indian Subsidiary of the Group are eligible to receive benefits in the form of Industrial Promotion Subsidy (refund of State Goods and Services Tax on eligible products sold), electricity duty exemption, stamp duty exemption and power tariff subsidy subject to fulfillment of certain conditions under Package Scheme of Incentive of Government of Maharashtra. These benefits are in the nature of Government Grants in accordance with Indian Accounting Standard (Ind-AS) 20 "Accounting for Government Grants and Disclosure of Government Assistance".

Note 32 : Cost of materials consumed

	Year ended March 31, 2021	Year ended March 31, 2020
Inventory of raw materials at the beginning of the year	20,720.39	19,277.15
Opening stock on acquisition of subsidiary [refer note 46]	-	1,971.33
Add: Purchases	2,53,571.98	2,05,837.87
Less: Inventory of raw materials at the end of the year	30,234.57	20,720.39
Foreign currency translation difference	1,222.31	20.99
Total	2,45,280.11	2,06,386.95

Note 33 : Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools

	Year ended March 31, 2021	Year ended March 31, 2020
Opening stock		
Work-in-progress	7,785.18	7,765.43
Finished goods	6,433.63	7,616.30
Stock-in-trade	1,920.77	1,054.58
Stores and spares	4,838.15	5,188.09
Tools	3,130.64	4,010.77
Others	141.97	163.98
Opening stock on acquisition of subsidiary [refer note 46]	-	489.16
	24,250.34	26,288.31
Closing stock		
Work-in-progress	9,802.30	7,785.18
Finished goods	4,803.92	6,433.63
Stock-in-trade	2,045.45	1,920.77
Stores and spares	4,737.82	4,838.15
Tools	4,351.13	3,130.64
Others	102.18	141.97
	25,842.80	24,250.34
Foreign currency translation difference	1,079.56	67.87
Total	(512.90)	2,105.84



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

Note 34 : Employee benefits expense

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	50,134.56	53,001.11
Contributions to provident fund and other fund (refer note 42)	11,987.50	12,197.27
Staff welfare expenses	1,887.27	2,399.95
Total	64,009.33	67,598.33

Note 35 : Finance costs

	Year ended March 31, 2021	Year ended March 31, 2020
Interest and finance charges on financial liabilities measured at amortised cost	7,630.11	8,639.89
Interest on lease liability	1,778.59	1,242.01
Other borrowing costs	647.67	704.52
Total	10,056.37	10,586.42

Note 36 : Depreciation and amortisation expense

	Year ended March 31, 2021	Year ended March 31, 2020
Depreciation of property, plant and equipment	17,008.41	14,866.36
Depreciation on Right-of-use assets	5,085.56	3,832.48
Amortisation of intangible assets	6,966.46	5,810.74
Total	29,060.43	24,509.58

Note 37: Other expenses

	Year ended March 31, 2021	Year ended March 31, 2020
Consumption of stores, spares and consumables	9,051.14	8,345.13
Power and fuel	7,401.87	8,018.87
Rent and service charges	1,146.68	1,193.06
Repairs and maintenance :		
Buildings	887.38	930.56
Machinery	3,291.49	3,834.35
Others	913.21	875.76
Insurance	548.74	551.87
Rates and taxes	1,196.96	1,127.50
Communication expenses	487.24	318.27
Travelling and conveyance	617.72	2,124.09
Printing and stationery	20.00	201.65
Freight and forwarding	10,474.22	9,269.06
Commission	59.88	90.78
Royalty	1,042.96	717.85
Corporate social responsibility expenditure [Refer Note 37 (b)]	372.14	419.46
Legal and professional fees [Refer Note 37 (a)]	3,442.78	3,304.12
Bad debts written off	-	6.66
Provision for doubtful trade receivables and advances	315.88	210.23
Balances written off	44.93	25.21
Loss on foreign currency transaction and translation (net)	514.43	-
Loss on revaluation of financials items- loan exchange loss	2,289.00	-
Loss on disposal of property, plant and equipment	2.25	4.50
Donations	-	0.68
Processing charges	3,563.79	2,775.12
Contract labour charges	5,933.43	5,083.37
Warranty	68.26	-
Selling and distribution expenses	623.17	1,071.27
Security and housekeeping charges	1,040.72	363.76
Miscellaneous expenses	9,017.35	7,952.65
Less: Capitalization of R&D	(2,788.83)	(1,723.12)
Less: Recoveries from joint ventures and subsidiaries	(705.86)	(701.31)
Total	60,872.93	56,391.40



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

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

	Year ended March 31, 2021	Year ended March 31, 2020
As Auditor		
Statutory audit	14.50	18.00
Tax audit	4.00	4.00
Limited reviews	13.50	13.50
Certifications	3.00	2.00
Other services	3.00	4.00
Reimbursement of expenses	1.90	6.94
Total	39.90	48.44

* Excludes fees paid to the component auditors.

37 b) Corporate social responsibility expenditure

	Year ended March 31, 2021	Year ended March 31, 2020
(a) Amount required to be spent by the Company during the year	372.14	419.46
(b) Amount spent during the year		
(i) Construction / acquisition of any asset	-	-
(ii) On the purpose other than (i) above	340.33	419.46
(c) Provision for unspent amount during the year*	31.81	-

* As per the Companies (Corporate Social Responsibility Policy) Rules, 2014, rule 9 the unspent amount of Rs 31.83 Lakhs has been deposited in a separate bank account opened in ICICI bank on April 13, 2021 by the Holding Company.

	Year ended March 31, 2021	Year ended March 31, 2020
Contribution towards relief of COVID-19	-	55.89
Tata Education and Development center	75.00	121.00
Cancer Treatment of Children ST Judes	-	3.00
Support to orphanage	19.21	17.04
Access Life Assistance Foundation	-	3.00
Society of Complementary Therapies	-	5.00
ARC Trust- Partial funding for Respite Centre infrastructure	-	100.11
Initiate greenhouse and model farming development, providing drinking water and taps to each house in Kashig village.	53.56	3.10
Installation of CCTV surveillance system and providing vehicle to be useful for local usage/Infrastructure.	-	5.00
Ration support to SASA orphanage, Pune	4.41	-
Scholarship for High School Girls in Khed Taluka (Pune)	4.00	-
Tata Community Initiatives Trust	-	12.75
Youth Holistic Development Support from schools in Pune	3.00	-
Support to school building	5.86	30.56
Reviving Livelihood of Marginalized and Center for Homeless	18.51	-
Assessment and Development Workshop and Dance for Hope for Engineering Girls through Lila Poonawalla Foundation	1.09	-
English Speaking class and Personality development to increase employability for affirmative category,Confederation of Indian Industry	1.50	1.50
Sponsorship of Engineering Education for Girls Leela Poonawala	6.00	6.00
Promotion of Education	67.66	55.51
Projects to be identified	67.43	-
Others	13.10	-
Total	340.33	419.46



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

Note 38 : Income tax expense

	Year ended March 31, 2021	Year ended March 31, 2020
Income tax expense		
Current tax		
Current tax on profits for the year	3,512.02	1,666.22
Adjustments for current tax of prior periods	28.69	(52.14)
Total current tax expense	3,540.71	1,614.08
Deferred tax		
(Increase) in deferred tax assets	(1,636.10)	(2,880.47)
(Decrease) / Increase in deferred tax liabilities	(1,188.41)	(1,138.86)
Total deferred tax expense/(benefit)	(2,824.51)	(4019.33)
Income tax expense	716.20	(2405.25)

Reconciliation of tax expense and the accounting profit :

	Year ended March 31, 2021	Year ended March 31, 2020
Profit before income tax expense	(3,941.94)	1,229.74
Tax Rate of 25.17% (FY 2019-20 – 25.17%)	(992.11)	309.50
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Corporate social responsibility expenditure	95.85	67.07
Disallowance u/s 14A of Income Tax Act, 1961	-	10.39
Dividend income from joint ventures	-	(198.24)
Unrecognized tax benefits on tax losses	1,468.16	425.18
Weighted deduction on research and development expenditure	(134.77)	(387.35)
Consolidated adjustments	152.04	(928.82)
Other items	(325.91)	247.59
Share of results of joint ventures	(301.71)	(487.32)
Impact of tax rate difference between group rate and local rate	400.70	(443.44)
Effect of change in rate	318.68	(373.66)
Adjustment for current tax of prior periods	35.27	(22.33)
Tax impact on exceptional items	-	(623.82)
Income tax expense	716.20	(2,405.25)

Tax Losses

One of the Indian subsidiary 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, 2021	Year ended March 31, 2020
Unused tax losses for which no deferred tax asset has been recognised :		
- Business Losses	10,495.68	8,905.65
- Unabsorbed depreciation	6,886.32	8,058.44
Potential tax benefit	5,371.04	5,241.90

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, Sweden 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	Year ended March 31, 2021	Year ended March 31, 2020
March 31, 2024	1,379.29	1,379.30
March 31, 2025	1,088.00	-
March 31, 2026	-	1,088.30
March 31, 2027	3,199.45	3,199.45
March 31, 2028	567.41	567.41
March 31, 2029	2,622.16	2,671.19
March 31, 2030	1,639.36	-
Total	10,495.68	8,905.65



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

Note 39 : Fair value measurement

Financial instruments by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2021 were as follows:

	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Total carrying value
		Designated upon initial recognition	Mandatory	
Financial assets:				
<i>Non-current</i>				
Other financial assets	4,463.60	-	-	4,463.60
<i>Current</i>				
Investments	-	-	15,862.62	15,862.62
Trade receivables	53,718.59	-	-	53,718.59
Cash and cash equivalents	18,793.43	-	-	18,793.43
Bank balance other than cash and cash equivalents	2,490.96	-	-	2,490.96
Loans	74.55	-	-	74.55
Other financial assets	1,888.22	102.59	-	1,990.81
Financial liabilities:				
<i>Non-current</i>				
Borrowings	79,964.89	-	-	79,964.89
Lease liabilities	21,510.26	-	-	21,510.26
Other non-current liabilities	4,266.06	-	-	4,266.06
<i>Current</i>				
Borrowings	24,789.52	-	-	24,789.52
Lease liabilities	4,347.56	-	-	4,347.56
Trade payables	1,21,041.17	-	-	1,21,041.17
Other financial liabilities	25,886.51	88.94	-	25,975.45

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

	Amortised cost	Financial assets / liabilities at fair value through profit or loss		Total carrying value
		Designated upon initial recognition	Mandatory	
Financial assets:				
<i>Non-current</i>				
Other financial assets	2,328.81	120.81	-	2,449.62
<i>Current</i>				
Investments	-	-	6,814.95	6,814.95
Trade receivables	53,715.81	-	-	53,715.81
Cash and cash equivalents	15,925.64	-	-	15,925.64
Bank balance other than cash and cash equivalents	1,512.96	-	-	1,512.96
Loans	374.18	-	-	374.18
Other financial assets	2,949.98	59.74	-	3,009.72
Financial liabilities:				
<i>Non-current</i>				
Borrowings	84,224.74	-	-	84,224.74
Lease liabilities	18,725.23	-	-	18,725.23
<i>Current</i>				
Borrowings	26,793.82	-	-	26,793.82
Lease liabilities	3,196.08	-	-	3,196.08
Trade payables	96,009.19	-	-	96,009.19
Other financial liabilities	20,048.28	155.12	-	20,203.40



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

Note 39 : Fair value measurement (continued)

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, 2021:

Particulars	As at March 31, 2021	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	15,862.62	15,862.62	-	-
Derivative financial instruments - foreign currency forward	102.59	-	102.59	-
Liabilities				
Derivative financial instruments - foreign currency forward	88.94	-	88.94	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2020:

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting year using		
		Level 1	Level 2	Level 3
Assets				
Investments in liquid mutual fund units	6,814.95	6,814.95	-	-
Derivative financial instruments - foreign currency forward	180.55	-	180.55	-
Liabilities				
Derivative financial instruments - foreign currency forward	155.12	-	155.12	-

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, 2020:

Particulars	As at March 31, 2020	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Non convertible debentures (included in other current financial liabilities)	10,400.00	-	10,400.00	-

^ - The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

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.

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.



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

Note 40 : 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 - 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, 2021					As at March 31, 2020				
	USD	EUR	SEK	RMB	Others	USD	EUR	SEK	RMB	Others
Financial assets										
Trade receivables	8,698.48	13,979.72	5,046.28	6,954.03	156.74	7,334.59	13,135.19	4,842.51	7,736.04	99.73
Cash and cash equivalents	6,308.80	7,237.67	1,578.07	873.53	-	2,223.39	5,578.18	1,562.34	2,189.35	-
Other financial assets	77.59	-	-	28.29	-	-	-	-	99.00	-
Exposure to foreign currency risk (assets)	15,084.86	21,217.40	6,624.35	7,855.85	156.74	9,557.98	18,713.37	6,404.85	10,024.39	99.73
Financial liabilities										
Trade payables	12,976.55	6,140.42	15,555.96	14,806.29	723.17	12,431.85	5,262.63	15,080.64	13,001.24	359.72
Other financial liabilities	3,870.60	-	-	1,499.11	-	-	-	-	1,394.52	0.27
Borrowings	36,598.00	48,419.66	-	5,528.66	-	37,770.93	47,572.99	-	4,657.21	-
Exposure to foreign currency risk (liabilities)	53,445.15	54,560.09	15,555.96	21,834.06	723.18	50,202.78	52,835.62	15,080.64	19,052.97	359.99

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, 2021	As at March 31, 2020
USD sensitivity		
INR/USD -Increase by 3% *(March 31, 2020 - 9%)	(1,150.81)	(3,658.03)
INR/USD -Decrease by 3% *(March 31, 2020 - 9%)	1150.81	3,658.03
EUR sensitivity		
INR/EUR -Increase by 4% *(March 31, 2020- 7%)	(1,333.71)	(2,388.56)
INR/EUR -Decrease by 4% *(March 31, 2020 - 7%)	1333.71	2,388.56
SEK sensitivity		
INR/SEK -Increase by 12% *(March 31, 2020- 1%)	(1,071.79)	(86.76)
INR/SEK -Decrease by 12% *(March 31, 2020- 1%)	1071.79	86.76
RMB sensitivity		
INR/RMB -Increase by 5% *(March 31, 2020- 3%)	(698.91)	(270.86)
INR/RMB -Decrease by 5% *(March 31, 2020- 3%)	698.91	270.86

*Holding all other variables constant

Forward contracts

	As at March 31, 2020	As at March 31, 2021
Forward contracts receivable		
USD	1,204.73	2,723.96
EUR	1,238.99	4,028.89
Others	3.00	-
Forward contracts payable		
USD	-	171.20
EUR	90.50	134.70
RMB	3,543.87	4,193.89
Other	358.15	396.77
Interest rate swap		
USD	1,145.05	1,543.66
EUR	138.31	67.86



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

(b) Interest rate risk

The Group has fixed rate borrowings and variable rate borrowings. The fixed rate borrowings are carried at amortized cost and accordingly not subject to interest rate risk as defined in Ind AS 107, as neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

In case of long term foreign currency loans with floating rate:

- Few companies within the Group manages their cash flow interest rate risk using floating to fixed interest rate swaps. Under these swaps, those companies agree with other parties to exchange the difference between fixed contract rates and floating interest amounts calculated by reference to agreed notional principal amounts. Receipt/payment of difference between fixed contract rates and floating interest amounts is on net basis. Fixed interest rate swaps cover 33% of the variable interest payments during the year. Fixed interest rate specified in 2 interest rate swap are 1.92% and 1.97%
- 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-21	31-Mar-20
Variable rate borrowings	1,22,959.16	1,13,123.43
Fixed rate borrowings	500.00	10,000.00
Total borrowings	1,23,459.16	1,23,123.43

As at the end of the reporting period, the Group has the following variable rate borrowings outstanding :

	As at March 31, 2021			As at March 31, 2020		
	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	4.78%	1,22,959.16	99.60%	4.47%	1,13,123.43	92%

An analysis by maturities is provided in note 40 (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 614.78 lakhs for the year ended March 31, 2021. Decrease in benchmark rates by 0.50 % will increase profit by INR 614.78 lakhs for the year ended March 31, 2021 (notwithstanding the hedge provided by interest rate swaps)

Increase in benchmark rates by 0.50 % will reduce profit by INR 565.62 lakhs for the year ended March 31, 2020. Decrease in benchmark rates by 0.50 % will increase profit by INR 565.62 lakhs for the year ended March 31, 2020. (notwithstanding the hedge provided by interest rate swaps)

(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.

Details of items designated as hedge instrument-

	As at 31 March 2021		As at 31 March 2020	
	Assets	Liabilities	Assets	Liabilities
Derivative not designated as hedges	102.59	88.94	59.74	155.12
Cash flow hedges:				
i) Foreign currency forward contracts		2,856.76	1,733.89	-
ii) Interest rate swaps	-	1,283.36	-	1,613.08
Included in Derivative Contracts - Other financial assets/liabilities	102.59	4,229.06	1,793.63	1,768.20

	As at 31 March 2021		As at 31 March 2020	
	Foreign currency risk	Interest rate risk	Foreign currency risk	Interest rate risk
Opening cash flow hedge reserve	(1,910.21)	-	(140.55)	-
Change in Fair value	513.22	-	(2,181.05)	-
	(1,396.99)	-	(2,321.60)	-
Tax on movements in relevant items of OCI during the year	(102.98)	-	411.39	-
Closing cash flow hedge reserve	(1,499.97)	-	(1,910.21)	-

(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, 2021				
Non-derivatives				
Borrowings	41,575.02	22,386.28	59,497.34	1,23,458.64
Trade payables	1,21,041.17	-	-	1,21,041.17
Other financial liabilities	7,181.76	700.09	3,565.97	11,447.82
Total non-derivative liabilities	1,69,797.95	23,086.37	63,063.31	2,55,947.63
Derivatives (net settled)				
Foreign exchange forward contracts	88.94	-	-	88.94
Total derivative liabilities	88.94	-	-	88.94

Note: For maturity analysis of lease liabilities, refer note 6F

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 years and above	Total
March 31, 2020				
Non-derivatives				
Borrowings	26,814.32	17,325.08	68,571.19	1,12,710.59
Trade payables	96,009.19	-	-	96,009.19
Other financial liabilities	20,048.28	-	-	20,048.28
Total non-derivative liabilities	1,42,871.79	17,325.08	68,571.19	2,28,768.06
Derivatives (net settled)				
Foreign exchange forward contracts	155.12	-	-	155.12
Total non-derivative liabilities	155.12	-	-	155.12



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, 2021, 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.

	As at March 31, 2021			As at March 31, 2020		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	38,219.95	-	38,219.95	26,674.55	-	26,674.55
Overdue up to 3 months	8,450.14	15.46	8,434.68	20,386.16	14.38	20,371.78
Overdue 3-6 months	3,253.79	305.54	2,948.25	4,079.98	90.78	3,989.20
Overdue more than 6 months	4,847.53	731.82	4,115.71	3,444.58	764.30	2,680.28
Total	54,771.41	1,052.82	53,718.59	54,585.27	869.46	53,715.81

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

Loss allowance on April 1, 2019	579.62
Changes in loss allowance	289.84
Loss allowance on March 31, 2020	869.46
Changes in loss allowance	183.36
Loss allowance on March 31, 2021	1,052.82

Note 41 : 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 and lease liabilities as disclosed in notes 22, 25 and 6 to the financial statements.

Particulars	As at	As at
	March 31, 2021	March 31, 2020
Total debt	1,49,316.98	1,45,044.74
Total equity	1,25,154.20	1,28,993.81
Net debt to equity ratio	1.19	1.12

Loan covenants

In the previous year, in respect of borrowings availed by one of the foreign subsidiary, the Group has obtained waiver in respect of compliance of financial covenants till 30th September 2021. The financial covenants based on consolidated financial statements for the year ended March 31, 2022 are applicable.



Tata AutoComp Systems Limited
Notes to consolidated financial statement (continued)
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Note 42 : 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, 2019	2,468.23	(1,947.20)	521.03
Acquisition of subsidiary	119.10	(71.46)	47.64
Current service cost	260.47	-	260.47
Interest expense/(income)	176.97	(141.99)	34.98
Total amount recognised in profit or loss	437.44	(141.99)	295.45
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.13	0.13
(Gain)/loss from change in financial assumptions	125.15	-	125.15
Experience (gains)/losses	121.91	-	121.91
Total amount recognised in other comprehensive income	247.06	0.13	247.19
Employer contributions	-	(18.36)	(18.36)
Benefit payments	(118.59)	-	(118.59)
March 31, 2020	3,153.24	(2,178.88)	974.36

	Present value of obligation	Fair value of plan assets	Net
April 1, 2020	3,153.24	(2,178.88)	974.36
Acquisition of subsidiary	-	-	-
Current service cost	295.84	-	295.84
Interest expense/(income)	189.48	(134.15)	55.33
Total amount recognised in profit or loss	485.31	(134.15)	351.17
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	4.15	15.54	19.69
(Gain)/loss from change in demographic assumptions	300.19	-	300.19
(Gain)/loss from change in financial assumptions	(167.84)	-	(167.84)
Experience (gains)/losses	(23.04)	-	(23.04)
Total amount recognised in other comprehensive income	113.45	15.54	129.00
Employer contributions	-	(39.96)	(39.96)
Benefit payments	(95.33)	-	(95.33)
March 31, 2021	3,656.67	(2,337.46)	1,319.24

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

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	3,656.67	3,153.24
Fair value of plan assets	2,337.46	2,178.88
Non-current liability recognized in balance sheet	1,319.21	974.36

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, 2021	As at March 31, 2020
Discount rate	6.60%	6.10%
Salary escalation rate	8.00%	8.00%
Rate of return on plan assets	6.91%	7.43%
Attrition Rate- Management	16.00%	18.00%
Attrition Rate- Non- Management	3.00%	18.00%

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:



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	Year ended March 31, 2021	Year ended March 31, 2020
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(291.64)	(138.45)
(ii) 1% decrease in discount rate	340.40	152.18
(iii) 1% increase in rate of salary escalation	332.75	148.55
(iv) 1% decrease in rate of salary escalation	(290.97)	(137.83)

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.

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, 2021	As at March 31, 2020
Defined benefit obligation		
Less than a year	419.86	606.32
Between 1 - 2 years	299.66	557.17
Between 2 - 5 years	1,056.36	1,506.13
Over 5 years	7,838.14	4,284.45
Total	9,614.04	6,954.07

Category of planned asset

	As at March 31, 2021	As at March 31, 2020
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, 2021 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year INR 26.57 lakhs (March 31, 2020 INR 26.57 lakhs).

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 and to their spouses 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. The pension plan is not funded plan.

	Present value of obligation
April 1, 2019	1,630.62
Current service cost	251.38
Interest expense/(income)	123.31
Total amount recognised in profit or loss	374.69
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	159.28
Experience (gains)/losses	8.77
Total amount recognised in other comprehensive income	168.05
Benefit payments	(139.58)
March 31, 2020	2,033.78

	Present value of obligation
April 1, 2020	2,033.78
Current service cost	254.56
Interest expense/(income)	135.23
Total amount recognised in profit or loss	389.79
<i>Remeasurements</i>	
(Gain)/loss from change in financial assumptions	117.00
Experience (gains)/losses	46.39
Total amount recognised in other comprehensive income	163.39
Benefit payments	(147.96)
March 31, 2021	2,439.00



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

	As at March 31, 2021	As at March 31, 2020
Unfunded plans (Liabilities recognized in balance sheet)	2,439.00	2,033.78

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, 2021		As at March 31, 2020	
	Serving Managing Director	Retired Managing Directors	Serving Managing Directors	Retired Managing Directors
Discount rate	7.00%	7.00%	6.90%	6.90%
Pension growth rate	8.00%	8.00%	6.00%	6.00%
Compensation growth rate	8.00%	-	8.00%	-
Expected average remaining working life (years)	25.03	19 - 27	26.90	24.07

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(202.40)	(168.08)
(ii) 1% decrease in discount rate	235.15	195.38
(iii) 1% increase in rate of pension growth rate	75.21	65.42
(iv) 1% decrease in rate of pension growth rate	(72.41)	(62.85)

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 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, 2021	As at March 31, 2020
Defined benefit obligation		
Less than a year	232.43	145.72
Between 1 - 2 years	222.44	145.72
Between 2 - 5 years	702.50	665.02
Over 5 years	1,297.86	1,171.24
Total	2,455.23	2,127.70



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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, 2019	10,685.85	796.64	9,889.21
Current service cost	229.79	-	229.79
Interest expense/(income)	185.61	-	185.61
Total amount recognised in profit or loss	415.40	-	415.40
<i>Remeasurements</i>			
(Gain)/loss from change in demographic assumptions, financial assumption and Experience (gains)/losses	(648.69)	-	(648.69)
Total amount recognised in other comprehensive income	(648.69)	-	(648.69)
Employer contributions	-	89.48	(89.48)
Benefit payments	(532.45)	(74.25)	(458.20)
Foreign currency translation difference	448.67	23.81	424.86
March 31, 2020	10,368.78	835.68	9,533.10

	Present value of obligation	Fair value of plan assets	Net
April 1, 2020	10,368.78	835.68	9,533.10
Current service cost	184.63	-	184.63
Interest expense/(income)	150.01	28.69	121.32
Total amount recognised in profit or loss	334.65	28.69	305.95
<i>Remeasurements</i>			
Return on plan assets, excluding amounts included in interest expense/(income)	-	33.56	(33.56)
(Gain)/loss from change in demographic assumptions, financial assumption and Experience (gains)/losses	831.13	-	831.13
Total amount recognised in other comprehensive income	831.13	33.56	797.57
Employer contributions	-	70.91	(70.91)
Benefit payments	(716.58)	(88.57)	(628.01)
Foreign currency translation difference	766.46	116.99	649.48
March 31, 2021	11,584.44	997.26	10,587.18

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

	As at March 31, 2021	As at March 31, 2020
Present value of funded obligations	11,584.44	10,368.78
Fair value of plan assets	(997.26)	(835.68)
Deficit of funded plan	10,587.18	9,533.10

	As at March 31, 2021	As at March 31, 2020
Discount rate USA / Sweden	1.20% / 2.63%	1.6% / 3.29%
Salary escalation rate USA / Sweden	0%/ 0%	0%/ 0%

Quantitative sensitivity analysis for significant assumptions are as follows:

	Year ended March 31, 2021	Year ended March 31, 2020
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 0.5% increase in discount rate	(489.54)	(381.07)
(ii) 0.5% decrease in discount rate	545.11	430.29
(iii) 0.5% increase in rate of inflation	533.71	424.32
(iv) 0.5% decrease in rate of inflation	(484.17)	(386.29)

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 Group has recognised the following amounts in the statement of profit and loss

	As at March 31, 2021	As at March 31, 2020
Contribution to employees' superannuation fund	294.70	306.67
Contribution to provident fund/family pension fund (including contribution to social security)	11,475.61	11,745.40
Contribution to labour welfare fund	1.10	1.23
Contribution to employee's state insurance scheme	39.11	66.27

(C) Risk exposure

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

1. Interest rate risk: The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined

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 43: 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, USA, China and other countries.

i) Product information

	Year ended March 31, 2021	Year ended March 31, 2020
- Components, assemblies and sub-assemblies	3,90,751.36	3,47,236.85
- Tools, dies and moulds	14,977.58	13,745.81
- Scrap and Others	5,863.22	7,031.85
- Service	6,135.24	7,103.44
Total	4,17,727.40	3,75,117.95

ii) Geographical information

	Revenue		Non-current assets*	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
India	2,18,604.96	1,70,273.99	1,34,430.64	1,37,736.03
Europe	1,08,411.59	1,14,348.03	62,163.93	55,930.09
USA	76,119.15	76,830.80	41,061.68	43,420.03
China	11,460.43	12,083.11	14,656.54	14,574.49
Others	3,131.27	1,582.02	-	-
Total	4,17,727.40	3,75,117.95	2,52,312.79	2,51,660.64

* Non current assets excludes financial assets, deferred tax asset and investments accounted for using equity method.

iii) Major customers

The revenue from customers which is more than 10% of Group's total revenue:

	Year ended March 31, 2021	Year ended March 31, 2020
Customer 1	1,27,376.23	75,688.15
Customer 2	63,434.34	67,018.05
Customer 3	42,765.32	48,882.75
	2,33,575.89	1,91,588.95

Note 44 : Contingent liabilities (To the extent not provided for)

	As at March 31, 2021	As at March 31, 2020
Income tax matters under appeal	1,763.63	1,772.42
Sales tax matters under appeal	489.33	343.26
Excise duty matters (Refer note 1 below)	736.33	246.99
Service tax matters	224.31	224.31
Goods and Services Tax matters	21.15	21.15
Claims against company not acknowledged as debts	58.87	756.41
Labour matter (Refer note 2 below)	407.02	347.82
Possible claims arising out of agreements with former Joint Venture Partners	2,326.60	2,365.20
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	210.43	209.93
Entry tax matters	102.83	97.69
Others	138.77	131.48

Note-

- 1) The Group has received other show cause notices from the Excise department on various matters. The Group 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 Group to estimate the timing of cash outflows, if any, in respect of the above pending disputed matters till it is resolved.
- 2) There are certain pending cases in respect of labour matters of one of the subsidiaries, the impact of which is not quantifiable and is not expected to be material.
- 3) In February 2019, the Honorable Supreme Court of India vide its ruling clarified that certain special allowances should be considered to measure obligations under Employees' Provident Funds and Miscellaneous Provisions Act, 1952 (the PF Act). However, there is uncertainty and ambiguity in interpreting and giving effect to the guidelines of Honorable Supreme Court, in relation to the scope of compensation on which the organization and its employees are to contribute towards Provident Fund. The Group will evaluate its position and act, as clarity emerges. Accordingly, the Group has not disclosed any contingent liability amount for past liability with respect to above ruling.



Tata AutoComp Systems Limited
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Note 45 : 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) Tata Consulting Engineers Limited
- vii) Tata Securities Limited
- viii) Tata Capital Financial Services Limited
- ix) Bachi Shoes Limited

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) Titan Company Limited
- x) Tata Precision Industries (India) Limited
- xi) Tata Elxsi Limited
- xii) TAL Manufacturing Solutions Limited
- xiii) Tata Daewoo Commercial Vehicle Company Limited
- xiv) Tata Communications Collaboration Services Private Limited
- xv) Tata Housing Development Company Ltd - Employees Provident Fund
- xvi) Tata SIA Airlines Limited
- xvii) Tata Power Renewable Energy Limited
- xviii) Tata Steel Limited
- xix) Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)
- xx) Tata Steel BSL Limited (formerly Bhushan Steel limited)
- xxi) Chery Jaguar Land Rover Automotive Co. Limited
- xxii) Jaguar Land Rover Limited
- xxiii) TKM Logistics Ltd
- xxiv) Tata Cummins Private Limited
- xxv) Tata Medical and Diagnostics Limited

Joint ventures

- i) Tata Ficosa Automotive Systems Private Limited
- ii) Tata Autocomp GY Batteries Private Limited
- iii) Tata Autocomp Hendrickson Suspensions Private Limited (ceased to be a joint venture w.e.f. January 01, 2020)
- iv) Tata Autocomp Katcon Exhaust System Private Limited
- v) TM Automotive Seating Systems Private Limited
- vi) Taco Sasken Automotive Electronics Limited (Under liquidation)
- vii) Air International TTR Thermal Systems Private Limited (Joint venture of TTR)
- viii) Tata Autocomp SECO Powertrain Private Limited (w.e.f. November 26, 2019)
- ix) Tata AutoComp Gotion Green Energy Solutions Private Limited (w.e.f. March 26, 2020)

Key management personnel (KMP)

Whole-time director

- i) Mr. Arvind Goel (Managing Director)

Non-executive directors

- i) Mr. Praveen Kadle
- ii) Mr. Ramnath Mukhija (up to March 31, 2020)
- iii) Mr. Hari Lakshminarayan Mundra
- iv) Mr. Milind Shahane
- v) Mr. Ankur Verma
- vi) Ms. Rati Forbes (w.e.f. April 30, 2019)



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(b) Transactions with related parties

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Sale of goods				
- Tata Motors Limited	1,26,696.25	75,688.15	2,516.24	14,711.92
- Fiat India Automobiles Private Limited	30,830.18	22,444.75	4,473.49	1,951.58
- Tata Sons Private Limited (refer note d below)	17,695.79	-	54.02	(12,100.00)
- Other group companies	8,967.04	8,635.09	2,249.95	2,147.97
Purchase of goods and services				
- Tata Motors Limited	1,088.86	1,333.59	(328.14)	79.30
- Fiat India Automobiles Private Limited	1,714.91	1,536.31	(502.30)	(318.81)
- Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)	5,979.13	5,140.69	(981.77)	(623.30)
- Tata Capital Financial Services Limited	2,238.89	1,103.86	(263.65)	(110.25)
- Tata Steel Limited	16.08	30.10	12.53	6.31
- Air International TTR Thermal Systems Private Limited	51.11	187.63	(15.12)	(71.78)
- Other group companies	1,826.01	1,457.78	(604.88)	(326.29)
Brand equity business promotion contribution				
- Tata Sons Private Limited (Formerly known as Tata Sons Limited)	342.00	250.00	(378.23)	(226.00)
Sale of services				
- Tata Motors Limited	679.98	1,115.98	70.50	660.54
- Tata Autocomp Hendrickson Suspensions Private Limited *	-	420.70	-	-
- Tata Ficosa Automotive Systems Private Limited	364.73	330.24	93.96	627.05
- Tata Autocomp GY Batteries Private Limited	690.47	708.27	223.30	237.82
- TM Automotive Seating Systems Private Limited	371.33	248.61	230.33	198.00
- Tata Autocomp Katcon Exhaust System Private Limited	264.82	296.83	69.35	100.51
- Tata Medical and Diagnostics Limited	-	-	(1,100.00)	-
- Other group companies	896.95	492.95	118.27	181.66
Sale of property, plant and equipment				
- Tata Capital Financial Services Limited	-	-	-	(13.82)
- Tata Autocomp Hendrickson Suspensions Private Limited *	-	8.47	-	-
- Tata Ficosa Automotive Systems Private Limited	-	12.83	-	24.98
- Tata Autocomp GY Batteries Private Limited	-	12.10	-	-
- TM Automotive Seating Systems Private Limited	-	5.17	-	6.11
- Tata Autocomp Katcon Exhaust System Private Limited	-	5.43	-	6.40
- Tata Medical and Diagnostics Limited	22.03	-	-	-
- Other group companies	-	1.03	-	-
Purchase of property, plant and equipment				
- Voltas Limited	-	19.96	0.04	0.04
- Others	5.76	-	(6.80)	-
Interest free security deposit				
- Tata Capital Financial Services Limited	689.45	709.73	2,214.81	1,525.36
Interest paid on inter corporate deposit				
- Tata Capital Financial Services Limited	520.38	457.99	22.39	38.38
- Tata Autocomp Hendrickson Suspensions Private Limited	-	24.74	-	-
Equity dividend paid				
- Tata Motors Limited	-	1,046.66	-	-
- Tata Investment Corporation Limited	-	54.40	-	-
- Tata Industries Limited	-	1,384.90	-	-
- Tata Sons Private Limited (Formerly known as Tata Sons Limited)	-	573.51	-	-
- Tata Capital Limited	-	966.15	-	-
Interest received on inter corporate deposits and loans				
- Air International TTR Thermal Systems Private Limited	10.24	2.82	-	1.69
- Tata Ficosa Automotive Systems Private Limited	39.33	-	-	-
- TM Automotive Seating Systems Private Limited	1.98	1.21	-	0.07
- Tata Autocomp Katcon Exhaust System Private Limited	8.44	30.19	-	-



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

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
Loan availed				
- Tata Capital Financial Services Limited	16,886.00	15,053.43	2,089.98	4,442.19
- Tata AutoComp Hendrickson Suspensions Private Limited *	-	2,000.00	-	-
Dividend received				
- Tata Autocomp Hendrickson Suspensions Private Limited *	-	455.20	-	-
- Tata Ficosa Automotive Systems Private Limited	-	210.00	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	131.79	-	-	-
Inter corporate deposit given				
- Tata Autocomp Katcon Exhaust System Private Limited	450.00	500.00	-	-
- Tata Ficosa Automotive Systems Private Limited	1,000.00	-	-	-
- TM Automotive Seating Systems Private Limited	-	300.00	-	100.00
- Air International TTR Thermal Systems Private Limited	-	100.00	-	100.00
Inter corporate deposit received back				
- TM Automotive Seating Systems Private Limited	100.00	-	-	-
- Tata Autocomp Katcon Exhaust System Private Limited	450.00	-	-	-
- Tata Ficosa Automotive Systems Private Limited	1,000.00	-	-	-
Lease liabilities				
- Tata Motors Limited	-	-	847.23	817.08
- Tata Capital Financials Services Limited	-	-	12,655.14	10,727.80
Interest expenses on lease liability				
- Tata Capital Financials Services Limited	1,000.12	591.22	-	-
- Tata Motors Limited	69.43	60.55	-	-
Debenture holder				
- Tata Housing Development Company Ltd - Employees Provident Fund	20.00	-	-	20.00
Interest to debenture holder				
- Tata Housing Development Company Ltd - Employees Provident Fund	1.01	2.04	-	0.73
Remuneration paid to KMP				
- Mr. Arvind Goel				
Short-term employee benefits	537.00	437.00	(300.00)	(200.00)
Long-term employee benefits	35.30	70.95	(119.14)	(108.35)
Post-employment benefits	254.56	251.38	(650.83)	(378.38)
Sitting fees paid to KMP				
- Mr. Praveen Kadle	4.50	4.70	-	0.90
- Mr. Ramnath Mukhija	-	6.20	-	0.90
- Mr. Hari Lakshminarayan Mundra	6.00	6.50	-	0.90
- Mr. Ankur Verma	2.00	2.50	-	0.45
- Ms. Rati Forbes	6.20	2.50	-	0.90
Commission paid to KMP				
- Mr. Praveen Kadle	15.00	40.00	-	-
- Mr. Ramnath Mukhija	10.00	25.00	-	-
- Mr. Hari Lakshminarayan Mundra	10.00	25.00	-	-
- Ms. Rati Forbes	5.00	-	-	-
Investment in equity shares				
- Tata Ficosa Automotive Systems Private Limited	-	-	1,875.00	1,875.00
- Tata Autocomp GY Batteries Private Limited	1,500.00	-	8,650.08	7,150.08
- TM Automotive Seating Systems Private Limited	-	-	900.00	900.00
- Tata Autocomp Katcon Exhaust System Private Limited	-	-	321.13	321.13
- Tata Autocomp Seco Powertrain Private Limited	-	2.50	2.50	2.50

Note:

- a) The closing balances above are net of advances except for advance received from Tata Sons Private Limited.
- b) The closing balances of investments in equity shares are net of provisions.
- c) * Tata AutoComp Hendrickson Suspensions Private Limited is a subsidiary w.e.f January 1, 2020, accordingly it has been considered for consolidation of financial statements, hence the transactions shown above are upto December 31, 2019.
- d) During the year the Holding Company has sold ventilators and personal protective equipments of Rs. 17,630.04 lakhs to Tata Sons Private Limited as part of their response to COVID-19 pandemic. Since the above sales are at nil margin the same has been netted off against the cost of purchases.



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

Note 46 : Business combination

Summary of acquisition

On January 1 2020, Tata AutoComp Systems Limited had amended its joint venture agreement with Tata AutoComp Hendrickson Suspensions Private Limited (THSL) which resulted in Tata AutoComp System Limited acquiring control of THSL (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 Group had remeasured its equity interest in THSL at its fair value and the resulting gain of Rs.12,206.12 lakhs was recognised in the consolidated statement of profit and loss and shown as an exceptional item for the year ended March 31, 2020.

Further, provisional goodwill of Rs. 22,958.06 lakhs was recorded in the consolidated financial statement as at March 31, 2020 (refer note below). The Group had during the year ended March 31, 2021 finalised the values of assets and liabilities which were hitherto provisional resulting in no change in the values.

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

	Fair value
Plant and machinery	1,706.69
Other PPE	86.42
Intangible assets	42.17
Capital work-in-progress	4,573.37
Right of use assets	613.79
Non-current financial assets	43.65
Income tax asset (net)	375.90
Other non-current assets	323.30
Inventories- Raw material, work-in-progress and finished goods	2,460.50
Inventories- Stores and Spares and scrap	49.80
Current financial assets- Loans (refer table below)	2,000.00
Current Investments	5,683.89
Trade receivables (refer table below)	2,430.70
Cash	429.30
Other financial assets	13.95
Other current assets	817.01
Deferred tax liability	(223.39)
Non-current financial liabilities - lease liability	(110.33)
Provision for employee benefits	(153.90)
Provision for warranty	(216.90)
Trade payables	(3,117.40)
Current financial liabilities - lease liability	(514.42)
Other non-current financial liabilities	(60.00)
Other current liabilities	(170.30)
Net identifiable assets acquired	17,083.80

	Amount
Current financial assets- Loans	
Gross contractual loans as at acquisition date	2,000.00
Less: Best estimate of cash flows not expected to be collected	-
Fair value of loans as at acquisition date	2,000.00

	Amount
Trade receivables	
Gross contractual trade receivable as at acquisition date	2,430.70
Less: Best estimate of cash flows not expected to be collected	-
Fair value of trade receivables as at acquisition date	2,430.70

Goodwill :

Goodwill arising from the acquisition has been determined as follows :

Fair value of Tata AutoComp Hendrickson Suspension Private Limited as on Acquisition date	40,041.86
Fair value of Net identifiable assets	17,083.80
Goodwill	22,958.06

Acquisition of Non-controlling interest :

On January 1, 2020, the group acquired control in Tata AutoComp Hendrickson Suspensions Private Limited (erstwhile consolidated under equity method) resulting in minority for the balance 50%. The group measures the non-controlling interest at its acquisition date fair value as follows -

Fair value of Tata AutoComp Hendrickson Suspensions Private Limited as on Acquisition date	40,041.86
Fair value of Non Controlling Interest as on Acquisition date (50%)	20,020.93

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 47 : Interests in other entities

(a) Subsidiaries

The group's subsidiaries at 31 March 2021 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	
				March 31, 2021	March 31, 2020	March 31, 2021	March 31, 2020
Subsidiaries (Direct and indirect):							
1	Taco Engineering Services GmbH	Engineering services	Germany	100.00	100.00	-	-
2	Nanjing Tata AutoComp Systems Limited	Plastic interiors and exteriors manufacture	China	100.00	100.00	-	-
3	Automotive Stampings and Assemblies Limited ("ASAL")	Stampings and assemblies Manufacturing	India	75.00	75.00	25.00	25.00
4	Ryhpez Holding (Sweden) AB	Investment company based in Sweden	Sweden	100.00	100.00	-	-
5	TitanX Holding AB (Sweden) [Subsidiary of Ryhpez Holding (Sweden) AB]	Investment company based in Sweden	Sweden	99.48	99.48	0.52	0.52
6	TitanX Engine Cooling, Inc. (US) [Subsidiary of TitanX Holding AB (Sweden)]	Manufacture of Engine cooling modules	USA	99.48	99.48	0.52	0.52
7	TitanX Engine Cooling Kunshan Co., Ltd. (China) [Subsidiary of TitanX Holding AB (Sweden)]	Manufacture of Oil Cooler	China	99.48	99.48	0.52	0.52
8	TitanX Engine Cooling AB (Sweden) [Subsidiary of TitanX Holding AB (Sweden)]	Manufacture of Engine cooling modules	Sweden	99.48	99.48	0.52	0.52
9	TitanX Refrigeração de Motores LTDA (Brazil) [Subsidiary of TitanX Engine Cooling AB (Sweden)]	Manufacture of Engine cooling modules	Brazil	99.48	99.48	0.52	0.52
10	TitanX Engine Cooling, Poland [Subsidiary of TitanX Holding AB (Sweden)]	Manufacture of Engine cooling modules	Poland	99.48	99.48	0.52	0.52
11	Tata Toyo Radiator Ltd	Manufacture of heat exchange Systems	India	51.00	51.00	49.00	49.00
12	Changshu Tata AutoComp Systems Limited (direct subsidiary of NTACO w.e.f. June 10, 2019)	Plastic injection molding and Assembly	China	100.00	100.00	-	-
13	Tata AutoComp Hendrickson Suspensions Private Limited (w.e.f. January 1, 2020)	Manufacture of lift axles and high technology metal and rubber suspensions	India	50.00	50.00	50.00	50.00
14	TitanX Engine Cooling SRL (Italy) (w.e.f. 17.03.2021)	Manufacture of Engine cooling modules	Italy	99.48	-	0.52	-



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		Tata AutoComp Hendrickson Suspension Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020*
Current assets	8,434.37	7,569.76	61,068.19	53,795.35	22,252.00	16,311.35	17,945.77	13,214.72
Current liabilities	22,241.89	21,247.39	86,312.93	59,298.82	31,987.00	22,210.20	5,001.38	2,899.75
Net current assets	(13,807.51)	(13,677.62)	(25,244.74)	(5,503.47)	(9,735.00)	(5,898.85)	12,944.39	10,314.97
Non-current assets	9,048.71	10,961.67	1,18,124.51	1,12,836.89	40,152.00	40,221.00	5,957.16	6,580.71
Non-current liabilities	4,113.26	3,167.36	86,110.07	93,237.66	20,571.00	20,907.00	622.76	743.60
Net non-current assets	4,935.45	7,794.31	32,014.44	19,599.23	19,581.00	19,314.00	5,334.40	5,837.11
Net assets	(8,872.06)	(5,883.31)	6,769.71	14,095.76	9,846.00	13,415.15	18,278.79	16,152.08
Accumulated NCI	(2,218.02)	(1,470.83)	(52.81)	(46.98)	4,824.54	6,573.42	9,139.40	8,076.04

Summarised statement of profit and loss	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB		Tata Toyo Radiator Limited		Tata AutoComp Hendrickson Suspension Private Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	For the period January 1 2020 to March 31, 2020*
Revenue	33,913.02	36,240.30	1,49,313.12	1,61,311.13	57,918.00	55,990.88	16,176.50	3,202.40
Profit/ (loss) for the year	(2,969.89)	(1,701.35)	(7,676.60)	(2,476.48)	(3,537.69)	(1532.91)	2,132.73	27.02
Other comprehensive income/ (loss)	(18.85)	(26.89)	(1,397.34)	(1,906.29)	(22.00)	(84.03)	(6.01)	(1.18)
Total comprehensive income/ (loss)	(2,988.74)	(1,728.24)	(9,073.94)	(4,382.78)	(3,559.69)	(1,616.94)	2,126.71	25.84
Profit/ (loss) allocated to NCI	(747.19)	(432.06)	-	-	(1,744.25)	(792.30)	1,063.36	12.92
Dividends paid to NCI (including DDT)	-	-	-	-	-	120.56	-	571.25

Summarised cash flows	Automotive Stampings and Assemblies Limited		Ryhpez Holding (Sweden) AB		Tata Toyo Radiator Limited		Tata AutoComp Hendrickson Suspension Private Limited	
	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	For the period January 1 2020 to March 31, 2020*
Cash flows (used in)/generated from operating activities	422.78	808.36	52,395.78	5,861.43	6,273.00	5,793.62	5,874.90	88.56
Cash flows (used in)/generated from investing activities	288.30	1,110.19	(5,185.83)	(11,684.45)	(2,137.00)	(7,537.35)	(3,109.35)	(325.63)
Cash flows (used in)/generated from financing activities	(749.47)	(1,935.32)	(42,153.90)	8,929.52	(4,193.62)	1,561.70	(149.51)	(84.75)
Net increase/ (decrease) in cash and cash equivalents	(38.39)	(16.77)	5,056.06	3,106.50	(57.62)	(182.03)	2616.04	(321.82)

* ceased as joint venture entity w.e.f. 1st January 2020



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 2021.

Name of entity	Place of business	% of ownership	Relationship	Accounting method	Carrying Value	
					As at March 31, 2021	As at March 31, 2020
Tata Ficosa Automotive Systems Private Limited ("TF")	India	50%	Joint venture	Equity method	3,206.54	2,988.17
Tata AutoComp GY Batteries Private Limited ("TGY")	India	50%	Joint venture	Equity method	3,768.43	2,475.72
Tata Autocomp Katcon Exhaust System Private Limited	India	50%	Joint venture	Equity method	1,305.23	970.86
TM Automotive Seating Systems Private Limited	India	50%	Joint venture	Equity method	1,842.83	1,259.33
Air International TTR Thermal Systems Private Limited (AITTR) (JV of TTR)	India	26%	Joint venture	Equity method	774.81	918.37
Tata AutoComp SECO Powertrain Private Limited (w.e.f November 26, 2019) (refer note 7 below)	India	50%	Joint venture	Equity method	2.50	2.50
Tata AutoComp Gotion Green Energy Solutions Private Limited (w.e.f. March 28, 2020) (Refer note 8 below)	India	60%	Joint venture	Equity method	-	-
Total					10,900.34	8,614.95

- 1 Tata Ficosa Automotive Systems Private Limited is engaged in the business of manufacture and sale of and trading in automotive parts like mirrors, washer systems, cables, gear shifters etc. Its product compliments the overall product portfolio of the group.
- 2 Tata AutoComp GY Batteries Private Limited is engaged in the business of manufacture, sale of and trading in lead acid storage batteries.
- 3 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.
- 4 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.
- 5 TM Automotive Seating Systems Private Limited designs, validates, manufacture and supply seating systems and related products for Commercial Vehicles Segment.
- 6 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
- 7 The Holding Company had entered in to an agreement with SECO Powertrain Private Limited on November 26, 2019 and formed a joint venture company namely Tata Autocomp SECO Powertrain Private Limited. There have been no transactions entered by the newly formed joint venture since its inception and consequently the board of the joint venture has decided to file for dormancy wide a resolution passed in the meeting dated March 30, 2021.
- 8 Tata AutoComp Gotion Green Energy Solutions Private Limited is a newly incorporated joint venture (March 26, 2020). It is into manufacturing and sale of battery packs. The Holding Company has entered into an agreement with Hefei Guoxuan High-Tech Power Energy Co. Ltd on February 26, 2019 to form a joint venture company namely Tata Autocomp Gotion Green Energy Solutions Private Limited. The joint venture was incorporated on March 28, 2020. W.e.f. April 18, 2020, amendments have been made to para 3.1.1 of the FDI policy so as to compel any country which shares a border with India to obtain government approval prior to an investment. This covers inter alia China, Bangladesh and Pakistan. The Holding Company is in the process of obtaining approval from the government and as on March 31, 2021, the Holding Company has not made any investment in share capital of the joint venture.

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

Particulars	As at March 31, 2021	As at March 31, 2020
Commitments – joint ventures Commitment to provide funding for joint venture's capital commitments, if called	712.73	1,912.59
Contingent liabilities – joint ventures Share of joint venture's contingent liabilities in respect of a legal claim lodged against the entity	123.11	159.39



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

(ii) Reconciliation to carrying amounts

	Tata Ficosa Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata AutoComp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited		Tata AutoComp SECO Powertrain Private Limited		Air International TTR Thermal Systems Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Opening net assets	6,278.00	6,683.20	4,951.50	4,458.60	1,942.22	1,062.80	2,518.66	2,235.99	5.00	-	1,836.74	2,023.55
Capital invested	-	-	2,968.50	-	-	-	-	-	-	5.00	-	-
Profit for the year	437.43	106.72	(493.41)	835.43	941.02	880.91	1,178.72	286.11	-	-	(287.13)	(186.81)
Other comprehensive income	(1.00)	(5.89)	110.27	(342.58)	(9.20)	(1.99)	(11.71)	(3.44)	-	-	-	-
Dividends paid (including DDT)	-	(601.52)	-	-	(263.58)	-	-	-	-	-	-	-
Notional profit on Downstream Transaction & DDT adjustment	(301.37)	(206.18)	-	-	-	-	-	-	-	-	-	-
Closing net assets	6,413.06	5,976.33	7,536.86	4,951.45	2,610.46	1,941.72	3,685.67	2,518.66	5.00	5.00	1,549.61	1,836.74
Group's share in %	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%	50%
Group's share in INR	3,206.54	2,988.16	3,768.43	2,475.72	1,305.23	970.86	1,842.83	1,259.33	2.50	2.50	774.80	918.37
Carrying amount	3,206.54	2,988.16	3,768.43	2,475.72	1,305.23	970.86	1,842.83	1,259.33	2.50	2.50	774.80	918.37

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 Ficosa Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata AutoComp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited		Tata AutoComp SECO Powertrain Private Limited		Air International TTR Thermal Systems Private Limited	
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020
Current assets												
Cash and cash equivalents and other bank balances	937.00	179.57	1,630.35	919.56	399.20	691.53	2,929.09	469.21	-	-	637.46	147.00
Other assets	11,697.42	8,470.12	11,740.22	12,901.90	6,725.66	5,708.45	5,126.06	5,990.95	5.00	5.00	2,522.81	2,530.00
Total current assets	12,634.42	8,649.69	13,370.58	13,821.46	7,124.87	6,399.98	8,055.15	6,460.16	5.00	5.00	3,160.27	2,677.00
Total non-current assets	9,940.43	10,574.26	20,068.12	13,406.25	1,354.25	1,396.70	4,858.33	3,278.17	-	-	2,394.85	2,600.00
Current liabilities												
Financial liabilities (excluding trade payables and other payables)	2,696.00	2,486.09	4,779.91	3,761.30	85.53	1,995.91	535.72	441.06	-	-	209.00	676.00
Other liabilities	10,169.00	7,979.91	11,234.01	11,800.10	5,645.51	2,892.37	8,094.77	6,056.42	-	-	3,478.23	2,324.00
Total current liabilities	12,865.00	10,466.00	16,013.92	15,561.40	5,731.03	4,888.28	8,630.49	6,497.48	-	-	3,687.23	3,000.00
Non-current liabilities												
Financial liabilities (excluding trade payables and other payables)	2,525.00	2,254.55	9,222.87	6,162.75	103.87	15.90	419.58	581.56	-	-	249.94	397.00
Other liabilities	371.00	225.45	665.04	552.10	33.75	950.78	176.95	140.71	-	-	61.98	50.00
Total non-current liabilities	2,896.00	2,480.00	9,887.91	6,714.85	137.62	966.68	596.53	722.27	-	-	311.91	447.00
Net assets	6,713.85	6,277.95	7,536.87	4,951.46	2,610.47	1,941.72	3,686.46	2,518.58	5.00	5.00	1,555.98	1,830.00

Summarised statement of profit and loss

	Tata Autocomp Hendrickson Suspensions Private Limited	Tata Ficosa Automotive Systems Private Limited		Tata AutoComp GY Batteries Private Limited		Tata AutoComp Katcon Exhaust System Private Limited		TM Automotive Seating Systems Private Limited		Tata AutoComp SECO Powertrain Private Limited		Air International TTR Thermal Systems Private Limited	
	For the period April 1, 2019 to December 31, 2019	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020	Year ended March 31, 2021	Year ended March 31, 2020
Revenue	16,737.10	27,556.88	22,162.16	47,140.53	51,687.99	25,737.13	20,405.11	23,924.73	13,909.57	-	-	6,947.43	4,135.00
Interest income	3.30	-	5.00	37.50	145.54	46.57	0.94	43.44	4.80	-	-	-	-
Depreciation and amortisation	357.60	986.94	754.00	1,102.90	891.19	134.20	91.28	559.95	508.31	-	-	463.00	215.00
Finance cost	51.20	516.00	275.00	980.20	864.86	150.82	305.41	149.43	86.15	-	-	102.00	33.00
Income tax expense	765.88	194.63	(31.85)	-	(11.92)	311.72	318.61	370.96	115.52	-	-	(101.62)	(58.00)
Profit for the year/ period	2,022.86	437.43	106.72	(493.41)	835.43	941.02	880.91	1,179.58	286.11	-	-	(279.92)	(185.66)
Other comprehensive income/ (loss)	1.83	(1.00)	(5.89)	110.27	(342.58)	(9.20)	(1.99)	(11.71)	(3.44)	-	-	(7.21)	-
Total comprehensive income	2,024.69	436.43	100.83	(383.15)	492.85	931.82	878.92	1,167.87	282.67	-	-	(287.13)	(185.66)
Dividends received	455.20	-	210.00	-	-	131.79	-	-	-	-	-	-	-



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

Note 48 : Additional information required by Schedule III

For the year ended March 31, 2021

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	76.25%	95,434.84	(144.04%)	6,709.59	(22.25%)	(182.16)	(170.00%)	6,527.43
Subsidiaries :								
Automotive Stampings and Assemblies Ltd. ("ASAL")	(7.09%)	(8,872.07)	63.76%	(2,969.89)	(2.30%)	(18.85)	77.84%	(2,988.74)
Taco Engineering Services GmbH	0.06%	72.37	0.79%	(36.77)	-	-	0.96%	(36.77)
Nanjing Tata AutoComp Systems Limited	12.82%	16,042.01	(24.48%)	1,140.40	-	-	(29.70%)	1,140.40
Ryhpez Holding (Sweden)	5.45%	6,822.34	164.80%	(7,676.64)	(170.71%)	(1,397.34)	236.33%	(9,073.99)
Tata Toyo Radiator Limited ("TTR") (includes share of AITTR)	7.87%	9,844.23	75.98%	(3,539.43)	(2.69%)	(22.00)	92.75%	(3,561.43)
Tata Autocomp Hendrickson Suspensions Private Limited (w.e.f. January 01, 2020)	14.61%	18,278.81	(45.78%)	2,132.73	(0.73%)	(6.01)	(55.39%)	2,126.71
Non-controlling interest in all subsidiaries	22.61%	28,303.43	39.24%	(1,827.81)	(2.26%)	(18.50)	48.09%	(1,846.31)
Joint Ventures* :								
Tata Ficosa Automotive Systems Private Limited ("TF")	2.68%	3,356.93	(4.70%)	218.71	(0.06%)	(0.50)	(5.68%)	218.21
Tata AutoComp GY Batteries Private Limited ("TGY")	3.01%	3,768.44	5.30%	(246.71)	6.74%	55.13	4.99%	(191.58)
Tata Autocomp Katcon Exhaust System Private Limited	1.04%	1,305.24	(10.10%)	470.51	(0.56%)	(4.60)	(12.13%)	465.91
TM Automotive Seating Systems Private Limited	1.47%	1,843.23	(12.66%)	589.79	(0.72%)	(5.86)	(15.21%)	583.94
Tata AutoComp SECO Powertrain Private Limited (w.e.f. November 26, 2019)	0.00%	2.50	-	-	-	-	-	-
Sub total		1,76,202.27		(5,035.53)		(1,600.68)		(6,636.22)
Less: Adjustment on account of elimination / conversion of foreign operation	(40.79%)	(51,048.07)	(8.10%)	377.39	295.56%	2,419.21	(72.84%)	2,796.61
Total	100.00%	1,25,154.20	100.00%	(4,658.14)	100.00%	818.53	100.00%	(3,839.61)

* Share in net assets of joint ventures accounted using equity method

For the year ended March 31, 2020

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	68.92%	88,907.39	129.32%	4,700.66	16.89%	(228.93)	196.19%	4,471.73
Subsidiaries :								
Automotive Stampings and Assemblies Limited ("ASAL")	(4.56%)	(5,883.31)	(46.80%)	(1,701.35)	1.98%	(26.89)	(75.82%)	(1,728.24)
Taco Engineering Services GmbH	0.08%	105.34	0.40%	14.70	-	-	0.64%	14.70
Automotive Skills Training Private Limited (formerly known as Automotive Skills Training Foundation) has been voluntarily struck-off effective from April 18, 2019.	-	-	-	-	-	-	-	-
Nanjing Tata AutoComp Systems Limited	11.03%	14,226.58	38.05%	1,382.95	-	-	60.68%	1,382.95
Ryhpez Holding (Sweden) AB	10.96%	14,142.64	(68.13%)	(2,476.52)	140.60%	(1,906.22)	(192.29%)	(4,382.74)
Tata Toyo Radiator Limited ("TTR") (includes share of AITTR)	10.40%	13,416.16	(42.15%)	(1,532.18)	6.20%	(84.03)	(70.91%)	(1,616.21)
Tata Autocomp Hendrickson Suspensions Private Limited (w.e.f. January 01, 2020)	12.52%	16,152.13	0.74%	27.02	0.09%	(1.18)	1.13%	25.84
Non-controlling interest in all subsidiaries	23.37%	30,149.74	(182.76%)	(6,643.17)	3.58%	(48.49)	(293.59%)	(6,691.66)
Joint Ventures* :								
Tata Ficosa Automotive Systems Private Limited ("TF")	2.43%	3,138.98	1.47%	53.36	0.22%	(2.95)	2.21%	50.41
Tata AutoComp GY Batteries Private Limited ("TGY")	1.92%	2,475.73	11.49%	417.71	12.63%	(171.29)	10.81%	246.42
Tata Autocomp Hendrickson Suspensions Private Limited (upto December 31, 2019)	-	-	27.82%	1,011.43	(0.07%)	0.91	44.42%	1,012.34
Tata Autocomp Katcon Exhaust System Private Limited	0.75%	970.86	12.12%	440.45	0.07%	(0.99)	19.28%	439.46
TM Automotive Seating Systems Private Limited	0.98%	1,259.29	3.94%	143.06	0.13%	(1.72)	6.20%	141.33
Tata AutoComp SECO Powertrain Private Limited (w.e.f. November 26, 2019)	-	2.50	-	-	-	-	-	-
Sub total		1,79,064.03		(4,161.89)		(2,471.77)		(6,633.67)
Less: Adjustment on account of elimination / conversion of foreign operation	(38.82%)	(50,070.22)	214.50%	7,796.88	(82.32%)	1,116.04	391.04%	8,912.93
Total	100.00%	1,28,993.81	100.00%	3,634.99	100.00%	(1,355.73)	100.00%	2,279.26

* 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 49 : Earnings per share

		Year ended March 31, 2021	Year ended March 31, 2020
(Loss) / Profit attributable to owners of the Company		(2,830.33)	10,278.16
Weighted average number of equity shares		20,12,81,358	20,12,81,358
Earnings per share (Basic and Diluted)	INR	(1.41)	5.11
Nominal value of an equity share	INR	10.00	10.00

Note 50 : Capital Commitments

(a) Capital commitments

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	2,852.88	5,247.54

Note 51 : Movements in other provisions

For the year ended March 31,2021

	Probable claims	Warranty	Other contingencies	Other provisions	Indirect tax matters
Carrying amount at the beginning of the year	737.80	1,734.85	480.37	183.75	-
Additional provision made during the year	38.60	487.49	95.11	63.04	219.64
Amounts used / written back during the year	-	(778.46)	(71.99)	-	-
Unwinding of discount	-	0.63	-	-	-
Foreign currency translation difference	-	32.71	53.63	-	-
Carrying amounts at the end of the year	776.40	1,477.22	557.12	246.79	219.64
Current	776.40	253.41	263.73	246.79	-
Non-Current	-	1,223.81	293.39	-	219.64

For the year ended March 31,2020

	Probable claims	Warranty	Other contingencies	Other provisions	Indirect tax matters
Carrying amount at the beginning of the year	699.40	906.28	848.16	-	-
Acquisition of subsidiary [refer note 46]	-	216.90	-	-	-
Additional provision made during the year	38.40	2,425.87	-	183.75	-
Amounts used / written back during the year	-	(1,814.94)	(336.80)	-	-
Unwinding of discount	-	(5.10)	-	-	-
Foreign currency translation difference	-	5.84	(30.99)	-	-
Carrying amounts at the end of the year	737.80	1,734.85	480.37	183.75	-
Current	737.80	264.45	273.80	183.75	-
Non-Current	-	1,470.40	206.57	-	-

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. Due to the very nature of such costs, it is not possible to estimate the timing/uncertainties relating to outflows of economic benefits.

ii) Probable claims :

Provision for probable claim includes a claim arising out of share purchase agreement between the Holding Company with its former joint venture partner, namely Yazaki Corporation in relation to sale of the Holding Company's shareholding in the former joint venture Tata Yazaki AutoComp Limited. As per the agreement, the Holding Company is liable to compensate Tata Yazaki AutoComp Limited (subsequently renamed as "Yazaki India Private Limited") in relation to an excise duty case involving a demand amounting to Rs 450 lakhs. Additionally, as per the demand order, the Holding Company is accruing interest on the said demand @ 10% p.a. since October 2012. It is not practicable for the Holding Company to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

iii) Other contingencies

Other contingencies relating to day to day business activities. It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings.

iv) Indirect tax matters

This represents provisions made by the Holding Company for probable liabilities / claims arising out of pending dispute / litigations with various regulatory authorities in respect of VAT and CST cases. These provisions are affected by numerous uncertainties and management has taken all efforts to make the best estimates. Timing of outflow of resources will depend upon timing of decision of cases.



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, 2021	As at March 31, 2020
Current		
Financial assets		
<i>First charge</i>		
Transferred receivables	10,499.32	10,885.63
Factored receivables	4,164.00	7,207.00
Cash and cash equivalents	263.95	319.81
Other receivables	8,487.62	9,985.56
Other current assets	20,126.15	2,061.64
Non-financial assets		
<i>First charge</i>		
Inventories	18,808.68	15,108.46
Total current assets pledged as security	62,349.73	45,568.10
Non-current		
<i>First charge</i>		
Plant and machinery	41,150.66	25,139.18
Land	321.42	595.93
Building	13,119.25	10,905.41
Intangible asset	110.00	187.00
Other assets	258.21	368.39
<i>Second charge</i>		
Land	23.55	23.55
Building	1,049.40	1,112.85
Total non-currents assets pledged as security	56,032.50	38,332.31
Total assets pledged as security	1,18,382.23	83,900.41

Note 53 : Exceptional items

During the previous year ended March 31, 2020, the Group had recognized a net income of INR 2,478.63 lakhs as exceptional items in the consolidated financial statements on account of:

- i) INR 12,206.12 lakhs gain related to remeasurement of the Group's existing 50% interest in Tata AutoComp Hendrickson Suspensions Private Limited (now consolidated as a subsidiary) at its fair value as explained in Note 46(a);
- ii) Transfer of lease hold rights of Bhosari MIDC land along with factory building by one of the Group's subsidiary viz. Automotive Stampings And Assemblies Limited (ASAL) which resulted in a gain of INR 2,100 lakhs;
- iii) Impairment of goodwill of INR 10,321.51 lakhs allocated to Tata Toyo Radiator as explained in note 7(c)(iv) and
- iv) Foreign exchange loss of INR 1,505.98 lakhs resulting from refinancing of a loan availed by one of the subsidiaries viz. Ryhpez Holding (Sweden) AB.



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

Note 54 : Repayment of non-convertible debentures by Holding Company

During the year, on May 18, 2020, the Holding Company had fully repaid its non-convertible debentures of INR 10,000 lakhs which were listed on the Wholesale Debt Market of the National Stock Exchange. Consequently, the Holding Company ceased to be a debt listed Company with effect from May 18, 2020.

Note 55 :

In March 2020, the Holding Company had received advances from Tata Sons Private Limited in relation to their response to the COVID-19 pandemic for the procurement of Ventilators and Personal Protective Equipment. The Holding Company has obtained shareholders' approval for updating the object clause of Holding Company's Memorandum of Association to include procurement and sale of Ventilators and Personal Protective Equipments. As on March 31, 2020:

- i) An amount of INR 7,688.02 lakhs given to suppliers had been disclosed as other advances under other current assets in FY 2019-20.
- ii) An amount of INR 12,100.00 lakhs received from Tata Sons Private Limited had been disclosed as other advances under other current liabilities in FY 2019-20.

'During the year the Holding Company has procured and sold the Ventilators and Personal Protective Equipment's against the above advances received in March 2020.

Note 56 :Other notes

Subsequent to the year end in the board meeting held on April 5, 2021, the Board of Directors of one of the subsidiary company viz. Automotive Stampings and Assemblies Ltd approved the sale of the company's land along with building situated at Chakan. The subsidiary company has also identified potential buyer and is in the process of obtaining an approval from the shareholders under section 180 of the Companies Act, 2013, in the forthcoming annual general meeting to authorise the execution of this transaction.

Note 57 : Managerial remuneration

(i) During the current year, the total managerial remuneration accrued by the Holding Company to its Managing Director and CEO, Mr. Arvind Goel is in excess of the limits laid down under section 197 and Schedule V of the Companies Act, 2013 by Rs 122.14 lakhs (March 31, 2020 Rs 143.93 lakhs). The Holding Company is in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration. Management is reasonably certain that the approval will be received.

(ii) During the current year, the total managerial remuneration accrued by two of the Group's subsidiaries, Automotive Stampings and Assemblies Ltd and Tata Toyo Radiator Limited, to their Chief Executive Officers are in excess of the limits prescribed under Section 197 read with Schedule V to the Companies Act, 2013 by Rs.5.00 lakhs and Rs. 55.85 lakhs respectively. Both the subsidiary companies are in the process of obtaining approval from its shareholders at the forthcoming Annual General Meeting for such excess remuneration. Management of the subsidiaries is reasonably certain that the approval will be received.

Note 58 : Corporate Guarantees

1. During the previous year, on account of refinancing of loan, the financial guarantee given by the Holding Company to bank in respect of loans availed by one of its subsidiaries viz. Ryhpez Holding (Sweden) AB amounting to USD 61.16 million stands withdrawn w.e.f. April 29, 2019 and the Holding Company has given the new financial guarantee to another bank effective from April 25, 2019.

As at 31st March 2021, the Holding Company has given the following financial guarantees:

- To the bank for facility amounting to Euro 63.25 million (March 31, 2020 - Euro 63.25 million)
- To the bank for facility amounting to USD 55.00 million (March 31, 2020 - USD 55.00 million)
- To the bank for hedging agreement amounting to USD 25.00 million (March 31, 2020 - USD 25.00 million)

The Holding Company has pledged its investment in Ryhpez Holding (Sweden) AB with the bank for this loan facility availed by the subsidiary.

2. Surety bond amounting to SEK 73 million (March 31, 2020: SEK 73 million), in favour of pension fund administrator for one of its subsidiaries viz. Ryhpez Holding (Sweden) AB.



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

Note 59 - Risk assessment by the Group of COVID-19 (Global Pandemic):

Sr No.	Particulars	Risk assessment by the Group
1	Property, plant and equipment	On account of COVID-19, the Group has considered all the relevant market conditions which might impact the recoverable amount of the Property, plant and equipment. This analysis has not highlighted the need to record any losses on account of impairment. The Group has also revisited the method of depreciation being followed and has concluded it to be appropriate. Further, the Group does not expect any material changes in the useful life of these assets on account of the global pandemic.
2	Right-of-use assets (Lease Arrangements)	<p>RoU: The Group does not foresee any large scale contraction in demand which could result in significant downsizing of its operations rendering the leased machines and locations redundant. The leasing arrangements with the lessor are long term in nature and no changes in terms (including lease rent concessions) of those leases are expected due to COVID-19.</p> <p>Maturity Analysis: The Group does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.</p>
3	Financial assets	<p>The consolidated financial statements include financial assets of Rs.97,394.55 lakhs as on March 31, 2021 (Rs. 83,802.88 lakhs as on March 31, 2020).</p> <p>Financial assets include trade receivables of Rs. 53,718.59 lakhs as on March 31, 2021 (Rs.53,715.81 lakhs as on March 2020) which forms a significant part of the financial assets and are carried at amortised cost which is valued considering provision for allowance using expected credit loss method. In calculating expected credit loss on trade receivable, the Group has considered the current and anticipated future economic conditions relating to the customers and the countries where they operate. Further the Group has also considered related credit information for its customers to estimate the probability of default in future and has taken into account estimates of possible effect of emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the nature of business, impact immediately seen in the demand, impact of pandemic on respective locations and the financial strength of the customers in respect of whom amounts are receivable. The Group does not expect a material increase in credit risk on an overall basis other than those that are already factored in.</p> <p>Financial assets of Rs. 21,284.39 lakhs have been recorded as on March 31, 2021 (Rs. 17,438.60 lakhs as on March 31, 2020) at amortised cost is in the form of cash and cash equivalents, bank deposits and earmarked balances with banks where the Group has assessed the counterparty credit risk. The Group does not expect a material increase in credit risk on an overall basis other than those that are already factored in.</p>
4	Non-Financial Assets and Impairment of Goodwil	<p>Non-Financial Assets: The Group has considered the impact of emerging situations due to COVID-19 pandemic while computing recoverable value of its non-financial assets.</p> <p>Goodwill: The Group has considered the impact of emerging situations due to COVID-19 pandemic on the discount rate, sale growth rates and free cash flows which have been considered while computing recoverable value of goodwill.</p>
5	Deferred Tax Assets	The Group has factored its future projections to consider impact of COVID-19 on the future revenues and taxable profits. These projections have been used for the purpose of assessment of recoverability of deferred tax assets. The Group believes that the deferred tax assets stand recoverable as at period-end.
6	Revenue from contracts with customers	<p>The Group is a leading supplier of automobile components, assemblies and engineering services to automotive original equipment manufacturers and other customers. While the Group strongly believes that it has a rich portfolio of goods and services and the revenue forecasts are stable, the possible impact on revenue streams may arise due to:</p> <ul style="list-style-type: none"> • prolonged lock-down situation resulting in its inability to deploy resources at different locations • furtherance of the downturn in the automobile sector • adversities faced by customers to continue their businesses and its impact on demand • deferment or cancellation of contracts by customers <p>The Group has assessed that the customers for passenger and commercial vehicle segment are more prone to immediate impact due to drop in demand. The Group has considered such impact to the extent known and available currently. Also, there have been no executed or proposed changes in key contracts with customers as at the year-end. The Group expects that it shall keep complying with all the agreed terms of contracts and shall duly meet its performance obligations. However, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration.</p>
7	Employee benefits expense	The Group has re-evaluated the actuarial assumptions used for the purpose of valuing employee benefit obligations in light of the COVID-19 outbreak. The Group believes that the assumptions on salary growth rates, attrition rates and discount rate are reasonable.
8	Hedge Accounting	Based on its assessment, the Group believes that the probability of occurrence of its forecasted transactions are not likely to be impacted by COVID – 19. Hence, the Group continues to believe that there is no foreseeable impact on the effectiveness of its cash flow hedges due to this global pandemic.



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

Note 60: 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

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

Swapnil Dakshindas
Partner
Membership No. 113896
ICAI UDIN: 21113896AAAAC8221

Praveen Kadle
Chairman
(DIN 00016814)

Hari Mundra
Director
(DIN 00287029)

Place: Pune
Date: May 05, 2021

Arvind Goel
Managing Director and CEO
(DIN 02300813)

Deepak Rastogi
Chief Financial Officer

Ashish Boradkar
Company Secretary

Place: Pune
Date: May 05, 2021