INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED

Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of **Automotive Stampings and Assemblies Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017 the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements to give a true and fair view of the financial position, financial performance (including other comprehensive income), cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

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

5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the

auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

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

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The financial information of the Company for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements for the years ended March 31, 2016 and March 31, 2015 prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (as amended) which were audited by us, on which we expressed an unmodified opinion dated April 28, 2016 and April 22, 2015 respectively. The adjustments to those financial statements for the differences in accounting principles adopted by the Company on transition to the Ind AS have been audited by us.

   Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.

11. As required by Section 143 (3) of the Act, we report that:

    (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    (c) The Balance Sheet, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.

(e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in Annexure A.

(g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2017 on its financial position in its Ind AS financial statements – Refer Note 36;

ii. The Company has long-term contracts as at March 31, 2017 for which there were no material foreseeable losses. The Company does not have any long-term derivative contracts as at March 31, 2017.

iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2017.

iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from November 8, 2016 to December 30, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 41;

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership Number 109846

Place: Pune
Date : April 28, 2017

Annexure A to Independent Auditors' Report

Referred to in paragraph 11(f) of the Independent Auditors' Report of even date to the Members of Automotive Stampings and Assemblies Limited on the IND AS financial statements for the year ended March 31, 2017

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

1. We have audited the internal financial controls over financial reporting of Automotive Stampings and Assemblies Limited ("the Company") as of March 31, 2017 in conjunction with our audit of the IND AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership Number 109846

Place: Pune
Date : April 28, 2017

Annexure B to Independent Auditors' Report

Referred to in paragraph 10 of the Independent Auditors' Report of even date to the Members of Automotive Stampings and Assemblies Limited on the financial statements as of and for the year ended March 31, 2017.

i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.

(b) The fixed assets of the Company have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(c) The title deeds of immovable properties, as disclosed in Note 5 on fixed assets to the financial statements, are held in the name of the Company.

ii. The physical verification of inventory excluding stocks with third parties have been conducted at reasonable intervals by the Management during the year. In respect of inventory lying with third parties, these have substantially been confirmed by them. The discrepancies noticed on physical verification of inventory as compared to book records were not material.

iii. 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. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.

iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.

v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.

vi. The Central Government of India has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.

(b) According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, service tax, duty of excise duty, and value added tax as at March 31, 2017 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount (₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Tax	4.37	2010-2011	Assistant Commissioner, Income Tax (CPC)
Maharashtra Value Added Tax Act, 2002	Sales Tax	61.49	2011-2012	Joint Commissioner (Appeals).
	Sales Tax	24.10	2012-2013	Joint Commissioner (Appeals)
Bombay Sales Tax Act, 1959	Sales Tax	2.92	2002-2003	Joint Commissioner (Appeals)
Central Excise Act, 1944	Duty and Penalty	31.37	1998-2009	Custom, Excise and Service Tax Appellate Tribunal
	Penalty	9.31	2002-2004	Custom, Excise and Service Tax Appellate Tribunal
	Duty and Penalty	0.44	2005-2009	Commissioner of Central Excise (Appeals)
	Duty and Penalty	13.99	2006-2011	Custom, Excise and Service Tax Appellate Tribunal
	Duty and Penalty	123.96	2007- 2009	Custom, Excise and Service Tax Appellate Tribunal
	Duty and Penalty	14.38	2007-2011	Custom, Excise and Service Tax Appellate Tribunal
	Duty and Penalty	20.72	2007- 2009	Custom, Excise and Service Tax Appellate Tribunal

viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.

ix. The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the moneys raised by way of term loans have been applied for the purposes for which they were obtained.

x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

xi. The Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.

xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.

xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.

xv. The Company has not entered into any non cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership Number 109846

Place: Pune
Date : April 28, 2017

Automotive Stampings and Assemblies Limited

BALANCE SHEET
(All figures in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
ASSETS				
Non-current assets				
Property, plant and equipment	5	10,970.99	10,440.54	11,322.12
Capital work-in-progress	5	306.08	769.56	71.62
Intangible assets	5	14.04	10.98	26.03
Financial assets				
(i) Other financial assets	6	70.55	95.90	64.35
Deferred tax assets (net)	7	-	-	-
Other non-current assets	8	126.75	301.22	137.44
Current tax asset (net)	9	179.02	507.35	508.92
Total non-current assets		**11,667.43**	**12,125.55**	**12,130.48**
Current assets				
Inventories	10	2,444.20	2,052.03	2,324.87
Financial assets				
(i) Trade receivables	11	5,031.19	4,613.83	1,813.33
(ii) Cash and cash equivalents	12 (a)	1.81	245.97	7.90
(iii) Bank balances other than cash and cash equivalents	12 (b)	3.22	3.41	54.91
(iv) Other financial assets	13	294.14	615.55	11.90
Other current assets	14	1,036.21	925.77	520.80
Total current assets		**8,810.77**	**8,456.56**	**4,733.71**
Total assets		**20,478.20**	**20,582.11**	**16,864.19**
EQUITY AND LIABILITIES				
Equity				
Equity share capital	15	1,586.44	1,586.44	1,586.44
Other equity				
Reserves and Surplus	16	170.43	525.71	2,573.67
Total equity		**1,756.87**	**2,112.15**	**4,160.11**
Liabilities				
Non-current liabilities				
Financial liabilities				
(i) Borrowings	17	5,286.83	5,159.00	3,602.00
Provisions	18	402.76	284.69	308.12
Total non-current liabilities		**5,689.59**	**5,443.69**	**3,910.12**
Current liabilities				
Financial liabilities				
(i) Borrowings	19	2,912.06	4,100.81	520.94
(ii) Trade payables	20			
(a) Total outstanding dues of micro enterprises and small enterprises		331.69	215.33	220.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		6,079.17	4,700.81	4,525.62
(iii) Other financial liabilities	21	1,793.76	2,534.93	2,970.14
Provisions	22	72.86	64.14	72.94
Other current liabilities	23	1,842.20	1,410.25	483.62
Total current liabilities		**13,031.74**	**13,026.27**	**8,793.96**
Total equity and liabilities		**20,478.20**	**20,582.11**	**16,864.19**

The above balance sheet should be read in conjunction with the accompanying notes.
This is the Balance Sheet referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Pradeep Mallick
Chairman

Deepak Rastogi
Director

Amit Borkar
Partner
Membership No:109846

Prashant Mahindrakar
Chief Executive Officer

Ajay Joshi
Chief Financial Officer

Place: Pune
Date: April 28, 2017

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 28, 2017

STATEMENT OF PROFIT AND LOSS
(All figures in ₹ Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2017	Year ended March 31, 2016
Revenue from operations	24	32,907.02	28,862.31
Other income	25	178.71	125.06
Total income		**33,085.73**	**28,987.37**
Expenses			
Cost of materials consumed	26 (a)	22,142.38	19,080.70
Changes in inventories of work-in progress, stock in trade and finished goods	26 (b)	(229.21)	415.61
Excise duty		2,504.89	2,578.17
Employee benefits expense	27	4,690.54	4,123.14
Finance costs	28	912.05	932.62
Depreciation and amortization expense	29	932.65	963.23
Other expenses	30	3,703.49	2,974.09
Total expenses		**34,656.79**	**31,067.56**
Profit / (Loss) before exceptional item and tax		**(1,571.06)**	**(2,080.19)**
Exceptional Items	44	1,284.00	-
Profit / (Loss) before tax		**(287.06)**	**(2,080.19)**
Income Tax expense:			
Current tax		-	-
Deferred tax		-	-
Profit / (Loss) for the year		**(287.06)**	**(2,080.19)**
<u>Other Comprehensive Income (OCI)</u>			
Items that will not be reclassified to profit or loss			
Remeasurements of post-employment benefit obligations-(loss) / gains		(68.22)	32.23
Income Tax relating to this item		-	-
Other comprehensive income for the year, net of tax		**(68.22)**	**32.23**
Total comprehensive income for the year		**(355.28)**	**(2,047.96)**
Earnings / (Loss) per equity share (₹)			
Nominal value of an equity share (₹)		10.00	10.00
Basic (₹)		(1.81)	(13.11)
Diluted (₹)		(1.81)	(13.11)

The above statement of profit and loss should be read in conjunction with the accompanying notes.
This is the Statement of Profit and Loss referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No:109846

Place: Pune
Date: April 28, 2017

Pradeep Mallick
Chairman

Prashant Mahindrakar
Chief Executive Officer

Ashutosh Kulkarni
Company Secretary

Deepak Rastogi
Director

Ajay Joshi
Chief Financial Officer

Place: Pune
Date: April 28, 2017

Automotive Stampings and Assemblies Limited

CASH FLOW STATEMENT

(All figures in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2017		Year ended March 31, 2016	
A. Cash flow from operating activities				
Profit before tax		(287.06)		(2,080.19)
Adjustments for:				
Depreciation and amortisation expense	932.65		963.23	
Loss/(Gain) on disposal of property, plant and equipment	(36.51)		(79.48)	
Changes in fair value of financial assets at fair value through profit or loss	5.96		(67.03)	
Provision/(Reversal of provision) for Doubtful Debts and advances	(3.61)		(2.08)	
Interest Income	(40.40)		(0.72)	
Finance costs	912.05		932.62	
		1,770.14		1,746.54
Operating profit before working capital changes		1,483.08		(333.65)
Change in operating assets and liabilities:				
(Increase)/Decrease in trade receivables	(413.75)		(2,798.42)	
(Increase) in inventories	(392.17)		272.84	
Increase in trade payables	1,494.72		169.82	
(Increase) in other financial assets non-current	25.35		(33.69)	
(Increase) in other financial assets current	321.41		(603.65)	
(Increase)/decrease in other non-current assets	15.95		5.85	
(Increase)/decrease in other current assets	(110.44)		(404.97)	
Increase/(decrease) in provisions- non current	49.85		8.80	
Increase/(decrease) in provisions- current	8.72		(8.80)	
Increase/(decrease) in other current liabilities	431.95		926.63	
Increase/(decrease) in other financial liabilities	(1,446.91)		1,383.39	
		(15.32)		(1,082.20)
Cash generated from operations		**1,467.76**		**(1,415.85)**
Income taxes paid (net of refund, if any)		328.33		1.57
Net cash flow from operating activities (A)		**1,796.09**		**(1,414.28)**
B. Cash flow from investing activities				
Purchase of property, plant and equipment	(797.27)		(980.91)	
Purchase of Intangible assets-computer software	(8.14)		(9.19)	
Proceeds on sale of fixed assets	38.13		209.36	
Fixed deposit with banks (net) having maturity over 3 months				
Margin money	0.19		53.64	
Interest received	40.40		0.72	
		(726.69)		(726.38)
Net cash outflow from investing activities (B)		**(726.69)**		**(726.38)**

CASH FLOW STATEMENT

(All figures in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2017		Year ended March 31, 2016	
C. Cash flow from financing activities				
Interest Paid	(904.10)		(951.75)	
Long Term loans Received	1,222.29		1,000.00	
Long Term loans Paid	(365.00)		(1,068.23)	
Sales tax Deferral loan paid (Net)	-		(1.16)	
Loan from Holding Company (Net) paid	(78.00)		(180.00)	
Short Term Borrowings availed / (repaid) (Net)	(1,188.75)		3,579.87	
		(1,313.56)		2,378.73
Net cash flow used in financing activities (C)		**(1,313.56)**		**2,378.73**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)		**(244.16)**		**238.07**
Cash and cash equivalents at the beginning of the year		245.97		7.90
Cash and cash equivalents at the end of the year		**1.81**		**245.97**
Cash and cash equivalents as per above comprise of the following:				
Cash on hand		1.35		0.84
Cheques on hand		-		228.13
Balances with banks		0.46		17.00
		1.81		**245.97**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No:109846

Place: Pune
Date: April 28, 2017

Pradeep Mallick
Chairman

Prashant Mahindrakar
Chief Executive Officer

Ashutosh Kulkarni
Company Secretary

Deepak Rastogi
Director

Ajay Joshi
Chief Financial Officer

Place: Pune
Date: April 28, 2017

Automotive Stampings and Assemblies Limited

STATEMENT OF CHANGES IN EQUITY

(All figures in ₹ Lakhs, unless otherwise stated)

A. Equity share capital

Particulars	Notes	(₹ in Lakhs)
As at 1 April 2015		1,586.44
Changes in equity share capital	15	-
As at 31 March 2016		**1,586.44**
Changes in equity share capital	15	-
As at 31 March 2017		**1,586.44**

B. Other equity

Particulars	Reserves and surplus				Total
	General reserve	Capital redemption reserve	Securities premium reserve	Retained Earnings	
Balance as at April 1, 2015	444.15	300.00	4,237.25	(2,407.73)	2,573.67
Profit for the year	-	-	-	(2,080.19)	(2,080.19)
Other comprehensive income -Remeasurements of post-employment benefit obligations-(loss) / gains	-	-	-	32.23	32.23
Balance as at March 31, 2016	**444.15**	**300.00**	**4,237.25**	**(4,455.69)**	**525.71**
As at April 1, 2016	444.15	300.00	4,237.25	(4,455.69)	525.71
Profit for the period	-	-	-	(287.06)	(287.06)
Other comprehensive income -Remeasurements of post-employment benefit obligations-(loss) / gains	-	-	-	(68.22)	(68.22)
Balance as at March 31, 2017	**444.15**	**300.00**	**4,237.25**	**(4,810.97)**	**170.43**

The above statement of changes in equity should be read in conjunction with the accompanying notes.

This is the Statement of changes in equity referred to in our report of even date.

For and on behalf of the Board of Directors

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No:109846

Place: Pune
Date: April 28, 2017

Pradeep Mallick
Chairman

Prashant Mahindrakar
Chief Executive Officer

Ashutosh Kulkarni
Company Secretary

Deepak Rastogi
Director

Ajay Joshi
Chief Financial Officer

Place: Pune
Date: April 28, 2017

Notes forming part of financial statements

Note 1 : Corporate Information

Automotive Stampings and Assemblies Limited ('The Company') is engaged in the business of manufacturing sheet metal stampings, welded assemblies and modules for the automotive industry. The Company primarily operates in India. The equity shares of the Company are listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company's Registered office is at - G-7/2, MIDC Industrial Area, Bhosari, Pune - 411 026, Maharashtra, India.

Note 2 : Significant Accounting Policies

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

2.1 Basis of Preparation

(i) Compliance with Ind AS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended March 31, 2016 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 46 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

(ii) Historical cost convention

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

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

2.2 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes and amounts collected on behalf of third parties.

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

Notes forming part of financial statements

Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. The amount is based on the prices specified in sales contracts, net of estimated discount and returns at the time of sale. Accumulated experience is used to estimate the discount and return. No element of financing is deemed present as the sales are made with the credit term which is consistent with the market practice.

The Company does not provide any extended warranties or maintenance contracts to its customers.

Sale of tools:

The tooling contracts entered by the Company with customers are regarded a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are the fixed price contracts which are required to be measured and recognized using the Percentage of Completion Method.

Sale of Services:

In contracts involving the rendering of services, revenue is measured using the proportionate completion method and are recognized net of service tax.

Other Income:

Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

2.3 Functional and presentation currency:

Items included in the Company’s financial statement are measured using the currency of the primary economic environment in which the Company operates (‘functional currency’). The financial statements for all the years are presented in Indian Rupees (‘presentation currency’), which is the functional and presentation currency for the Company.

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. 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 gain and loses resulting from the settlement of such transaction and from translation of monetary assets and liabilities denominated foreign currencies at year end exchange rates are generally recognized in profit and loss. Foreign exchange difference regarded as an adjustment to borrowing cost are presented in the statement of profit and loss, within finance costs. All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other income / other expenses.

2.5 Property, plant and equipment

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

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

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value under previous GAAP as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which in certain cases may be different than the rate prescribed in Schedule II to the Companies Act, 2013, in order to reflect the actual usages of the assets. The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Class of Asset	Useful life as prescribed in Schedule II of Companies Act, 2013 (In Years)	Useful life as followed by the Company (In Years)
Plant and Machinery		
- Press Machines	15 (on a single shift basis)	20
- Other Plant and Equipment	15 (on a single shift basis)	10 to 18
Furniture & Fittings	10	5
Computers and Peripherals	6	4
Vehicles	8	4

- Improvements to leased premises are depreciated over the balance tenure of leasehold land.
- Leasehold land is amortized on a straight line basis over the period of the lease.

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.

Notes forming part of financial statements

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are recognized as income or expense in the statement of profit and loss.

2.6 Intangible asset

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives ranging from 3-5 years. The amortization period and amortization method are reviewed as 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. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

Transition to Ind AS

On transition to Ind AS, the company has elected to continue with the carrying value of all of intangible assets recognized as at April 01, 2015 measured as per the previous GAAP and use that carrying value under previous GAAP as the deemed cost of intangible assets.

2.7 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach. Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income / expenses.

Notes forming part of financial statements

2.8 Borrowing Cost

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

2.9 Leases

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

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

2.10 Inventories

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

2.11 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees

Notes forming part of financial statements

render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

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

(iii) Post-employment obligations

The company operates the following post-employment schemes:

(a) defined benefit plans such as gratuity; and

(b) defined contribution plans such as provident fund.

(a) defined benefit plans such as gratuity

Gratuity obligations :

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

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation. The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss. Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognized in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet. Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit or loss as past service cost.

(b) defined contribution plans such as provident fund.

Provident fund :

The Company pays provident fund contributions to publicly administered provident funds as per local regulations and superannuation fund contribution administered by Life Insurance Corporation of India (LIC). The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognized as employee benefit expense when they are due. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in the future payments is available.

(iv) Bonus

The Company recognizes a liability and an expense for bonuses. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

(v) Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognized in the Statement of profit and loss as and when incurred.

2.12 Financial assets

(i) Classification

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

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

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the 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.

(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.

Subsequent measurement of debt instruments depends on the company’s business models for managing the assets and the cash flow characteristics of the assets. All the debt instruments held by the company are classified in “Amortized Cost” measurement category.

Notes forming part of financial statements

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. A gain or loss on a debt investment that is subsequently measured at amortized cost and is not part of a hedging relationship is recognized in profit or loss when the asset is derecognized or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 32 (c) details how the Company determines whether there has been a significant increase in credit risk.

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

(iv) Derecognition of financial assets

A financial asset is derecognized 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 derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

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

2.13 Offsetting financial instruments

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

Notes forming part of financial statements

2.14 Impairment

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

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

Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.15 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, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.16 Trade receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

2.17 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 recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

2.18 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.

2.19 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

Notes forming part of financial statements

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

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

2.20 Income tax

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

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

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

Deferred tax 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.

2.21 Provisions

Provisions are recognized 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 recognized for future operating losses. Provisions for restructuring are recognized by the company when it has

Notes forming part of financial statements

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 recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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

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.

2.22 Segment reporting

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

2.23 Government Grants

Grant from the government are recognized at their fair value were there is reasonable assurance that the grant will be received and the company will comply with all attached conditions. Government grants relating to the purchases of Property , Plant and Equipment are included in non-current liability as deferred income and are credited to Profit and loss on a straight line basis over the expected lives of the related assets and presented within other income.

2.24 Derivatives

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.

2.25 Rounding of amounts

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

Notes forming part of financial statements

Note 3 : Standards issued but not yet effective:

Standards issued but not yet effective up to the date of issuance of the company's financial statements are listed below. This listing is of standards and interpretations issued, which the company reasonably expects to be applicable at a future date. The company intends to adopt those standards when they become effective.

Ind AS 7 - Statement of Cash Flows

The amendment to Ind AS 7 introduces an additional disclosure that will enable users of the Company's financial statements to evaluate changes in liabilities arising from financial activities. This includes changes arising from:

a. cash flows such as drawdowns and repayments of borrowings and

b. non-cash changes (i.e. changes in fair values), changes resulting from acquisitions and disposals of subsidiaries/businesses and effect of foreign exchange differences.

The amendment shall come into force from April 1, 2017. The amendment affects disclosure only and has no impact on the company's financial position or performance.

Note 4 : Significant accounting judgments, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets, liabilities and the accompanying disclosures.

These judgments, estimates and assumptions 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.

This note provides an overview of the areas that involve a higher degree of judgments or complexities and of items which are more likely to be materially adjusted due to estimates and assumptions to be different than those originally assessed. Detailed information about each of these judgments, estimates and assumptions is mentioned below. These Judgments, estimates and assumptions are continually evaluated.

<u>Significant Judgments</u>

1 Revenue Recognition - Sale of Tools (Refer Note 2.2)

The tooling contracts entered by the Company with customers requires management's judgement in determining whether these contracts should be considered as sale of goods under Ind -AS 18 or as construction contracts under Ind AS 11. The revenue for sale of goods is recognized when substantially all the risks and rewards are transferred to the customer and other criteria for revenue recognition for sale of goods as specified in the accounting policies are met. Revenue for construction contracts is recognized on a percentage of completion method. The Management has regarded these tooling contracts as a contract to build a specific asset that meets the definition of construction contract in Ind AS 11. These tooling contracts are the fixed price contracts and measured and recognized as per the principles laid down

Notes forming part of financial statements

under Ind AS 11. These principles require the recognition of revenue and expenses under "Percentage of Completion Method". Considering the Company's process of manufacturing these tooling contracts, the management has assessed that the contract costs to complete the contract and the stage of contract completion cannot be measured reliably except at the stage of completion of the tool. Owing to this, the revenue recognition in respect of these contracts is deferred till contract completion. "

2 Contingent liabilities

The Company has received various orders and notices from tax and other judicial authorities in respect of direct taxes, indirect taxes and labour matters. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. 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. Management regularly analyzes current information about these matters and makes provisions for probable losses including the estimate of legal expense to resolve the matters. In their assessments management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss.

3 Classification of Leasehold Land

The company has entered into lease agreement for land at two of its facilities. The lease period is of around 79-95 years in respect of these premises and the agreements have renewal options. These lands are situated in industrial estates, where the land is generally transferred through lease contracts and the upfront lease payment amounts are significantly equal to the fair value of land. Accordingly, significant risk and rewards associated with the land are considered to be transferred to the lessee. Based on these considerations and overall evaluation of the agreements with the lessor, the management believes that these lease contracts meet the conditions of finance lease.

4 Determination of cash generating unit (CGU) for Impairment analysis

As part of its impairment assessment for non-financial assets (i.e. property, plant and equipment), the management needs to identify Cash Generating Units i.e. lowest group of assets that generate cash flows which are independent of those from other assets. Considering the nature of its assets, operations and administrative structure, the management has defined all assets put together as a single Cash Generating Unit.

5 Going Concern assumptions

The Company has incurred significant losses (before exceptional item) of ₹ 1,639 lakhs for the financial year ended 31 March 2017 and the Company's current liabilities exceeds its current assets by ₹ 4,221 lakhs as at 31 March 2017.

The Company's management has carried out an assessment of the Company's financial performance and expects the Company to achieve significant improvements in its financial performance with effect from financial year ending 31 March 2018 to enable it to continue its operations and to meet its liabilities as and when they fall due. On the basis of the above

Notes forming part of financial statements

assessment and considering the financial and other support from holding company, the Directors of the Company are of the opinion that the preparation of the financial statements of the Company on a going concern basis is appropriate.

6 Segment Reporting

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

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

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

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

Significant estimates and assumptions

1 Impairment of Property, plant and equipment : Key assumptions used

The management has assessed current and forecasted financial performance of the Company and the current market value of the assets to determine whether carrying value of property, plant and equipment has suffered any impairment. Impairment assessment is based on estimates of future financial performance or opinions that may represent reasonable expectations at a particular point of time . Such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, that events will occur, or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary and the variations may be material.

2 Claims payables & receivable to customers

Price increase or decrease due to change in major raw material cost, pending acknowledgement from major customers, is accrued on estimated basis. Also the Company has made accruals in respect of unsettled prices for some of its other material purchase contracts, finished goods and scrap sales contracts. These accruals are made considering the past settlement arrangements with the vendors and customers respectively and the applicable metal prices from published sources. Actual results of these considerations may vary and the variations may be material.

Notes forming part of financial statements

Further, the management has assessed and believes that the timing of cash outflow pertaining to this accruals are uncertain and hence considered the same as payable on demand and classified under current liabilities.

3 Defined benefit plan

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2006-08) Ultimate. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates. Further details about gratuity obligations are given in Note 45.

4 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. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values. Judgments include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

5 Impairment of financial assets

The impairment provisions for financial assets disclosed under Note 32 are based on assumptions about risk of default and expected loss rates. The Company uses judgment 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.

Notes forming part of financial statements

Note 5 : Property, plant and equipment and Intangible assets

(₹ in Lakhs)

	Freehold Land	Leasehold Land (Refer note 2)	Factory Buildings	Office Building	Plant and Machinery	Tools, Jigs & Fixtures	Furniture and Fixtures	Office Equipment	Vehicles	Total	Capital work-in-progress (Refer note 3)	Intangible assets-Computer Software
As at March 31, 2016												
Gross carrying amount												
Deemed cost as at April 01, 2015	30.46	199.80	3,524.85	106.68	7,347.46	10.71	22.49	42.09	37.58	**11,322.12**	71.62	26.03
Additions	-	-	-	2.75	138.55	-	1.13	1.13	2.57	**146.13**	739.10	9.19
Disposals	-	-	-	-	(130.24)	-	-	-	(11.28)	**(141.52)**	-	-
Transfer	-	-	2.66	-	29.21	8.46	-	0.83	-	**41.16**	(41.16)	-
Closing gross carrying amount	**30.46**	**199.80**	**3,527.51**	**109.43**	**7,384.98**	**19.17**	**23.62**	**44.05**	**28.87**	**11,367.89**	**769.56**	**35.22**
Accumulated depreciation										**-**	**-**	
Depreciation charge during the year	-	3.09	179.65	2.02	718.58	4.26	4.33	15.34	11.72	**938.99**	-	24.24
Disposals	-	-	-	-	(9.72)	-	-	-	(1.92)	**(11.64)**	-	-
Closing accumulated depreciation	**-**	**3.09**	**179.65**	**2.02**	**708.86**	**4.26**	**4.33**	**15.34**	**9.80**	**927.35**	**-**	**24.24**
Net carrying amount	**30.46**	**196.71**	**3,347.86**	**107.41**	**6,676.12**	**14.91**	**19.29**	**28.71**	**19.07**	**10,440.54**	**769.56**	**10.98**
As at March 31, 2017												
Gross carrying amount												
Opening gross carrying amount	30.46	199.80	3,527.51	109.43	7,384.98	19.17	23.62	44.05	28.87	**11,367.89**	769.56	35.22
Additions	-	-	126.85	-	417.28	-	2.44	3.28	-	**549.85**	454.10	0.35
Disposals	-	-	-	-	-	-	-	-	(5.55)	**(5.55)**	-	-
Transfer	-	-	51.68	13.70	843.08	-	0.36	0.97	-	**909.79**	(917.58)	7.79
Closing gross carrying amount	**30.46**	**199.80**	**3,706.04**	**123.13**	**8,645.34**	**19.17**	**26.42**	**48.30**	**23.32**	**12,821.98**	**306.08**	**43.36**
Accumulated depreciation												
Opening accumulated depreciation	-	3.09	179.65	2.02	708.86	4.26	4.33	15.34	9.80	**927.35**	-	24.24
Depreciation charge during the year	-	3.06	182.02	2.13	715.73	0.94	4.50	11.92	7.27	**927.57**	-	5.08
Disposals	-	-	-	-	-	-	-	-	(3.93)	**(3.93)**	-	-
Closing accumulated depreciation	**-**	**6.15**	**361.67**	**4.15**	**1,424.59**	**5.20**	**8.83**	**27.26**	**13.14**	**1,850.99**	**-**	**29.32**
Net carrying amount	**30.46**	**193.65**	**3,344.37**	**118.98**	**7,220.75**	**13.97**	**17.59**	**21.04**	**10.18**	**10,970.99**	**306.08**	**14.04**

Note 1 : For Property, plant and equipment pledges as securities refer note 47. For contractual commitments towards acquisition of property plant and equipments refer note 37 (a)
Note 2 : There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 79-95 years and as per the lease agreement, the lease term for one of the leasehold facility can be renewed for a further period of 95 years subject to other terms and conditions and for other leasehold facility the renewal will be mutually decided at the time of completion of lease period.
Note 3 : CWIP mainly comprises of Plant and Machinery for upcoming projects.

Notes forming part of financial statements

Note 6: Other financial assets (non current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Security deposits	59.30	59.30	59.30
Capital Subsidy receivable	-	30.00	-
Claims Receivable	8.34	3.69	-
Margin Money Deposit (Under Banks lien)	2.91	2.91	5.05
Total other financial assets (non current)	**70.55**	**95.90**	**64.35**

Note 7: Deferred tax assets (net)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Deferred tax asset			
Unabsorbed Depreciation	940.63	809.65	836.60
Employee benefits	171.99	138.51	117.57
Provision for doubtful debts/advances	3.15	16.09	17.77
MAT Credit Receivable	91.00	91.00	91.00
Less: Provision for doubtful balance	(91.00)	(91.00)	(91.00)
Others	-	-	17.02
	1,115.77	964.25	988.96
Deferred tax liability			
Depreciation	1,115.77	964.25	988.96
	1,115.77	964.25	988.96
Total deferred tax assets (net)	**-**	**-**	**-**

Note: - As per Ind AS 12- Income Taxes, the Company has recognised the cumulative deferred tax assets on the basis of prudence, only to the extent of deferred tax liability.

Movement in deferred tax assets / (liabilities)

	Unabsorbed Depreciation	Employee benefits	Provision for doubtful debts/ advances	MAT Credit Receivable (Net of provision)	Others	Depreciation
As at 1 April 2015	836.60	117.57	17.77	-	17.02	(988.96)
(Charged)/ Credited :						
-to profit or loss	(26.95)	20.94	(1.68)	-	(17.02)	24.71
-to other comprehensive income	-	-	-	-	-	-
As at 31 March 2016	**809.65**	**138.51**	**16.09**	**-**	**-**	**(964.25)**
(Charged)/ Credited :						
-to profit or loss	130.98	33.48	(12.94)	-	-	(151.52)
-to other comprehensive income	-	-	-	-	-	-
As at 31 March 2017	**940.63**	**171.99**	**3.15**	**-**	**-**	**(1,115.77)**

Notes forming part of financial statements

Note 8: Other non-current assets

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital advances	15.20	173.72	4.09
Others			
Security Deposit - Octroi	36.21	36.21	38.01
Claims Receivable	131.06	147.01	151.06
Less: Provision for doubtful claims	55.72	55.72	55.72
	75.34	91.29	95.34
Total Other non-current assets	**126.75**	**301.22**	**137.44**

Note 9: Current tax asset (net)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016
Opening Balance	507.35	508.92
Less: Current Tax Payable for the year	-	-
Less: Refunds received	(370.56)	(69.37)
Add: taxes paid during the year	42.23	67.80
Closing Balance	**179.02**	**507.35**

Note 10: Inventories

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Raw materials	1,253.81	1,119.45	991.39
Work-in-progress	723.99	431.11	806.99
Finished goods (includes goods-in-transit March 31, 2017 ₹ 37.58 Lakhs; March 31, 2016 ₹ 32.24 Lakhs and April 01, 2015 ₹ 48.96 Lakhs)	193.67	221.09	268.68
Stores and spares	250.99	222.39	207.68
Scrap	21.74	57.99	50.13
Total inventories	**2,444.20**	**2,052.03**	**2,324.87**

Write-downs of inventories to net realisable value amounted to ₹ 6.98 Lakhs (March 31, 2016 ₹ 7.54 Lakhs and April 1, 2015 ₹ 1.98 Lakhs). These were recognised as an expense during the year and included in 'changes in value of inventories of work-in-progress, stock-in-trade and finished goods' in the statement of profit and loss.

Note 11: Trade receivables

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Trade receivables	2,922.41	3,176.20	1,369.16
Receivables from related parties (Refer Note 35)	2,122.58	1,455.04	463.66
Less: Allowance for doubtful debts	(13.80)	(17.41)	(19.49)
Total trade receivables	**5,031.19**	**4,613.83**	**1,813.33**

Notes forming part of financial statements

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured, considered good	-	-	-
Unsecured, considered good	5,031.19	4,613.83	1,813.33
Doubtful	13.80	17.41	19.49
Total	**5,044.99**	**4,631.24**	**1,832.82**
Allowance for doubtful debts	(13.80)	(17.41)	(19.49)
Total trade receivables	**5,031.19**	**4,613.83**	**1,813.33**

Transferred receivables

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

The relevant carrying amounts are as follows:

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Total transferred receivables	2,054.44	2,181.28	-
Associated secured borrowing - Refer note 19	2,054.44	2,181.28	-

Note 12 (a): Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks			
- in current accounts	0.46	17.00	3.72
Cheques on hand	-	228.13	-
Cash on hand	1.35	0.84	4.18
Total cash and cash equivalents	**1.81**	**245.97**	**7.90**

Note 12 (b): Bank balances other than cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Balances with banks			
- Margin Money Deposits (restricted)	0.96	0.96	51.88
- Balance with Bank in Unpaid dividend accounts (restricted)	2.26	2.45	3.03
Total Bank balances other than cash and cash equivalents	**3.22**	**3.41**	**54.91**

Notes forming part of financial statements

Note 13: Other financial assets (current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Claims Receivable from Customer/ Vendor	280.84	602.02	-
Security deposits	4.59	4.59	4.59
Advance to employees	8.71	8.94	7.31
Total Other financial assets (current)	**294.14**	**615.55**	**11.90**

Note 14: Other current assets

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advances to suppliers	282.86	400.04	72.60
Balances with Statutory / Government Authorities	696.93	437.04	366.08
Prepaid Expenses	56.42	88.69	82.12
Total other current assets	**1,036.21**	**925.77**	**520.80**

Note 15: Share Capital

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Authorised			
20,000,000 equity shares of ₹ 10 each.	2,000.00	2,000.00	2,000.00
16,000,000 preference shares of ₹ 10 each	1,600.00	1,600.00	1,600.00
	3,600.00	**3,600.00**	**3,600.00**
Issued, subscribed and fully paid up			
15,864,397 equity shares of ₹ 10 each.	1,586.44	1,586.44	1,586.44
Total	**1,586.44**	**1,586.44**	**1,586.44**

(a) Movements in authorised share capital

(₹ in Lakhs)

	Equity Share Capital		Preference Share Capital	
	Number of shares	Amount	Number of shares	Amount
As at April 01, 2015	**20,000,000**	**2,000.00**	**16,000,000**	**16,000.00**
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2016	**20,000,000**	**2,000.00**	**16,000,000**	**16,000.00**
Increase / (decrease) during the year	-	-	-	-
As at March 31, 2017	**20,000,000**	**2,000.00**	**16,000,000**	**16,000.00**

Notes forming part of financial statements

(b) Movements in equity share capital

(₹ in Lakhs)

	Number of shares	Equity share capital (par value)
As at April 01, 2015	**15,864,397**	**1,586.44**
Increase / (decrease) during the year	-	-
As at March 31, 2016	**15,864,397**	**1,586.44**
Increase / (decrease) during the year	-	-
As at March 31, 2017	**15,864,397**	**1,586.44**

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

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
11,898,296 equity shares (March 31, 2016 and April 1, 2015 : 11,898,296 equity shares) held by Tata AutoComp Systems Limited, the ultimate holding company,	1,189.83	1,189.83	1,189.83
	1,189.83	**1,189.83**	**1,189.83**

(d) 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, 2017	% holding	Number of shares held as on March 31, 2016	% holding	Number of shares held as on April 01, 2015	% holding
Tata AutoComp Systems Limited	11,898,296	75.00%	11,898,296	75.00%	11,898,296	75.00%

(e) Terms and rights attached to equity shares:

The equity shares have a par value of ₹ 10. They entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the share held. Every holder of equity shares present at the meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

(f) There were no bonus shares issued during last five years.

Note 16: Reserves and Surplus

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Capital Redemption Reserve	300.00	300.00	300.00
Securities Premium Reserve	4,237.25	4,237.25	4,237.25
General Reserve	444.15	444.15	444.15
Retained Earnings	(4,810.97)	(4,455.69)	(2,407.73)
Total reserves and surplus	**170.43**	**525.71**	**2,573.67**

Notes forming part of financial statements

	As at March 31, 2017	As at March 31, 2016
Capital redemption Reserve		
Balance as at the beginning and end of the year	300.00	300.00
Securities premium Reserve		
Balance as at the beginning and end of the year	4,237.25	4,237.25
General Reserve		
Balance as at the beginning and end of the year	444.15	444.15
Retained Earning		
Balance as at the beginning of the year	(4,455.69)	(2,407.73)
Add: Profit for the year	(287.06)	(2,080.19)
Add: Items of other comprehensive income recognised directly in retained earnings	(68.22)	32.23
(Remeasurements of post-employment benefit obligations - (loss) / gain)		
Balance as at the end of the year	(4,810.97)	(4,455.69)

Nature and purpose of other reserves

Capital redemption reserve

The Capital redemption has been created out of the profit of earlier years at the time of redemption of the preference shares. The reserve is utilised in accordance with the provisions of the Companies Act, 2013.

Securities premium Reserve

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

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.

Note 17: Borrowings (non - current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Term Loan			
Secured			
From Banks	1,622.40	882.90	30.93
From Related Party	1,035.41	1,635.66	1,875.23
Unsecured			
From Holding Company			
Long term loan	1,350.00	1,350.00	1,428.00
Inter Corporate Deposit	1,300.00	1,300.00	300.00
Sub- total	**5,307.81**	**5,168.56**	**3,634.16**
Less: Interest accrued	20.98	9.56	32.16
Total Borrowings (non-current)	**5,286.83**	**5,159.00**	**3,602.00**

Notes forming part of financial statements

1. Details of repayment of term loans

Lender	Amount outstanding as at March 31, 2017	Amount outstanding as at March 31, 2016	Amount outstanding as at April 1, 2015	Nature of Facility	Terms of repayment/ Maturity detail
State Bank of India	-	-	70.00	Term Loan	Amount paid during FY 2015-16
State Bank of India	875.00	1,000.00	-	Term Loan	Phased Repayment with quarterly installments ending in September 2020
State Bank of India	1,222.29	-	-	Term Loan	Phased Repayment after 1 year moratorium period in quarterly fifteen installments ending in March 2021
Government of Maharashtra	-	-	1.16	Sales Tax Deferral Loan	Scheme framed by Government Repaid in August 2015
HDFC Bank	-	-	872.23	Buyer's Credit	Repaid in October 2015 and November 2015
Tata AutoComp Systems Limited, Holding Company	-	78.00	258.00	Term Loan	Repaid in July, 2016.
Tata AutoComp Systems Limited, Holding Company	900.00	900.00	900.00	Term Loan	Phased repayment with quarterly installments from September 2018 and ending in June 2019. (Rescheduled)
Tata AutoComp Systems Limited, Holding Company	450.00	450.00	450.00	Term Loan	Phased repayment with monthly installments from October 2018 and ending in March 2019. (Rescheduled)
Tata AutoComp Systems Limited, Holding Company	1,300.00	1,300.00	1,300.00	Inter Corporate Deposits	Repayment to be effected in October 2018, August 2019 and January 2020 (Rescheduled)
Tata Capital Financial Services Limited	1,634.00	1,874.00	2,000.00	Term Loan	Phased repayment with quarterly installments from September 2015 and ending in December 2019.
Less: Current maturities of long-term borrowings	(1,094.46)	(443.00)	(2,249.39)		
	5,286.83	**5,159.00**	**3,602.00**		

Notes forming part of financial statements

2 (a) Term Loan of ₹ NIL (March 31, 2016 ₹ NIL and April 1, 2015 ₹ 70 Lakhs) from State Bank of India was secured by way of exclusive hypothecation charge on two specific Presses of Pantnagar Plant of the Company and first charge on fixed assets of Halol Plant of the Company. It was repaid in FY 15-16 on due date.

(b) Term loan of ₹ 1,634 Lakhs (March 31, 2016 ₹ 1,874 Lakhs and April 1, 2015 ₹ 2,000 Lakhs) from Tata Capital Financial Services Limited is secured by first and exclusive hypothecation of plant and machinery (except for specific presses) of Pantnagar plant of the Company.

(c) Buyer's Credit of ₹ NIL Lakhs (March 31,2016 ₹ NIL and April 1, 2015 ₹ 872.23 Lakhs) of HDFC Bank was secured by way of first and exclusive charge on the specific press machinery procured at Halol plant under the said facility. It was repaid in FY 15-16 on due date.

(d) Term Loan of ₹ 875 Lakhs (March 31, 2016 ₹ 1,000 Lakhs and April 1, 2015 ₹ NIL) from State Bank of India is secured by exclusive first charge by way of hypothecation of specific press machinery at Halol Plant.

(e) Term Loan of ₹ 1,222 Lakhs (March 31, 2016 ₹ NIL and April 1, 2015 ₹ NIL) from State Bank of India which is secured by first charge on plant and machinery at Chakan and Halol plant (except machinery already hypothecated to SBI for Term loan of ₹ 1,000 Lakhs) and first charge on plant and machinery to be acquired at Chakan plant out of term loan.

3. Interest rates on the above loans range between 10.15% p.a. to 11.25% p.a.

Note 18: Provisions (non-current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits			
Compensated absences	178.65	150.21	151.35
Gratuity (Refer note 45)	216.84	129.03	150.54
Provision for warranty (Refer note 38)	7.27	5.45	6.23
Total provisions (non - current)	**402.76**	**284.69**	**308.12**

Note 19: - Borrowings (current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Secured			
Loans from Banks repayable on demand	857.62	1,923.00	224.11
Factored Receivables	2,054.44	2,181.28	-
Unsecured:			
Sales Invoice Financing Facility with bank	-	-	296.83
Sub- total	**2,912.06**	**4,104.28**	**520.94**
Less: Interest Accrued	-	3.47	-
Total Borrowings (current)	**2,912.06**	**4,100.81**	**520.94**

Note:-

1. Loans from Banks repayable on demand are secured by hypothecation of current assets and second charge on the immovable properties of Chakan Plant of the Company.
2. Tata AutoComp Systems Limited, the holding company has issued a Letter of Comfort to the State Bank of India of ₹ 500 Lakhs for credit facilities taken by the Company.
3. Repayment against Sales Invoice Financing has a maximum usance of 55 days.
4. Interest rates on the above loans range between 9.60% p.a. to 11.30% p.a.
5. Factored receivables are secured by first charge on trade receivables subjected to factoring arrangement.

Notes forming part of financial statements

Note 20: Trade payables

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
(a) Total outstanding dues of micro enterprises and small enterprises	331.69	215.33	220.70
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises			
Acceptances	419.45	900.07	1,469.92
Trade payables (other than related parties)	5,355.44	3,755.78	2,898.71
Trade payables to related parties (refer Note 35)	304.28	44.96	156.99
Total trade payable	**6,410.86**	**4,916.14**	**4,746.32**

Note 21: Other financial liabilities (current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Creditors for capital goods	156.38	116.01	42.06
Claims Payable to Customers	-	1,537.70	204.84
Current maturities of long-term borrowings (balance as on April 1, 2015 includes foreign currency loan (EURO) of ₹ 872.23 Lakhs)	1,094.46	443.00	2,249.39
Unclaimed Dividend	2.26	2.45	3.03
Payable towards employee benefits expense	400.97	269.99	218.88
Interest accrued	20.98	13.03	32.16
Security Deposit	112.75	152.75	152.75
Derivative contracts	5.96	-	67.03
Total Other financial liabilities (current)	**1,793.76**	**2,534.93**	**2,970.14**

Note 22: Provisions (current)

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Provision for employee benefits			
Compensated absences	58.33	53.23	60.48
Provision for warranty (Refer note 38)	14.53	10.91	12.46
Total Provision (current)	**72.86**	**64.14**	**72.94**

Note 23: Other current liabilities

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Advance from customers	1,521.27	1,123.72	213.37
Deferred grant (₹ 3 Lakhs released to statement of profit and loss during year end March 31, 2017)	27.00	30.00	-
Other payables			
Statutory dues	289.59	252.01	258.74
Others	4.34	4.52	11.51
Total other current liabilities	**1,842.20**	**1,410.25**	**483.62**

Notes forming part of financial statements

Note 24: Revenue from operations

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Sale of products (Including excise duty)	32,608.54	28,699.85
Sale of services	264.09	124.11
Other operating revenues	34.39	38.35
Total revenue from operations	**32,907.02**	**28,862.31**

Note 25: Other income

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest income	40.40	0.72
Net gain on disposal of property plant and equipment	36.51	79.48
Net foreign exchange gain	-	31.68
Other non-operating income	101.80	13.18
Total	**178.71**	**125.06**

Note 26 (a): Cost of materials consumed

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Raw materials at the beginning of the year	1,119.45	991.39
Add: Purchases	22,276.74	19,208.76
Less: Raw material at the end of the year	1,253.81	1,119.45
Total cost of materials consumed	**22,142.38**	**19,080.70**

Note 26 (b): Changes in inventories of work-in progress, stock in trade and finished goods

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Opening stock		
Work-in-progress	431.11	806.99
Finished goods	221.09	268.68
Scrap	57.99	50.13
	710.19	1,125.80
Closing stock		
Work-in-progress	723.99	431.11
Finished goods	193.67	221.09
Scrap	21.74	57.99
	939.40	710.19
Total changes in work in progress, stock in trade and finished goods	**(229.21)**	**415.61**

Notes forming part of financial statements

Note 27: Employee benefits expense

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Salaries, wages and bonus	4,018.43	3,462.18
Contributions to provident fund and other fund	284.75	268.43
Staff welfare expenses	387.36	392.53
Total	**4,690.54**	**4,123.14**

Note 28: Finance costs

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Interest and finance charges on financial liabilities not at fair value through profit or loss	912.05	932.62
Total	**912.05**	**932.62**

Note 29: Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Depreciation of property, plant and equipment	927.57	938.99
Amortisation of intangible assets	5.08	24.24
Total	**932.65**	**963.23**

Note 30: Other expenses

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Consumption of stores and spare parts	387.91	366.61
Power and fuel	740.43	643.49
Rent and service charges	161.90	73.31
Repairs and maintenance -		
Buildings	114.38	105.02
Machinery	481.60	436.19
Others	68.43	62.12
Insurance	101.15	93.02
Rates and taxes	195.25	68.56
Communication expenses	21.19	25.55
Travelling and conveyance	60.88	54.37
Freight and forwarding	378.82	170.43
Packing Material	49.61	13.80
Legal and professional fees	202.48	155.00
Net loss on foreign currency transaction and translation	4.40	-
Processing charges	452.12	417.84
Miscellaneous expenses	282.94	288.78
Total	**3,703.49**	**2,974.09**

Notes forming part of financial statements

Note 30 : a) Legal and Professional fees includes following payment to auditors

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Audit fees	21.00	16.00
Tax audit fees	2.00	1.50
Other services	1.00	0.50
Reimbursement of expenses	1.45	1.28
Total	**25.45**	**19.28**

Note 31 : Fair Value Measurement

Financial Instrument by category:

As at March 31, 2017

(₹ in Lakhs)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
Trade Receivables	5,031.19	-	5,031.19
Cash and cash equivalents	1.81	-	1.81
Bank balances other than cash and cash equivalents	3.22	-	3.22
Other financial asset	364.69	-	364.69
Financial Liabilities:			
Borrowings	9,293.35	-	9,293.35
Tarde Payable	6,410.86	-	6,410.86
Other financial liabilities	693.34	5.96	699.30

As at March 31, 2016

(₹ in Lakhs)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
Trade Receivables	4,613.83	-	4,613.83
Cash and cash equivalents	245.97	-	245.97
Bank balances other than cash and cash equivalents	3.41	-	3.41
Other financial assets	711.45	-	711.45
Financial Liabilities:			
Borrowings	9,702.81	-	9,702.81
Tarde Payable	4,916.14	-	4,916.14
Other financial liabilities	2,091.93	-	2,091.93

Notes forming part of financial statements

As at April 1, 2015

(₹ in Lakhs)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
Trade Receivables	1,813.33	-	1,813.33
Cash and cash equivalents	7.90	-	7.90
Bank balances other than cash and cash equivalents	54.91	-	54.91
Other financial assets	76.25	-	76.25
Financial Liabilities:			
Borrowings	6,372.33	-	6,372.33
Tarde Payable	4,746.32	-	4,746.32
Other financial liabilities	653.72	67.03	720.75

Fair value hierarchy

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognized and measured at fair value and (b) measured at amortized 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 are 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, 2017:

	As at March 31, 2017	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments - foreign currency forward	5.96	-	5.96	-

Notes forming part of financial statements

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of April 01, 2015:

	As at April 01, 2015	Fair value		
		Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments -Cross Currency Interest rate swap	67.03	-	67.03	-

The carrying amount of trade receivables, cash and cash equivalent , Bank balances other than cash and cash equivalent , other current financial assets, short term borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature.
The Company has availed long term borrowings from banks, financial institutions and holding company carrying interest in the range of 10.15% to 11.25%. The Company has determined the fair value of these loans based on discounted cash flows using a current borrowing rate. The carrying values approximates their respective fair values. Similarly the fair value of non-current financial assets also approximates its carrying value.

Valuation technique used to determine fair value
Specific valuation technique used to value financial instruments include Fair value of cross currency Interest rate swaps is calculated with reference to fair value of another financial instrument that is essentially and substantially same.
Fair value of forward foreign exchange contracts is determined using forward exchange rates as at the balance sheet date
Fair value of the remaining financial instruments is determined using discounted cash flow analysis.

Valuation processes
External valuation experts are appointed for valuation of cross currency interest rate swap. For valuation of financial assets and liabilities other than cross currency interest rate swaps, 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 and the valuation team on regular basis.

Note 32 : Financial risk management

In the course of its business, the Company is exposed primarily to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the Company has a risk management policy which covers risks associated with the financial assets and liabilities such as credit risks, liquidity risk etc. The risk management policy is approved by the board of directors. The risk management framework aims to achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

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

Notes forming part of financial statements

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 and considering the level of liquid assets necessary to meet this.

Maturities of financial liabilities

The tables below analyses 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.

(₹ in Lakhs)

Contractual maturities of financial liabilities	Upto 1 Year	Between 1 and 2 years	Between 2 years and above	Total
March 31, 2017				
Non-derivatives				
Borrowings	1,952.08	2,800.95	2,485.88	7,238.91
Factored Receivables	2,054.44	-	-	2,054.44
Trade payables	6,410.86	-	-	6,410.86
Other financial liabilities	693.34	-	-	693.34
Total non-derivative liabilities	**11,110.72**	**2,800.95**	**2,485.88**	**16,397.55**
Derivatives				
Foreign exchange forward contracts	5.96	-	-	5.96
Total derivative liabilities	**5.96**	**-**	**-**	**5.96**

(₹ in Lakhs)

Contractual maturities of financial liabilities	Upto 1 Year	Between 1 and 2 years	Between 2 years and above	Total
March 31, 2016				
Non-derivatives				
Borrowings	2,362.53	2,475.00	2,684.00	7,521.53
Factored Receivables	2,181.28	-	-	2,181.28
Trade payables	4,916.14	-	-	4,916.14
Other financial liabilities	2,091.93	-	-	2,091.93
Total non-derivative liabilities	**11,551.88**	**2,475.00**	**2,684.00**	**16,710.88**
Derivatives				
Foreign exchange forward contracts	-	-	-	-
Total derivative liabilities	**-**	**-**	**-**	**-**

Notes forming part of financial statements

(₹ in Lakhs)

Contractual maturities of financial liabilities	Upto 1 Year	Between 1 and 2 years	Between 2 years and above	Total
April 01, 2015				
Non-derivatives				
Borrowings	2,770.33	1,952.00	1,650.00	6,372.33
Trade payables	4,746.32	-	-	4,746.32
Other financial liabilities	653.72	-	-	653.72
Total non-derivative liabilities	**8,170.37**	**1,952.00**	**1,650.00**	**11,772.37**
Derivatives				
Foreign exchange forward contracts	67.03	-	-	67.03
Total derivative liabilities	**67.03**	**-**	**-**	**67.03**

(B) 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) Interest rate risk

The company has fixed rate borrowing and variable rate borrowings. The fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

In case of long term foreign currency loans with floating rate, the company manages its cash flow interest rate risk using floating to fixed interest rate swaps. Under this swaps, the company agrees with other parties to exchange the difference between fixed contract rate and floating interest amounts calculated by reference to agree notional principal amounts.

The exposure of the borrowings [long term and short term (excluding factored receivables)] to interest rate changes at the end of the reporting period are as follows:-

	31-Mar-17	31-Mar-16	01-Apr-15
Variable rate borrowings	2,185.28	2,171.38	1444.69
Fixed rate borrowings	5,053.16	5,122.02	5739.18
Total borrowings	**7,238.44**	**7,293.40**	**7,183.87**

As at the end of the reporting period, the company had the following variable rate borrowings and interest rate swaps contracts outstanding's

(₹ in Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank overdrafts, bank loan, Parent company loan	10.14%	2,185.28	30.19%	10.48%	2,171.38	29.77%	10.11%	1,444.69	20.11%
Interest rate swaps (notional principal amount)	-	-	-	-	-	-	-	(872.23)	-
Net exposure to cash flow interest rate risk	**-**	**2,185.28**	**-**	**-**	**2,171.38**	**-**	**-**	**572.46**	-

Notes forming part of financial statements

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings.

Sensitivity

Loss is sensitive to change in interest expenses from borrowings as a result of change in interest rates

Change in Interest rate	Impact on profit after tax	
	As at March 31, 2017	**As at March 31, 2016**
Increases in rates by - 0.50%	12.71	14.87
Decreases in rates by - 0.50%	(12.71)	(14.87)

(b) Foreign currency risk

The Company imports material and capital goods from outside India. As a result of this the company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD and EUR. Foreign exchange risk arises from future commercial transactions and recognized 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 transactions for the subsequent 6 months. The objective of the hedges is to minimize 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

(₹ in Lakhs)

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	USD	**EUR**	**USD**	**EUR**	**USD**	**EUR**
Borrowings	-	-	-	-	-	872.23
Trade payables	266.09	15.52	75.15	16.72	-	15.09
Derivative liabilities	-	-	-	-	-	(872.23)
Foreign exchange forward contracts	(266.09)	-	-	-	-	-
Net exposure to foreign currency risk (liabilities)	-	15.52	75.15	16.72	-	15.09

Sensitivity

The sensitivity for above net exposure to foreign currency for all liabilities does not have a material impact to P&L

(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 creditworthiness. For the Company , credit risk arises from cash and cash equivalents, other balances and deposits with bank and financial institutions and trade receivables

Credit risk management

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

For other financial assets, 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 ongoing basis throughout each reporting period. To assess whether there is a significant increase in credit risk the Company compares the risk of a default occurring on the asset as at the reporting date with the risk of default as

Notes forming part of financial statements

at the date of initial recognition. It considers available reasonable and supportive forwarding-looking information. Especially the following indicators are incorporated:

- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty ability to meet its obligations
- actual or expected significant changes in the operating results of the counterparty
- significant increase in credit risk on other financial instruments of the same counterparty
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements

In general, it is presumed that credit risk has significantly increased since initial recognition if the payments are more than 90 days past due.

A default on a financial asset is when the counterparty fails to make contractual payments within 365 days of when they fall due. This definition of default is determined by considering the business environment in which entity operates and other macro-economic factors.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure.
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, 2017, 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 other than trade receivables. The Company follows lifetime expected credit loss model (simplified approach) for recognition of impairment loss on 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.

(₹ in Lakhs)

	As at March 31, 2017			As at March 31, 2016			As at April 01, 2015		
Trade receivables	**Gross**	**Allowance**	**Net**	**Gross**	**Allowance**	**Net**	**Gross**	**Allowance**	**Net**
Period (in months)									
Not due	3,837.16	-	3,837.16	4,096.86	-	4,096.86	1,374.56	-	1,374.56
Overdue up to 3 months	927.18	-	927.18	492.39	-	492.39	303.96	-	303.96
Overdue 3-6 months	193.39	-	193.39	2.07	-	2.07	17.58	-	17.58
Overdue more than 6 months	87.26	13.80	73.46	39.92	17.41	22.51	136.72	19.49	117.23
Total	**5,044.99**	**13.80**	**5,031.19**	**4,631.24**	**17.41**	**4,613.83**	**1,832.82**	**19.49**	**1,813.33**

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

(₹ in Lakhs)

Loss allowance on April 01, 2015	19.49
Changes in loss allowance	(2.08)
Loss allowance on March 31, 2016	**17.41**
Changes in loss allowance	(3.61)
Loss allowance on March 31, 2017	**13.80**

Notes forming part of financial statements

Note 33 : 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.

The Company determines the amount of capital required on the basis of annual operating plans, long-term product and maintaining other strategic investment plans. The funding requirements are met through equity, long term borrowings and short-term borrowings. The Company's policy is aimed at maintaining optimum combination of short-term and long-term borrowings. The Company manages its capital structure and make adjustments considering the economic environment, the maturity profile of the overall debt of the company and the requirement of the financial covenants.

Total debt includes all long term debts as disclosed in note 17 to the financial statements.

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Total long term debt (refer note 17)	5,286.83	5,159.00	3,602.00
Total equity	1,756.87	2,112.15	4,160.11
Total Capital	**7,043.70**	**7,271.15**	**7,762.11**

Loan Covenants

With respect to borrowing availed by the Company from Tata Capital Financial Services Limited, the Company is required to comply with following financial covenant:

- Total outside liabilities as a percentage of total net worth should not exceed 10.40 times.
- Total long term debt as a percentage of total tangible net worth should not exceed 3 times.

The Company has met the above requirement as at 31 March 2017. However, as of 31 March 2016, the Company had breached the above covenant which was waived by the said financial institution.

Note 34 : 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.

The revenue from external customer for each of the major products is as follows:-

(₹ in Lakhs)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
- Components, assemblies and sub-assemblies	25,920.06	22,788.56
- Tools, Dies and Moulds	3,681.73	2,739.24
- Scrap	3,305.22	3,334.51
Total	**32,907.02**	**28,862.31**

Notes forming part of financial statements

₹ 28,430.29 Lakhs of the Company's revenue is attributable to 4 of its major customers (March 31, 2016 revenue of ₹ 25,205.91 Lakhs was attributable to 3 of its major customer)

Note 35 : Related Party Transactions

(a) Related parties and their relationship

Ultimate Holding Company

i) Tata Sons Ltd.

Holding Company

i) Tata AutoComp Systems Ltd.

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

i) Tata Toyo Radiator Limited
ii) Tata Capital Financial Services Limited
iii) Tata AIG General Insurance Company Limited
iv) TC Travel and Services Limited
v) Tata International Limited
vi) Bachi Shoes Limited

Other Related parties

i) Tata Motors Limited
ii) Fiat India Automobiles Private Limited
iii) TAL Manufacturing Solutions Limited
iv) Tata Technologies Limited
v) Tata Steel Limited
vi) Tata Steel Processing and Distribution Limited
vii) Tata Teleservices (Maharashtra) Limited
viii) Tata Teleservices Limited
ix) Tata Communications Limited
x) Tata Ficosa Automotive Systems Private Limited

Key management personnel

i) Mr. Anil Khandekar (Till January 14, 2017)
ii) Mr. Prashant Mahindrakar (With effect from January 15, 2017)

Directors

i) Mr. Pradeep Mallick
ii) Mr. Pradeep Bhargava
iii) Mr. Ramnath Mukhija (With effect from March 10, 2017)
iv) Ms. Rati Forbes
v) Mr. Ajay Tandon
vi) Mr. Deepak Rastogi
vii) Mr. Harish Pathak (With effect from March 10, 2017)
viii) Mr. Bharatkumar Parekh (With effect from March 10, 2017)
ix) Mr. Arvind Goel (Till March 10, 2017)

Notes forming part of financial statements

(b) Transactions with related parties

(₹ in Lakhs)

Particulars	Transaction value		Closing balance		
	Year ended March 31, 2017	Year ended March 31, 2016	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Sale of Goods					
- Tata Motors Limited	18,964.53	17,023.49	(159.28)	934.89	174.72
- Fiat India Automobiles Pvt. Limited	3,472.38	3,587.77	554.15	(530.86)	225.48
- Fellow Subsidiaries	0.15	60.11	-	-	28.34
Purchase of Goods					
- Tata Motors Limited	1,787.69	1,320.66	(127.92)	(153.34)	81.79
- Tata AutoComp Systems Ltd.	188.23	-	339.46	144.95	26.15
- Tata Steel Limited	1,190.97	267.38	98.56	-	-
- Tata Steel Processing and Distribution Limited	1,570.87	1,079.33	7.95	12.63	51.84
- Fellow Subsidiaries	-	-	6.01	10.69	4.99
- Other Group Companies	3.67	7.87	2.91	5.91	5.26
Sale of Service					
- Tata Motors Limited	237.66	190.53	-	-	-
Purchase of Service					
- Tata Sons Limited	0.23	-	0.10	0.10	0.10
- Tata AutoComp Systems Ltd.	183.97	156.34	186.72	117.78	23.94
- Fellow Subsidiaries	62.40	3.63	5.84	6.27	(0.29)
- Other Group Companies	27.97	30.39	0.07	1.90	3.23
Sale of Fixed Asset					
- Tata AutoComp Systems Ltd.	31.02	-	-	-	0.40
- Tata Capital Financial Services Limited	-	200.00	-	-	-
Purchase of Fixed Asset					
- Other Group Companies	-	7.79	-	4.72	-
Recovery of expenses					
- Tata AutoComp Systems Ltd.	-	21.05	7.91	26.04	0.20
- Fellow Subsidiaries	0.95	13.45	-	-	5.11
- Other Group Companies	13.01	-	7.04	0.17	0.17
Reimbursement of expenses					
- Tata AutoComp Systems Ltd.	6.15	26.37	-	1.13	2.01
- Fellow Subsidiaries	-	-	-	4.25	-
Loan availed/ (repaid)					
- Tata AutoComp Systems Ltd. - Other	(78.00)	(180.00)	1,350.00	1,428.00	1,608.00
- Tata AutoComp Systems Ltd. - ICD	-	-	1,300.00	1,300.00	1,300.00
- Tata Capital Financial Services Limited	(240.00)	(126.00)	1,634.00	1,874.00	2,000.00
Interest Paid					
- Tata AutoComp Systems Ltd.	277.85	302.55	-	-	-
- Tata Capital Financial Services Limited	188.18	218.27	1.43	1.66	1.23
Manager					
Mr. Anil Khandekar (Till 14th January, 2017)					
Short term employee benefits	44.95	69.36	-	18.56	14.28
Post employment benefits	8.72	2.74	-	-	
Mr. Prashant Mahindrakar (From 15th January, 2017)				-	-
Short term employee benefits	15.20	-	6.40	-	-
Post employment benefits	0.89	-	-	-	-

Notes forming part of financial statements

Terms and Conditions

a) The closing balances above are net of advances.

b) All outstanding balances are unsecured and are repayable in cash.

c) For borrowing terms and conditions refer note 17

* In addition to the above related party transactions Tata AutoComp Systems Limited (Holding Company) has provided a Letter of Comfort of ₹ 500 Lakhs (March 31, 2016 ₹ 500 Lakhs and April 1, 2015 ₹ 500 Lakhs) to State Bank of India with respect to credit facilities availed by the company.

Note 36 : Contingent liabilities (To the extent not provided for)

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Contingent liabilities:			
Claims against the Company not acknowledged as debts	138.71	292.00	261.75
Labour matter (Refer note below)	205.44	181.00	161.00
Others	52.43	-	-

Note -In addition to the above, there are certain pending cases in respect of labour matters, the impact of which is not quantifiable and is not expected to be material.

Note 37 : Commitments

(a) Capital commitments

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	134.45	210.43	11.75

Estimated amount of other contracts remaining to be executed and not provided for ₹ Nil (Previous years:- ₹ Nil).

(b) Operating lease

The Company has entered into an agreement with Tata Capital Financial Services Limited for certain plant and machinery. The same has been classified as operating lease. These arrangements range for the period of 48 months, which includes both cancellable and non cancellable period.

(₹ in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Lease/ Rent payments recognised in the Statement of Profit and Loss during the year	61.80	0.17
	61.80	0.17

Notes forming part of financial statements

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Not later than one year	61.80	61.80
Later than one year but not later than five years	123.60	185.40
Later than five years	-	-
Total	**185.40**	**247.20**

Note 38 : Movements in provisions

Provision for Warranty:- Estimated warranty costs are accrued at the time of sale of components to which the warranty provisions are applicable. It is expected that the majority of the warranty provision outstanding as at March 31, 2016 is likely to result in cash outflow within 18 months of the Balance Sheet date. The details of warranty provision are as follows:

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016
Carrying amount at the beginning of the year	16.36	18.69
Additional provision made during the year	6.35	11.84
Amounts used during the year	0.91	14.17
Unused amount reversed during the year	-	-
Unwinding of discount	-	-
Carrying amounts at the end of the year	**21.80**	**16.36**

Note 39 : Earnings per share

		As at March 31, 2017	As at March 31, 2016
Profit for the year as per Statement of Profit and Loss	₹ in Lakhs	(287.06)	(2,080.19)
Weighted average no. of equity shares		15,864,397	15,864,397
Earnings/ (Loss) per share (Basic and Diluted)	₹	(1.81)	(13.11)
Nominal value of an equity share	₹	10.00	10.00

Notes forming part of financial statements

Note 40 : Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows

(₹ in Lakhs)

Dues to Micro, Small and Medium Enterprises (MSMEs)	March 31, 2017	March 31, 2016	April 1, 2015
Total amount due to MSMEs as at year-end			
- Principal amount due	331.69	215.33	220.70
- Interest on the principal amount due	46.91	40.76	29.40
Total payments to MSMEs during the year, beyond the appointed day			
- Principal amount paid	1,280.57	974.66	234.20
- Interest paid, other than under Section 16 of MSMED Act	-	-	-
Total amount of interest paid to MSMEs during the year under Section 16 of MSMED Act	-	-	-
Total interest accrued and remaining unpaid at the end of the year under MSMED Act, for payments already made	6.15	11.36	2.97
The amount of further interest remaining due and payable for earlier years	40.76	29.40	2.97

The above information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.

Note 41 : Disclosure relating to specified bank notes (SBNs) held and transacted during the period from November 08, 2016 to December 31, 2016

(₹ in Lakhs)

	SBNs	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	0.97	0.90	1.87
(+) Permitted receipts	-	2.97	2.97
(-) Permitted payments	-	3.41	3.41
(-) Amount deposited in Banks	0.97	-	0.97
Closing cash in hand as on 30.12.2016	-	0.46	0.46

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

Note 42 : Corporate social responsibility

The Company does not meet the criteria specified in sub section (1) of section 135 of the Companies Act, 2013, read with Companies [Corporate Social Responsibility (CSR)] Rules, 2014. Therefore it is not required to incur any expenditure on account of CSR activities during the year.

Notes forming part of financial statements

Note 43 : Income Tax

The company does not have taxable income in current and previous year and 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, no deferred tax assets have been recognised.

(₹ in Lakhs)

	March 31, 2017	March 31, 2016	April 1, 2015
Unused Tax losses for which no deferred tax asset has been recognised			
- Business Losses	2,467.60	2,467.60	1,379.29
- Unabsorbed depreciation	1,780.70	1,456.97	396.41
Potential tax benefit	1,312.72	1,212.69	576.13

Unused tax losses with respect to unabosorbed depreciation do not have an expiry date.
Unused tax losses with respect to Business losses have following expiry dates

Expiry Date	Amounts
31st March 2023	1,379.30
31st March 2024	1,088.30
Total	**2,467.60**

Note 44 : Exceptional Items

During the year ended March 2017 , the company has received a one time compensation of ₹ 1,284 Lakhs towards settlement of its claims.

Note 45 : Employee Benefits

(A) Defined benefit plans

a) Gratuity

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

Notes forming part of financial statements

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

(₹ in Lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2015	458.10	(307.56)	**150.54**
Current service cost	43.49	-	**43.49**
Interest expense/(income)	35.10	(26.72)	**8.38**
Total amount recognised in profit or loss	**78.59**	**(26.72)**	**51.87**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	-	**-**
(Gain)/loss from change in demographic assumptions	-	-	**-**
(Gain)/loss from change in financial assumptions	2.14		**2.14**
Experience (gains)/losses	(28.03)	(6.34)	**(34.37)**
Total amount recognised in other comprehensive income	**(25.89)**	**(6.34)**	**(32.23)**
Employer contributions	-	(13.65)	**(13.65)**
Benefit payments	(27.50)	-	**(27.50)**
March 31, 2016	**483.30**	**(354.27)**	**129.03**

(₹ in Lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
April 1, 2016	483.30	(354.27)	**129.03**
Current service cost	43.85		**43.85**
Interest expense/(income)	36.50	(27.73)	**8.77**
Total amount recognised in profit or loss	**80.35**	**(27.73)**	**52.62**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	10.14	**10.14**
(Gain)/loss from change in demographic assumptions	-	-	**-**
(Gain)/loss from change in financial assumptions	23.57	-	**23.57**
Experience (gains)/losses	34.51	-	**34.51**
Total amount recognised in other comprehensive income	**58.08**	**10.14**	**68.22**
Employer contributions	-	(2.45)	**(2.45)**
Benefit payments	(30.58)	-	**(30.58)**
March 31, 2017	**591.15**	**(374.31)**	**216.84**

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

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Present value of funded obligations	591.15	483.30	458.10
Fair value of plan assets	(374.31)	(354.27)	(307.56)
Deficit of funded plan	**216.84**	**129.03**	**150.54**

Notes forming part of financial statements

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, 2017	As at March 31, 2016	As at April 01, 2015
Discount rate	6.90%	7.80%	7.90%
Salary escalation	8.00%	8.00%	8.00%
Rate of return on plan assets	7.70%	8.50%	8.50%
Attrition rate	18.00%	18.00%	18.00%

Quantitative sensitivity analysis for significant assumptions are as follows:

(₹ in Lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(26.07)	(21.31)
(ii) 1% decrease in discount rate	28.61	23.38
(iii) 1% increase in rate of salary escalation	28.14	23.00
(iv) 1% decrease in rate of salary escalation	(26.14)	(21.36)

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

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

Category of planned asset

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016	As at April 01, 2015
Insurer managed funds*	100%	100%	100%

* The Company maintains gratuity fund, which is being administered by LIC. Fund value confirmed by LIC as at March 31, 2017 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year ₹ 4.34 Lakhs (Previous year ₹ 2.46 Lakhs).

Notes forming part of financial statements

c) 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

(₹ in Lakhs)

	As at March 31, 2017
Defined benefit obligation	
Less than a year	107.46
Between 1 - 2 years	103.11
Between 2 - 5 years	288.52
Over 5 years	380.60
Total	**879.68**

(B) Defined Contribution Plans

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

(₹ in Lakhs)

	As at March 31, 2017	As at March 31, 2016
Contribution to Employees' Superannuation Fund	24.86	28.03
Contribution to Provident Fund	172.10	165.69
Contribution to Employee's State insurance scheme	20.04	7.77

(C) Risk exposure

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

1. **Interest rate risk:**
   The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will 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.

Note 46 : First-time adoption of Ind AS

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended March 31, 2017, the comparative information presented in these financial statements for the year ended March 31, 2016 and in the preparation of an opening Ind AS balance sheet at April 01, 2015 (the date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the group's financial position and financial performance is set out in the following tables and notes.

A. Exemptions availed on first time adoption of Ind-AS 101

Set out below are the applicable Ind AS 101 optional exemptions applied in the transition from previous GAAP to Ind AS.

Notes forming part of financial statements

i) **Deemed cost property, plant and equipment and intangible asset -** Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38 Intangible Assets. Accordingly, the Company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

B. Exception

1. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2015 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under previous GAAP: Impairment of financial assets based on expected credit loss model.

2. De-recognition of financial assets and liabilities

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The company has elected to apply the de-recognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

3. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

C. Reconciliations:

The following reconciliations provides the effect of transition to Ind AS from previous GAAP in accordance with Ind AS 101

1. Equity as at April 01, 2015 and March 31, 2016
2. Net profit for the year ended March 31, 2016

Notes forming part of financial statements

Reconciliation of equity as previously reported under previous GAAP to Ind AS

(₹ in Lakhs)

		Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
	Notes	Regrouped previous GAAP*	Ind AS Adjustments	Ind AS	Regrouped previous GAAP*	Ind AS Adjustments	Ind AS
ASSETS							
Non-current assets							
Property, plant and equipment		11,322.12	-	11,322.12	10,440.54	-	10,440.54
Capital work-in-progress		71.62	-	71.62	769.56	-	769.56
Intangible assets		26.03	-	26.03	10.98	-	10.98
Financial assets							
(i) Other financial assets		64.35	-	64.35	95.90	-	95.90
Deferred tax assets (net)		-	-	-	-	-	-
Other non-current assets		137.44	-	137.44	301.22	-	301.22
Current tax asset (net)		508.92	-	508.92	507.35	-	507.35
Total non-current assets		**12,130.48**	**-**	**12,130.48**	**12,125.55**	**-**	**12,125.55**
Current assets							
Inventories	(f)	2,391.43	(66.56)	2,324.87	2,118.59	(66.56)	2,052.03
Financial assets							
(i) Trade receivables	(a)	1,813.33	-	1,813.33	2,432.55	2,181.28	4,613.83
(ii) Cash and cash equivalent		7.90	-	7.90	245.97	-	245.97
(iii) Bank balances other than cash and cash equivalents		54.91	-	54.91	3.41	-	3.41
(iv) Other financial assets		11.90	-	11.90	615.55	-	615.55
Other current assets		520.80	-	520.80	925.77	-	925.77
Total current assets		**4,800.27**	**(66.56)**	**4,733.71**	**6,341.84**	**2,114.72**	**8,456.56**
Total		**16,930.75**	**(66.56)**	**16,864.19**	**18,467.39**	**2,114.72**	**20,582.11**
EQUITY AND LIABILITIES							
Equity							
Equity share capital		1,586.44	-	1,586.44	1,586.44	-	1,586.44
Other equity							
Reserve and Surplus	(b) & (c)	2,661.53	(87.86)	2,573.67	622.27	(96.56)	525.71
Total equity		**4,247.97**	**(87.86)**	**4,160.11**	**2,208.71**	**(96.56)**	**2,112.15**
Liabilities							
Non-current liabilities							
Financial liabilities							
(i) Borrowings		3,602.00	-	3,602.00	5,159.00	-	5,159.00
Provisions		308.12	-	308.12	284.69	-	284.69
Total non-current liabilities		**3,910.12**	**-**	**3,910.12**	**5,443.69**	**-**	**5,443.69**
Current liabilities							
Financial liabilities							
(i) Borrowings	(a)	520.94	-	520.94	1,919.53	2,181.28	4,100.81
(ii) Trade payables		4,746.32	-	4,746.32	4,916.14	-	4,916.14
(iii) Other financial liabilities	(b)	2,948.84	21.30	2,970.14	2,534.93	-	2,534.93
Provisions		72.94	-	72.94	64.14	-	64.14
Other current liabilities	(c)	483.62	-	483.62	1,380.25	30.00	1,410.25
Total current liabilities		**8,772.66**	**21.30**	**8,793.96**	**10,814.99**	**2,211.28**	**13,026.27**
Total		**16,930.75**	**(66.56)**	**16,864.19**	**18,467.39**	**2,114.72**	**20,582.11**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Notes forming part of financial statements

Reconciliation statement of Profit and Loss as reported under previous GAAP to Ind AS

(₹ in Lakhs)

	Notes	Year ended March 31, 2016		
		Regrouped previous GAAP*	Ind AS Adjustments	Ind AS
Revenue From Operations	(d)	26,284.14	2,578.17	28,862.31
Other Income	(b)	103.76	21.30	125.06
Total Revenue		**26,387.90**	**2,599.47**	**28,987.37**
Expenses				
Cost of materials consumed		19,080.70	-	19,080.70
Changes in inventories of finished goods, Stock-in -Trade and work-in progress		415.61	-	415.61
Excise duty	(d)	-	2,578.17	2,578.17
Employee benefits expense	(e)	4,090.91	32.23	4,123.14
Finance costs		932.62	-	932.62
Depreciation and amortization expense		963.23	-	963.23
Other expenses		2,974.09	-	2,974.09
Total expenses		**28,457.16**	**2,610.40**	**31,067.56**
Profit before exceptional items and tax		**(2,069.26)**	**(10.93)**	**(2,080.19)**
Exceptional Items		**-**		**-**
Profit before tax		**(2,069.26)**	**(10.93)**	**(2,080.19)**
Tax expense:				
Profit for the year		**(2,069.26)**	**(10.93)**	**(2,080.19)**
Other Comprehensive Income (OCI)				
Items that will not be reclassified to profit or loss				
Re-measurements of post-employment benefit obligations - (loss) / gains	(e)	-	32.23	32.23
Total Other Comprehensive Income for the year		**-**	**32.23**	**32.23**
Total Comprehensive Income for the year		**(2,069.26)**	**21.30**	**(2,047.96)**

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at March 31, 2016 and April 01, 2015

(₹ in Lakhs)

	Notes	As at March 31, 2016	As at April 01, 2015
Total equity (shareholder's funds) as per previous GAAP		2,208.71	4,247.97
Adjustments:			
Capital Subsidy	(c)	(30.00)	-
Fair valuation of derivatives	(b)	-	(21.30)
Amortisation of spares capitalised	(f)	(66.56)	(66.56)
Proposed dividend		-	-
Tax effects of adjustments		-	-
Total adjustments		**(96.56)**	**(87.86)**
Total equity as per Ind AS		**2,112.15**	**4,160.11**

Notes forming part of financial statements

Reconciliation of total comprehensive income for the year ended March 31, 2016

(₹ in Lakhs)

	Notes	As at March 31, 2016
Profit after tax as per previous GAAP		(2069.26)
Adjustments:		
Fair valuation of derivatives (gain)	(a)	21.30
Remeasurements of post-employment benefit obligations (gain)	(b)	(32.23)
Total adjustments		**(10.93)**
Profit after tax as per Ind AS		**(2,080.19)**
Other comprehensive income		**32.23**
Total comprehensive income as per Ind AS		**(2,047.96)**

Impact of Ind AS adoption on statements of cash flows for the year ended March 31, 2016

(₹ in Lakhs)

	Notes	Year ended March 31, 2016		
		Regrouped previous GAAP	Ind AS Adjustments	Ind AS
Net cash flow from operating activities	(a)	767.00	(2181.28)	(1414.28)
Net cash flow from investing activities		(726.38)	-	(726.38)
Net cash flow from financing activities	(a)	197.45	2181.28	2378.73
Net increase/(decrease) in cash and cash equivalents		**238.07**	**-**	**238.07**
Cash and cash equivalents as at April 01, 2015		7.90	-	7.90
Effects of exchange rate changes on cash and cash equivalents		-	-	-
Cash and cash equivalents as at March 31, 2016		**245.97**	**-**	**245.97**

Explanations for reconciliation of equity and statement of profit and loss as previously reported under previous GAAP to IND AS

(a) As per Ind AS 101, derecognition requirements in Ind AS 109 should apply prospectively to the transactions occurring on or after the date of transition. AS per Ind AS 109, financial assets are derecognised only when the company has transferred the rights to receive cash flows 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. The company has bill discounting facility in respect of trade receivables from few of its customers. The company has bills of ₹ 2,181.28 Lakhs discounted as at March 31, 2016. Since the company has retained substantial risk and rewards in respect of these receivables, the company recognized trade receivable relating to bill discounting arrangement with customer and recognized corresponding financial liability as on March 31, 2016 ₹ 2,181.21 Lakhs.

(b) Under previous GAAP the forward exchange contracts and other derivative instruments were accounted in accordance with Accounting Standard 11 - “The effects of changes in Foreign Exchange Rates” and the Announcement of Institute of Chartered Accountants of India on “Accounting for Derivatives” issued in March 2008. Under Ind-AS, fair value of forward foreign exchange contracts and other derivative instruments has been recognized and the corresponding adjustments has been made in the retained earnings as on the date of transition. (Net loss recognised as on April 1, 2015: ₹ 21.30 Lakhs: Net gain recognized as on March 31, 2016: ₹ 21.30 Lakhs).

(c) Under previous GAAP, capital subsidy received was credited to capital reserve as part of promoters contribution. Under Ind AS, capital subsidy has been considered as capital grant that will be recognised in profit & Loss over the life of assets. As a result of this change, the profit for the year ended March 31, 2016 increased by ₹ Nil while there reserves and surplus balance reduced by ₹ 30 Lakhs.

(d) Under the previous GAAP, revenue from sale of product was presented exclusive of excise duty. Under Ind AS revenue from sale of goods is presented inclusive of excise duty. The excise duty paid is presented

Notes forming part of financial statements

on the face of the statement of profit and loss account as a part of expense. The change has resulted in increase in the total revenue and the total expenses for the year ended March 31, 2016: ₹ 2,578.17 Lakhs. There is no impact on the total equity and profit.

(e) Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recongnised under other comprehensive income instead of profit and loss account. Under the previous GAAP, these measurements were forming part of profit and loss for the year. As a result of this change, the profit for the year ended March 31, 2016 increase by ₹ 32.23 Lakhs. There is no impact on total equity as at March 31, 2016.

(f) Under Ind AS, the Company has capitalised items of stores and spares meeting the definition of property, plant and equipment as per Ind AS 16. The Company has accounted for the depreciation on these items upto the date of transition. The change has resulted in decrease in the total inventory and the retained earnings as on April 1, 2015: ₹ 66.56 Lakhs.

Note 47 : Assets Pledged as Security

(₹ in Lakhs)

	March 31, 2017	March 31, 2016	April 1, 2015
Current			
Financial Assets			
First Charge			
Factored Receivables	2,054.44	2,181.28	-
Other Receivables	2,976.75	2,432.55	1,813.33
Non Financial Assets			
First Charge			
Inventories	2,444.20	2,052.03	2,324.87
Total current assets pledged as security	**7,475.39**	**6,665.86**	**4,138.20**
Non-Current			
Non Financial Assets			
First Charge			
Plant and Machinery	6,385.90	3594.68	6454.19
Building	-	-	925.30
Land	-	-	6.90
Second Charge			
Land	23.56	23.56	23.56
Building	1,198.31	1,198.37	1,268.81
Total Non-current assets pledged as security	**7,607.77**	**4,816.61**	**8,678.76**
Total Assets pledged as security	**15,083.16**	**11,482.47**	**12,816.96**

For Price Waterhouse
Firm Registration Number: 301112E
Chartered Accountants

Amit Borkar
Partner
Membership No:109846

Place: Pune
Date: April 28, 2017

For and on behalf of the Board of Directors

Pradeep Mallick
Chairman

Deepak Rastogi
Director

Prashant Mahindrakar
Chief Executive Officer

Ajay Joshi
Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 28, 2017