INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **Automotive Stampings And Assemblies Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS Financial Statements

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

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

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

Auditors' Responsibility

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

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

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. Those Standards 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.

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 auditor's 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.

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

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

Opinion

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

Material Uncertainty Related to Going Concern

We draw attention to note 4.4 in the financial statements, which indicates that the Company incurred a net loss of ₹ 4,647.91 Lakhs during the year ended 31 March 2018 and, as of that date, the Company's liabilities exceeded its total assets by ₹ 2,891.04 Lakh. As stated in note 4.4, these events or conditions, along with other matters as set forth in note 4.4, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

Other Matter

The comparative financial information of the Company for the year ended 31 March 2017 prepared in accordance with Ind AS included in these Ind AS financial statements have been audited by the predecessor auditor who had audited the financial statements for the relevant periods. The report of the predecessor auditor on the comparative financial information dated 28 April 2017 expressed an unmodified opinion.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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

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

e) The going concern matter described under the Material Uncertainty Related to Going Concern paragraph above, in our opinion, may have an adverse effect on the functioning of the Company.

f) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164(2) of the Act.

g) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure B”.

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

   i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer note 36 to the Ind AS financial statements;

   ii. The Company has long-term contracts as at 31 March 2018 for which there were no material foreseeable losses. The Company did not have any long-term derivative contracts as at 31 March 2018;

   iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company; and

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

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

Swapnil Dakshindas
Partner
Membership Number 113896

Place: Pune
Date : April 26, 2018

Annexure A to Independent Auditors' Report

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

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

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified once every year. In accordance with this programme, all fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

ii. In our opinion and according to information and explanation given to us, and on the basis of our examination of records of the Company, the inventory except inventories lying with third parties and goods-in-transit have been physically verified at reasonable intervals by the management. In respect of inventory lying with third party, these have substantially been confirmed by them and with respect of goods-in-transit, subsequent goods receipt have been verified by the management. The discrepancies noticed on verification between the physical stocks and book records were not material. In our opinion, the frequency of such verification is reasonable and adequate in relation to the size of the Company and the nature of its business.

iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013 ("Act"). Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable.

iv. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, made any investments or provided any guarantees or securities to which provisions of Section 185 and 186 of the Act apply. Accordingly, paragraph 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits from the public in terms of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules made there under.

vi. The Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 for the goods sold and services rendered by the Company.

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

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-Tax, Sales-

Tax, Service-Tax, Duty of Excise, Duty of Customs, Value Added Tax, Goods and Service Tax and other statutory dues were in arrears, as at 31 March 2018, for a period of more than six months from the date they became payable.

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

Name of statue	Nature of dues	Amount* (in ₹ Lakhs)	Amount paid under protest (in ₹ Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Act, 1944	Penalty	14.38	-	2007-2011	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Duty and Penalty	21.53	0.80	2007-2009	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Penalty	5.25	5.25	2001-2004	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Duty	31.37	-	1998-2009	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Duty	123.96	-	2007-2009	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Penalty	9.31	-	2002-2004	Custom, Excise and Service Tax Appellate Tribunal
Central Excise Act, 1944	Penalty	83.82	69.75	2006-2011	Bombay High Court
Central Excise Act, 1944	Duty	357.37	-	2002-2005	Custom, Excise and Service Tax Appellate Tribunal
Bombay Sales Tax Act, 1959	Sale Tax	2.92	-	2002-03	Joint Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	Sale Tax	66.58	5	2011-12	Joint Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	Sale Tax	22.23	5	2012-13	Joint Commissioner (Appeals)
Maharashtra Value Added Tax Act, 2002	Sale Tax	186.45	10.95	2013-14	Joint Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	30.08	-	2002-03	Commissioner of Income Tax (Appeals)

Income Tax Act, 1961	Income Tax	7.65	-	2008-09	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	10.69	-	2009-10	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	17.78	-	2005-06	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Tax	6.94	-	2011-12	Commissioner of Income Tax (Appeals)

* Amount disclosed above excludes interest and penalty wherever applicable.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or banks or Government or due to debentures holders as at the balance sheet date.

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

x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi. In our opinion and according to the information and explanation given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with schedule V to the Act.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with Section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.

xiv. According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.

xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.

xvi. In our opinion and according to the information and explanations given to us, the Company is not required to register under Section 45-IA of the Reserve Bank of India, 1934.

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

Swapnil Dakshindas
Partner
Membership Number 113896

Place: Pune
Date : April 26, 2018

Annexure B to Independent Auditors' Report

Referred to in paragraph 2(g) in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report to the members of Automotive Stampings And Assemblies Limited on the Ind AS financial statements for the year ended 31 March 2018, we report that:

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

We were engaged to audit the internal financial controls over financial reporting of the Automotive Stampings And Assemblies Limited ("Company") as of 31 March 2018 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

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 ("the Guidance Note") issued by the Institute of Chartered Accountants of India ("ICAI"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system 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 financial statements, whether due to fraud or error.

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

Meaning of Internal Financial Controls Over Financial Reporting

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 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 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 Control Over Financial Reporting

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

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 31 March 2018, 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 issued by the ICAI.

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

Swapnil Dakshindas
Partner
Membership Number 113896

Place: Pune
Date : April 26, 2018

Automotive Stampings and Assemblies Limited

BALANCE SHEET

(All figures in ₹ Lakhs, unless otherwise stated)

	Notes	As at March 31, 2018	As at March 31, 2017
ASSETS			
Non-current assets			
Property, plant and equipment	5	10,391.00	10,970.99
Capital work-in-progress	5	22.23	306.08
Intangible assets	5	9.60	14.04
Financial assets			
Other financial assets	6	71.40	70.55
Deferred tax assets (net)	7	-	-
Other non-current assets	8	169.81	126.75
Income tax asset (net)	9	245.53	179.02
Total non-current assets		**10,909.57**	**11,667.43**
Current assets			
Inventories	10	2,874.97	2,444.20
Financial assets			
(i) Trade receivables	11	3,153.15	5,031.19
(ii) Cash and cash equivalents	12 (a)	22.13	1.81
(iii) Bank balances other than (ii) above	12 (b)	2.76	3.22
(iv) Other financial assets	13	20.84	294.14
Other current assets	14	713.83	1,036.21
Total current assets		**6,787.68**	**8,810.77**
Total assets		**17,697.25**	**20,478.20**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	15	1,586.44	1,586.44
Other equity	16	(4,477.48)	170.43
Total equity		**(2,891.04)**	**1,756.87**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	17	3,806.28	5,286.83
Provisions	18	422.17	402.76
Total non-current liabilities		**4,228.45**	**5,689.59**
Current liabilities			
Financial liabilities			
(i) Borrowings	19	5,135.06	2,912.06
(ii) Trade payables	20	7,312.38	6,410.86
(iii) Other financial liabilities	21	2,254.29	1,793.76
Provisions	22	78.11	72.86
Other current liabilities	23	1,580.00	1,842.20
Total current liabilities		**16,359.84**	**13,031.74**
Total liabilities		**20,588.29**	**18,721.33**
Total equity and liabilities		**17,697.25**	**20,478.20**

Summary of significant accounting policies	2-4
See accompanying notes to financial statements	5-47

The notes referred to above form integral part of financial statements
As per our report of even date.

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: April 26, 2018

For and on behalf of the Board of Directors
Automotive Stampings and Assemblies Limited
CIN:L28932PN1990PLC016314

Ramnath Mukhija
Chairman
DIN: 00001653

Deepak Rastogi
Director
DIN: 02317869

Prashant Mahindrakar
Chief Executive Officer

Anubhav Maheshwari
Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 26, 2018

STATEMENT OF PROFIT AND LOSS

(All figures in ₹ Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2018	Year ended March 31, 2017
Revenue from operations (Refer note 2.2)	24	33,559.24	32,907.02
Other income	25	4.56	178.71
Total income		**33,563.80**	**33,085.73**
Expenses			
Cost of materials consumed	26 (a)	25,845.94	22,142.38
Changes in inventories of finished goods, work-in progress and stock-in-trade	26 (b)	214.61	(229.21)
Excise duty (Refer note 2.2)		479.47	2,504.89
Employee benefits expense	27	3,468.36	3,648.63
Finance costs	28	1,147.84	912.05
Depreciation and amortization expense	29	1,003.37	932.65
Other expenses	30	6,060.29	4,745.40
Total expenses		**38,219.88**	**34,656.79**
(Loss) before exceptional item and tax		**(4,656.08)**	**(1,571.06)**
Exceptional Items	43	-	1,284.00
(Loss) before tax		**(4,656.08)**	**(287.06)**
Income Tax expense:			
Current tax		-	-
Deferred tax		-	-
Total tax expense		-	-
(Loss) for the year		**(4,656.08)**	**(287.06)**
Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations - gain / (loss)		8.17	(68.22)
Income tax relating to items that will not be reclassified to profit or loss		-	-
Other comprehensive income/(loss) for the year, net of tax		**8.17**	**(68.22)**
Total comprehensive loss for the year		**(4,647.91)**	**(355.28)**
(Loss) per equity share			
Basic loss per share of face value of ₹ 10 each (in ₹)	39	(29.35)	(1.81)
Diluted loss per share of face value of ₹ 10 each (in ₹)	39	(29.35)	(1.81)

Summary of significant accounting policies 2-4
See accompanying notes to financial statements 5-47

The notes referred to above form integral part of financial statements
As per our report of even date.

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: April 26, 2018

For and on behalf of the Board of Directors
Automotive Stampings and Assemblies Limited
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Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 26, 2018

Automotive Stampings and Assemblies Limited

CASH FLOW STATEMENT

(All figures in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
A. Cash flow from operating activities		
Loss before tax	(4,656.08)	(287.06)
Adjustments for:		
Depreciation and amortization expense	1,003.37	932.65
Net loss / (gain) on sale of property, plant and equipment	1.04	(36.51)
Changes in fair value of financial assets at fair value through profit or loss	(0.21)	5.96
Interest Income	(1.48)	(40.40)
Finance costs	1,147.84	912.05
	(2,505.52)	**1,486.69**
Change in operating assets and liabilities:		
Trade receivables	1,878.04	(417.36)
Inventories	(430.77)	(392.17)
Trade payables	901.52	1,494.72
Other financial assets non-current	(1.16)	25.35
Other financial assets current	273.51	321.41
Other non-current assets	(38.67)	15.95
Other current assets	322.38	(110.44)
Provisions non current	27.58	49.85
Provisions current	5.25	8.72
Other current liabilities	(262.20)	431.95
Other financial liabilities current	304.92	(1,446.91)
Cash generated from operations	**474.88**	**1,467.76**
Income taxes paid (net of refund, if any)	(66.51)	328.33
Net cash flow from operating activities (A)	**408.37**	**1,796.09**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment and capital work-in-progress	(282.28)	(797.27)
Acquisition of intangible assets	-	(8.14)
Proceeds from sale of property, plant and equipment	4.91	38.13
Fixed deposit with banks (net) having maturity over 3 months	0.77	0.19
Interest received	1.48	40.40
Net cash used in investing activities (B)	**(275.12)**	**(726.69)**

CASH FLOW STATEMENT

(All figures in ₹ Lakhs, unless otherwise stated)

	Year ended March 31, 2018	Year ended March 31, 2017
C. Cash flow from financing activities		
Interest paid	(1,110.92)	(904.10)
Proceeds from long term borrowings	4,150.43	1,222.29
Repayment of long term borrowings	(3,279.44)	(443.00)
Short term borrowings availed / (repaid) (net)	127.00	(1,188.75)
Net cash flow used in financing activities (C)	**(112.93)**	**(1,313.56)**
Net increase / (decrease) in Cash and cash equivalents (A+B+C)	**20.32**	**(244.16)**
Cash and cash equivalents at the beginning of the year	1.81	245.97
Cash and cash equivalents at the end of the year	**22.13**	**1.81**
Cash and cash equivalents as per above comprise of the following [Refer note 12 (a)]		
Cash on hand	0.81	1.35
Balances with banks	21.32	0.46
	22.13	**1.81**

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

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: April 26, 2018

For and on behalf of the Board of Directors
Automotive Stampings and Assemblies Limited
CIN:L28932PN1990PLC016314

Ramnath Mukhija
Chairman
DIN: 00001653

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Director
DIN: 02317869

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Chief Executive Officer

Anubhav Maheshwari
Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 26, 2018

Automotive Stampings and Assemblies Limited

STATEMENT OF CHANGES IN EQUITY
(All figures in ₹ Lakhs, unless otherwise stated)

Particulars		Attributable to equity share holder				
	Equity Share capital	General reserve	Capital redemption reserve	Securities premium reserve	Retained Earnings	Total
Balance as at April 1, 2016	1586.44	444.15	300.00	4,237.25	(4,455.69)	525.71
Loss for the year		-	-	-	(287.06)	(287.06)
Other comprehensive income (net of tax)					(68.22)	(68.22)
Balance as at March 31, 2017	**1,586.44**	**444.15**	**300.00**	**4,237.25**	**(4,810.97)**	**170.43**
Balance as at April 1, 2017	1,586.44	444.15	300.00	4,237.25	(4,810.97)	170.43
Loss for the year		-	-	-	(4,656.08)	(4,656.08)
Other comprehensive income (net of tax)					8.17	8.17
Balance as at March 31, 2018	**1,586.44**	**444.15**	**300.00**	**4,237.25**	**(9,458.88)**	**(4,477.48)**

Summary of significant accounting policies 2-4
See accompanying notes to financial statements 5-47

The notes referred to above form integral part of financial statements

As per our report of even date.

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: April 26, 2018

For and on behalf of the Board of Directors
Automotive Stampings and Assemblies Limited
CIN:L28932PN1990PLC016314

Ramnath Mukhija
Chairman
DIN: 00001653

Deepak Rastogi
Director
DIN: 02317869

Prashant Mahindrakar
Chief Executive Officer

Anubhav Maheshwari
Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 26, 2018

Notes forming part of financial statements

Note 1 : Company Overview

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-71/2, 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 of financial statements

(i) Compliance with Ind AS

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements were authorized for issue by the Company's Board of Directors on April 26, 2018.

(ii) Basis of preparation

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

- certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
- net defined benefit (asset)/ liability – present value defined benefit obligations less fair value of plan assets less

(iii) Functional and presentation currency

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

2.2 Revenue recognition

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

Notes forming part of financial statements

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.

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 Services

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

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 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.

2.4 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

Notes forming part of financial statements

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 statement of profit or loss during the reporting period in which they are incurred.

Depreciation methods, estimated useful lives and residual value

Depreciation is provided on a pro-rata basis on the straight line method 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)
Factory building	30	30
Office building	60	60
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
Tools, jigs and fixture	15 (on a single shift basis)	15
Furniture and fittings	10	10
Office equipment	5	5
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.

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.

2.5 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

Notes forming part of financial statements

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.

2.6 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.

2.7 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 capitalization.

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

2.8 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

Notes forming part of financial statements

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.

2.9 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.

2.10 Employee benefits

(i) Short-term obligations

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognized in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for earned 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

Notes forming part of financial statements

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.

(a) Defined benefit plans

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

A defined contribution plan is a post-employment benefit under which an entity pays a specific contribution to a separate entity and has no obligation to pay any further amounts. Retirement benefit in the form of provident fund and superannuation fund are a defined contribution schemes and the contributions are charged to the statement of profit and loss during the period in which the employee renders the related service. The Company has no obligation, other than the contribution payable to these funds. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(iv) Termination Benefits

Termination benefits in the nature of voluntary retirement benefits are recognized as an expense when as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

2.11 Financial instruments

(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) (FVTOCI / FVTPL), 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.

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held- for- trading, or it is a derivative or it is designated as such on initial recognition.

(ii) Measurement

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

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.

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.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Notes forming part of financial statements

(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

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.

The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

2.12 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.

2.13 Impairment

Intangible assets with definite life and property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that their carrying values may not be recoverable. For the purpose of impairment testing, the recoverable amount (that is the higher of the 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.

2.14 Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

2.15 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.

2.16 Trade and other payables

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

2.17 Share capital

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

2.18 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

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

(ii) Diluted earnings per share

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

Notes forming part of financial statements

- 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.

2.19 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.

2.20 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 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.

Notes forming part of financial statements

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.

2.21 Segment reporting

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

2.22 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.

2.23 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.

2.24 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 upto the date of issuance of the Company's financial statements are listed below. The listing of standards issued, which the Company reasonably expects to be applicable at a future date. The Company intends to adopt those standards when they become effective.

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

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign Currency Transactions and Advance Consideration which clarifies the date of the transaction for the purpose of determining the spot exchange rate to be used on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency. The amendment will come into force from 1 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not material.

Ind AS 115 – Revenue from Contract with Customers

Ind AS 115, establishes a comprehensive framework for determining whether, how much and when revenue should be recognized. It replaces existing revenue recognition guidance, including Ind AS 18 Revenue, Ind AS 11 Construction Contracts and Guidance Note on Accounting for Real Estate Transactions. Ind AS 115 is effective for annual periods beginning on or after 1 April 2018 and will be applied accordingly.

The Company have preliminary assessed that the profit impact of Ind AS 115 will be immaterial to the financial statements. The Company is still in the process of assessing the full impact of the application of IND AS 115 on the Company's financial statements, including on additional disclosures required.

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.

Notes forming part of financial statements

<u>Significant Judgments</u>

4.1 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.

4.2 Classification of Leasehold Land

The Company has entered into lease agreement for land at two of its facilities. The lease period is of around 79-90 years in respect of these premises and the agreements have renewal options. These lands are situated in industrial estates, where the land is generally transferred through lease contracts and the upfront lease payment amounts are significantly equal to the fair value of land. Accordingly, significant risk and rewards associated with the land are considered to be transferred to the lessee. Based on these considerations and overall evaluation of the agreements with the lessor, the management believes that these lease contracts meet the conditions of finance lease.

4.3 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.

4.4 Going Concern assumptions

The Company has incurred significant losses of ₹ 4,647.91 lakhs for the financial year ended March 31, 2018 and the Company's total liabilities exceeded its total assets by ₹ 2,891.04 Lakh as at March 31, 2018.

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

1. Support letter from the Holding Company
2. Financial support from the Holding Company and other Group Companies to meet its short-term liabilities.
3. Expected increase in revenue based on orders in hand from current and upcoming projects of existing customers.
4. Robust business plans for the above expected increase in revenue.

Notes forming part of financial statements

4.5 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

4.6 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.

4.7 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.

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.

Notes forming part of financial statements

4.8 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.

4.9 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.

4.10 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, capital work-in-progress and intangible assets

a. Reconciliation of carrying amounts

(₹ in Lakhs)

	Freehold Land	Leasehold Land (Refer note ii)	Factory Buildings	Office Buildings	Plant and Machinery	Tools, Jigs & Fixtures	Furniture and Fixtures	Office Equipment	Vehicles	Total	Intangible assets- Computer Software
Gross block											
Balance as at March 31, 2016	30.46	199.80	3,527.51	109.43	7,384.98	19.17	23.62	44.05	28.87	**11,367.89**	35.22
Additions	-	-	178.53	13.70	1,260.36	-	2.80	4.25	-	**1,459.64**	8.14
Disposals	-	-	-	-	-	-	-	-	(5.55)	**(5.55)**	-
Balance as at March 31, 2017	**30.46**	**199.80**	**3,706.04**	**123.13**	**8,645.34**	**19.17**	**26.42**	**48.30**	**23.32**	**12,821.98**	**43.36**
Balance as at April 1, 2017	30.46	199.80	3,706.04	123.13	8,645.34	19.17	26.42	48.30	23.32	12,821.98	43.36
Additions	-	-	68.22	-	342.85	5.91	-	7.91	-	**424.89**	-
Disposals					(4.08)			(1.43)	(18.90)	**(24.41)**	-
Balance as at March 31, 2018	**30.46**	**199.80**	**3,774.26**	**123.13**	**8,984.11**	**25.08**	**26.42**	**54.78**	**4.42**	**13,222.46**	**43.36**
Accumulated depreciation and amortization											
Balance as at March 31, 2016	-	3.09	179.65	2.02	708.86	4.26	4.33	15.34	9.80	**927.35**	24.24
Depreciation and amortization charge for 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)**	-
Balance as at March 31, 2017	**-**	**6.15**	**361.67**	**4.15**	**1,424.59**	**5.20**	**8.83**	**27.26**	**13.14**	**1,850.99**	**29.32**
Balance as at April 1, 2017	-	6.15	361.67	4.15	1,424.59	5.20	8.83	27.26	13.14	1,850.99	29.32
Depreciation and amortization charge for the year	-	3.09	186.92	2.27	785.93	1.33	4.58	9.48	5.33	**998.93**	4.44
Disposals	-				(3.48)			(0.05)	(14.93)	**(18.46)**	
Balance as at March 31, 2018	**-**	**9.24**	**548.59**	**6.42**	**2,207.04**	**6.53**	**13.41**	**36.69**	**3.54**	**2,831.46**	**33.76**
Carrying amount (net)											
Balance as at March 31, 2017	**30.46**	**193.65**	**3,344.37**	**118.98**	**7,220.75**	**13.97**	**17.59**	**21.04**	**10.18**	**10,970.99**	**14.04**
Balance as at March 31, 2018	**30.46**	**190.56**	**3,225.67**	**116.71**	**6,777.07**	**18.55**	**13.01**	**18.09**	**0.88**	**10,391.00**	**9.60**

b. Capital work-in-progress

Capital work-in-progress as at March 31, 2018 amounts to ₹ 22.23 Lakhs comprising majorly of addition to factory building at chakan plant (weld shop division) for capacity expansion, while that as at March 31, 2017 amounts to ₹ 306.08 Lakhs comprising majorly of plant and machinery for upcoming projects.

c. Notes

(i) For Property, plant and equipment pledges as securities refer note 46. For contractual commitments towards acquisition of property plant and equipment's refer note 37 (a)

(ii) There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 79-95 years 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.

Notes forming part of financial statements

Note 6: Other financial assets (non current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Security deposits	55.80	59.30
Claims receivable	13.00	8.34
Margin money deposit (Under banks lien)	2.60	2.91
Total	**71.40**	**70.55**

Note 7: Deferred tax assets (net)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Deferred tax asset		
Unabsorbed depreciation	832.72	861.18
Provision for employee benefits	73.94	67.01
Provision for slow moving / obsolescence inventory	44.02	38.65
MAT credit receivable	91.00	91.00
Less: Provision for doubtful MAT credit	(91.00)	(91.00)
Expenditure covered by section 43 B of Income Tax Act, 1961	137.11	127.45
Others	42.14	21.48
	1,129.93	1,115.77
Deferred tax liability		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	1,129.93	1,115.77
	1,129.93	1,115.77
Total deferred tax assets (net)	**-**	**-**

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	Provision for employee benefits	Provision for slow moving / obsolescence inventory	MAT credit Receivable (net of provision)	Expenditure covered by section 43 B of Income Tax Act, 1961	Others	Depreciation
Balance as at March 31, 2016	809.65	39.87	35.13	-	132.33	22.60	(964.25)
(Charged)/ credited :							
-to profit or loss	51.53	27.14	3.52	-	(4.88)	(1.12)	2,080.02
-to other comprehensive income	-	-				-	-
Balance as at March 31, 2017	**861.18**	**67.01**	**38.65**	**-**	**127.45**	**21.48**	**1,115.77**
Balance as at April 1, 2017	861.18	67.01	38.65	-	127.45	21.48	1,115.77
(Charged)/ credited :							
-to profit or loss	(28.46)	6.93	5.37	-	9.66	20.66	(2,245.70)
-to other comprehensive income	-	-				-	-
Balance as at March 31, 2018	**832.72**	**73.94**	**44.02**	**-**	**137.11**	**42.14**	**(1,129.93)**

Notes forming part of financial statements

Note 8: Other non-current assets

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Capital advances	19.59	15.20
Others		
Security Deposit - Octroi	36.21	36.21
Claims receivable	169.73	131.06
Less: Provision for doubtful claims	55.72	55.72
	114.01	75.34
Total	**169.81**	**126.75**

Note 9: Income tax asset (net)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Opening balance	179.02	507.35
Less: Current tax payable for the year	-	-
Less: Refunds received during the year	-	(370.56)
Add: Taxes paid during the year	66.51	42.23
Closing balance	**245.53**	**179.02**

Note 10: Inventories

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Raw materials (includes goods-in-transit of ₹ 35.40 Lakhs; March 31, 2017: ₹ Nil)	1,965.76	1,253.81
Finished goods (includes goods-in-transit of ₹ 51.07 Lakhs; March 31, 2017: ₹ 37.58 Lakhs) *	175.56	193.67
Work-in-progress	519.75	723.99
Stores and spares	184.42	250.99
Scrap	29.48	21.74
Total	**2,874.97**	**2,444.20**

* Write-downs of inventories to net realizable value amounted to ₹ 2.10 Lakhs (March 31, 2017 ₹ 6.98 Lakhs). These were recognized as an expense during the year and included in 'changes in value of inventories of finished goods work-in-progress and stock-in-trade ' in the statement of profit and loss.

Note 11: Trade receivables

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Unsecured, considered good	3,153.15	5,031.19
Unsecured, considered doubtful	80.64	13.80
Total	**3,233.79**	**5,044.99**
Less: loss allowance	(80.64)	(13.80)
Net trade receivables	**3,153.15**	**5,031.19**

Notes forming part of financial statements

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

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Total trade receivables from related parties	1,699.55	2,122.58
Less: Loss allowance	(3.93)	(3.53)
Net trade receivables	**1,695.62**	**2,119.05**

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 32

Transferred receivables

The carrying amount of the trade receivables include receivables which are subject to factoring / discounting arrangement of ₹ Nil (March 31, 2017 : ₹ 2,054.44 Lakh). 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 recognize the transferred assets in their entirety in its balance sheet. The amount repayable under these agreement is presented as secured borrowing in note 19

The relevant carrying amounts are as follows:

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Total transferred receivables	-	2,054.44
Associated secured borrowing - Refer note 19	-	2,054.44

Note 12 (a): Cash and cash equivalents

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Bank balances		
- in current accounts	21.32	0.46
Cash on hand	0.81	1.35
Total	**22.13**	**1.81**

Note 12 (b): Bank balances other than (ii) above

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Bank balances		
- Margin money deposits (restricted)	0.96	0.96
- Balance with bank in unpaid dividend accounts (restricted)	1.80	2.26
Total	**2.76**	**3.22**

Notes forming part of financial statements

Note 13: Other financial assets (current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Claims receivable from customer / vendor	-	280.84
Security deposits	14.29	4.59
Advance to employees	6.34	8.71
Foreign currency derivative contracts	0.21	-
Total	**20.84**	**294.14**

Note 14: Other current assets

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Advances to suppliers	353.78	282.86
Balances with government authorities	293.92	696.93
Prepayments	66.13	56.42
Total	**713.83**	**1,036.21**

Note 15: Share Capital

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Authorised		
20,000,000 (March 31, 2017 : 20,000,000) equity shares of ₹ 10 each	2,000.00	2,000.00
16,000,000 (March 31, 2017:16,000,000) preference shares of ₹ 10 each	1,600.00	1,600.00
	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

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

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Equity shares		
At the commencement and at the end of the year	1,586.44	1,586.44

(b) Shares held by holding company

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
11,898,296 equity shares (March 31, 2017 : 11,898,296 equity shares) held by Tata AutoComp Systems Limited, the holding Company	1,189.83	1,189.83

Notes forming part of financial statements

(c) Details of shareholders holding more than 5% shares in the Company

Name of the shareholder	Number of shares held as on March 31, 2018	% holding	Number of shares held as on March 31, 2017	% holding
Tata AutoComp Systems Limited	11,898,296	75.00%	11,898,296	75.00%

(d) 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.

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

Note 16: Other equity

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Capital redemption reserve		
At the commencement and at the end of the year	300.00	300.00
Securities premium reserve		
At the commencement and at the end of the year	4,237.25	4,237.25
General reserve		
At the commencement and at the end of the year	444.15	444.15
Retained earning		
At the commencement of the year	(4,810.97)	(4,455.69)
(Loss) for the year	(4,656.08)	(287.06)
Remeasurements of post-employment benefit obligations during the period (net of tax)	8.17	(68.22)
At the end of the year	(9,458.88)	(4,810.97)
Total	**(4,477.48)**	**170.43**

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 utilized 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 utilized 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.

Notes forming part of financial statements

Note 17: Borrowings (non - current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Term Loan		
Secured		
From Banks	1,485.62	2,116.86
From Related party	1,034.89	1,635.41
Unsecured		
From Holding company		
Long term loan	1,350.00	1,350.00
Inter corporate deposit (ICD)	1,300.00	1,300.00
	5,170.51	**6,402.27**
Less: Current maturities of long-term borrowings	(1,350.00)	(1,094.46)
Less: Interest accrued	(14.23)	(20.98)
Total	**3,806.28**	**5,286.83**

The Company's exposure to interest rate and liquidity risks related to borrowings is disclosed in note 32

1. Details of repayment of term loans

Lender	Amount outstanding as at March 31, 2018	Amount outstanding as at March 31, 2017	Nature of Facility	Terms of repayment/ Maturity detail
State Bank of India	630.53	883.14	Term Loan	Phased repayment with quarterly installments ending in September 2020
State Bank of India	855.09	1,233.72	Term Loan	Phased repayment after 1 year morotorium period in quarterly fifteen installments ending in December 2019
Tata Capital Financial Services Limited - Term loan	1,034.89	1,635.41	Term Loan	Phased repayment with quarterly installments from September 2015 and ending in December 2019.
Tata AutoComp Systems Limited, Holding Company - Term loan	900.00	900.00	Term Loan	Repayment with scheduled installment in March 2020 (Rescheduled)

Notes forming part of financial statements

Tata AutoComp Systems Limited, Holding Company - Term loan	450.00	450.00	Term Loan	Repayment with scheduled installment in March 2020 (Rescheduled)
Tata AutoComp Systems Limited, Holding Company - ICD	1,300.00	1,300.00	Inter corporate deposits	Repayment with scheduled installment in March 2020 (Rescheduled)
Less: Current maturities of long-term borrowings	(1,350.00)	(1,094.46)		
Less: Interest accrued	(14.23)	(20.98)		
	3,806.28	**5,286.83**		

2. (a) Term loan of ₹ 1,034.89 Lakhs (March 31, 2017 ₹ 1,635.41 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.

(b) Term Loan of ₹ 630.53 Lakhs (March 31, 2017 ₹ 883.14 Lakhs) from State Bank of India is secured by exclusive first charge by way of hypothecation of specific press machinery at Halol Plant.

(c) Term Loan of ₹ 855.09 Lakhs (March 31, 2017 ₹ 1,233.72) 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 9.50% p.a. to 10.50% p.a.

Note 18: Provisions (non-current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
Compensated absences	176.13	178.65
Gratuity (Refer note 45)	239.28	216.84
Provision for warranty (Refer note 38)	6.76	7.27
Total	**422.17**	**402.76**

Note 19: - Borrowings (current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Secured		
Loans from banks repayable on demand	1,992.68	857.62
Factored receivables	-	2,054.44
From related party repayable on demand	1,415.06	-
Unsecured		
From Holding Company repayable on demand	1,750.00	-
	5,157.74	**2,912.06**
Less: Interest accrued	22.68	-
Total	**5,135.06**	**2,912.06**

Notes forming part of financial statements

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. Factored receivables were secured by first charge on trade receivables subjected to factoring arrangement.
3. Loan from related party is secured by first and exclusive hypothecation of plant and machinery (except for specific presses) of Pantnagar plant of the Company.
4. Interest rates on the above loans range between 8.60% p.a. to 10.50% p.a.

Note 20: Trade payables

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
(a) Total outstanding dues of micro enterprises and small enterprises	513.87	331.69
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Acceptances	565.11	419.45
- other than related parties	6,098.71	5,355.44
- to related parties	134.69	304.28
Total	**7,312.38**	**6,410.86**

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in note 32

Note 21: Other financial liabilities (current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Creditors for capital goods	19.53	156.38
Claims payable to customers	381.61	-
Current maturities of long-term borrowings	1,350.00	1,094.46
Unclaimed dividend	1.80	2.26
Accrued employee liabilities	287.40	400.97
Interest accrued	57.90	20.98
Security deposit	156.05	112.75
Derivative contracts	-	5.96
Total	**2,254.29**	**1,793.76**

The Company's exposure to currency and liquidity risks related to financial liabilities is disclosed in note 32

Note 22: Provisions (current)

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Provision for employee benefits		
Compensated absences	60.21	58.33
Provision for warranty (Refer note 38)	17.90	14.53
Total	**78.11**	**72.86**

Notes forming part of financial statements

Note 23: Other current liabilities

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Advance from customers	1,227.62	1,521.27
Deferred grant (₹ 3 Lakhs each year released to statement of profit and loss from year end March 31, 2017)	24.00	27.00
Other payables		
Statutory dues	324.40	289.59
Others	3.98	4.34
Total	**1,580.00**	**1,842.20**

Note 24: Revenue from operations (Refer note 2.2)

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Sale of products (including excise duty)	33,486.47	32,608.54
Sale of services	48.34	264.09
Other operating revenues	24.43	34.39
Total	**33,559.24**	**32,907.02**

Note 25: Other income

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest income on deposit with bank	1.48	40.40
Net gain on sale of property, plant and equipment	-	36.51
Other non-operating income	3.08	101.80
Total	**4.56**	**178.71**

Note 26 (a): Cost of materials consumed

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Inventory of raw materials at the beginning of the year	1,253.81	1,119.45
Add: Purchases	26,557.89	22,276.74
Less: Inventory of raw material at the end of the year	1,965.76	1,253.81
Total	**25,845.94**	**22,142.38**

Notes forming part of financial statements

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

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Opening stock		
Work-in-progress	723.99	431.11
Finished goods	193.67	221.09
Stock-in-trade (Scrap)	21.74	57.99
	939.40	710.19
Closing stock		
Work-in-progress	519.75	723.99
Finished goods	175.56	193.67
Stock-in-trade (Scrap)	29.48	21.74
	724.79	939.40
Total	**214.61**	**(229.21)**

Note 27: Employee benefits expenses

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Salaries, wages and bonus	2,849.61	2,976.52
Contributions to provident fund and other fund	265.70	284.75
Staff welfare expenses	353.05	387.36
Total	**3,468.36**	**3,648.63**

Note 28: Finance costs

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Interest and finance charges on financial liabilities not at fair value through profit or loss	1,147.84	912.05
Total	**1,147.84**	**912.05**

Note 29: Depreciation and amortization expense

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Depreciation of property, plant and equipment	998.93	927.57
Amortization of intangible assets	4.44	5.08
Total	**1,003.37**	**932.65**

Notes forming part of financial statements

Note 30: Other expenses

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Consumption of stores and spares	420.77	387.91
Outsourced direct labour cost	1,259.10	917.58
Power and fuel	895.44	740.43
Rent and service charges	149.54	161.90
Repairs and maintenance		
Buildings	92.43	114.38
Machinery	485.78	481.60
Others	74.27	68.43
Insurance	81.60	101.15
Rates and taxes	209.90	195.25
Communication expenses	15.95	21.19
Travelling and conveyance	37.48	60.88
Freight and forwarding	677.57	378.82
Consumption of packing material	27.52	49.61
Legal and professional fees [Refer note 30 (a)]	303.03	202.48
Provision for doubtful trade receivables	66.84	-
Net loss on foreign currency transaction and translation	8.70	4.40
Net loss on sale of property, plant and equipment	1.04	-
Processing charges	953.92	452.12
Security expenses	120.28	124.33
Miscellaneous expenses	179.13	282.94
Total	**6,060.29**	**4,745.40**

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

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
As Auditor		
Statutory audit fees	8.00	21.00 *
Tax audit fees	1.00	2.00 *
Limited review of quarterly results	3.00	1.00 *
Reimbursement of expenses	-	1.45 *
Total	**12.00**	**25.45**

* Paid to predecessor auditor

Notes forming part of financial statements

Note 31 : Fair Value Measurement

Financial Instrument by category:

As at March 31, 2018

(₹ in Lakhs)

Particulars	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
Financial Assets:			
Trade receivables	3,153.15	-	3,153.15
Cash and cash equivalents	22.13	-	22.13
Bank balances other than cash and cash equivalents	2.76	-	2.76
Other financial asset	92.03	0.21	92.24
Financial Liabilities:			
Borrowings	10,291.34	-	10,291.34
Trade Payable	7,312.38	-	7,312.38
Other financial liabilities	904.29	-	904.29

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 assets	364.69	-	364.69
Financial Liabilities:			
Borrowings	9,293.35	-	9,293.35
Trade payable	6,410.86	-	6,410.86
Other financial liabilities	693.34	5.96	699.30

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.

Notes forming part of financial statements

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

Level 3 - If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

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

	As at March 31, 2018	**Fair value measurement at end of the reporting period using**		
		Level 1	**Level 2**	**Level 3**
Assets				
Derivative financial instruments - foreign currency forward	0.21	-	0.21	-

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	-

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 9.50% to 10.50%. 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 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
For valuation of financial assets and liabilities, 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.

Notes forming part of financial statements

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 minimize 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.

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, 2018				
Non-derivatives				
Borrowings	6,485.06	3,681.28	125.00	10,291.34
Trade payables	7,312.38	-	-	7,312.38
Other financial liabilities	904.29	-	-	904.29
Total non-derivative liabilities	**14,701.73**	**3,681.28**	**125.00**	**18,508.01**

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
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**

(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.

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:-

(₹ in Lakhs)

	As at 31-Mar-18	As at 31-Mar-17
Variable rate borrowings	2,930.35	2,185.28
Fixed rate borrowings	7,360.94	5,053.16
Total borrowings	**10,291.29**	**7,238.44**

As at the end of the reporting period, the Company had the following variable rate borrowings contracts outstanding's

(₹ in Lakhs)

	As at March 31, 2018			As at March 31, 2017		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loan	9.35%	2,930.35	28.47%	10.14%	2,185.28	30.19%

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

Notes forming part of financial statements

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, 2018	As at March 31, 2017
Increases in rates by - 0.50%	2.49	12.71
Decreases in rates by - 0.50%	(2.49)	(12.71)

(b) Foreign currency risk

The Company imports includes raw materials and capital goods. 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 (₹). 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 ₹ cash flows of highly probable forecast transactions.

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

(₹ in Lakhs)

	As at March 31, 2018		As at March 31, 2017	
	USD	EUR	USD	EUR
Trade payables	21.99	18.89	266.09	15.52
Foreign exchange forward contracts	-	-	(266.09)	-
Net exposure to foreign currency risk (liabilities)	21.99	18.89	-	15.52

Sensitivity

The sensitivity for above net exposure to foreign currency for all liabilities does not have a material impact to profit and loss

(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 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.

Notes forming part of financial statements

- 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, 2018, that defaults in payment obligations will occur.
The Company follows 12 months expected credit losses (expected credit losses that result from those default events on the financial instrument that are possible within 12 months after the reporting date) model for recognition of impairment loss on financial assets measured at amortized 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, 2018			As at March 31, 2017		
Trade receivables	**Gross**	**Allowance**	**Net**	**Gross**	**Allowance**	**Net**
Period (in months)						
Not due	2,674.11	-	2,674.11	3,837.16	-	3,837.16
Overdue up to 3 months	377.10	-	377.10	927.18	-	927.18
Overdue 3-6 months	36.97	-	36.97	193.39	-	193.39
Overdue more than 6 months	145.61	80.64	64.97	87.26	13.80	73.46
Total	**3,233.79**	**80.64**	**3,153.15**	**5,044.99**	**13.80**	**5,031.19**

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

(₹ in Lakhs)

Loss allowance on April 01, 2016	**17.41**
Changes in loss allowance	(3.61)
Loss allowance on March 31, 2017	**13.80**
Changes in loss allowance	66.84
Loss allowance on March 31, 2018	**80.64**

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, 2018	As at March 31, 2017
Total long term debt (refer note 17)	3,806.28	5,286.83
Total equity	(2,891.04)	1,756.87
Total Capital	**915.24**	**7,043.70**

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.

As at 31 March 2018, the Company had breached the above covenant which has been waived by the said financial institution. However as at 31 March 2017, the Company has met the above requirement.

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.

Notes forming part of financial statements

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

(₹ in Lakhs)

Particulars	Year ended March 31, 2018	Year ended March 31, 2017
- Components, assemblies and sub-assemblies	27,191.65	25,920.07
- Tools, dies and moulds	1,882.03	3,681.73
- Scrap	4,485.56	3,305.22
Total	**33,559.24**	**32,907.02**

Revenue from 3 customer of the Company's single reportable segment is ₹ 25,755.39 lakhs (March 31, 2017 ₹ 27,253.97 lakhs) which are more than 10% of the Company's total revenue.

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

Other related parties (Group Companies)

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
xi) Tata Toyo Radiator Limited

Key management personnel

i) Mr. Anil Khandekar(till January 14, 2017)
ii) Mr. Prashant Mahindrakar (with effect from January 15, 2017)
iii) Mr. Pradeep Mallick, Director (Till November 19, 2017)
iv) Mr. Pradeep Bhargava, Director
v) Mr. Ramnath Mukhija, Director (With effect from March 10, 2017)
vi) Ms. Rati Forbes, Director

Notes forming part of financial statements

vii) Mr. Ajay Tandon, Director
viii) Mr. Deepak Rastogi, Director
ix) Mr. Harish Pathak, Director (With effect from March 10, 2017)
x) Mr. Bharat Parekh, Director (With effect from March 10, 2017)
xi) Mr. Arvind Goel, Director (Till March 10, 2017)

(b) Transactions with related parties

(₹ in Lakhs)

Particulars	Transaction value		Closing balance	
	Year ended March 31, 2018	Year ended March 31, 2017	As at March 31, 2018	As at March 31, 2017
Sale of goods				
- Tata Motors Limited	17,511.31	18,964.53	1,784.45	(159.28)
- Fiat India Automobiles Private Limited	5,419.54	3,472.38	938.39	554.15
- Fellow Subsidiaries	-	0.15	-	-
Purchase of goods				
- Tata Motors Limited	268.03	1,787.69	139.15	(127.92)
- Tata AutoComp Systems Limited	27.28	188.23	(34.67)	339.46
- Tata Steel Limited	641.20	1,190.97	3.22	98.56
- Tata Steel Processing and Distribution Limited	3,103.46	1,570.87	(64.64)	7.95
- Fellow Subsidiaries	-	-	-	6.01
- Other Group Companies	4.73	3.67	(2.91)	2.91
Sale of service				
- Tata Motors Limited	31.50	237.66	-	-
Purchase of service				
- Tata Sons Limited	-	0.23	-	0.10
- Tata AutoComp Systems Limited	91.94	183.97	(22.50)	186.72
- Fellow Subsidiaries	68.48	62.40	5.84	5.84
- Other Group Companies	11.06	27.97	(0.65)	0.07
Sale of fixed asset				
- Tata AutoComp Systems Limited	-	31.02	-	-
Recovery of expenses				
- Tata AutoComp Systems Limited	3.98	-	(0.84)	7.91
- Fellow Subsidiaries	-	0.95	-	-
- Other Group Companies	-	13.01	0.07	7.04
Reimbursement of expenses				
- Tata AutoComp Systems Limited	9.67	6.15	(2.82)	-
Loan availed				
- Tata AutoComp Systems Limited - Short term loan	1,750.00	-	3,100.00	1,350.00
- Tata AutoComp Systems Limited - ICD	-	-	1,300.00	1,300.00
- Tata Capital Financial Services Limited	4,900.00	-	2,434.05	1,634.00
Loan repaid				
- Tata AutoComp Systems Limited - Short term loan				
- Tata AutoComp Systems Limited - ICD	-	(78.00)	-	-
- Tata Capital Financial Services Limited	(3,500.00)	(240.00)	-	-
Interest paid				
- Tata AutoComp Systems Limited	403.03	277.85	-	-
- Tata Capital Financial Services Limited	241.70	188.18	(16.03)	1.43

Notes forming part of financial statements

Sitting fees				
- Mr. Pradeep Mallick	5.00	7.70	-	-
- Mr. Pradeep Bhargava	7.20	7.70	-	-
- Ms. Rati Forbes	7.80	7.00	-	-
- Mr. Ramnath Mukhija	6.20	0.50		
Remuneration				
- Mr. Anil Khandekar				-
Short term employee benefits	-	44.95	-	-
Post employment benefits paid	-	8.72	-	-
- Mr. Prashant Mahindrakar (Refer note d below)				
Short term employee benefits	53.98	8.80	-	-

Notes:-

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 ₹ NIL lakhs (March 31, 2017 ₹ 500 lakhs) to State Bank of India with respect to credit facilities availed by the Company.

d) As post employment obligations and other long-term employee benefits obligations are computed for all employees in aggregate, the amounts relating to key management personnel cannot be individually computed and hence are not included in the above.

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

(₹ in Lakhs)

Particulars	As at March 31, 2018	As at March 31, 2017
Claims against the Company not acknowledged as debts		
Excise duty related matters	118.27	138.71
Labour matter (Refer note below)	213.87	205.44
Other matters	52.43	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, 2018	As at March 31, 2017
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	559.04	134.45

Notes forming part of financial statements

(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	Year ended March 31, 2018	Year ended March 31, 2017
Lease/ rent payments recognized in the Statement of Profit and Loss during the year	61.80	61.80

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Payable in less than one year	61.80	61.80
Payable between one and five years	61.80	123.60
Payable after more than five years	-	-
Total	**123.60**	**185.40**

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, 2018 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, 2018	As at March 31, 2017
Carrying amount at the beginning of the year	21.80	16.36
Additional provision made during the year	3.90	6.35
Amounts used during the year	(1.04)	(0.91)
Carrying amounts at the end of the year	**24.66**	**21.80**

Note 39 : Loss per share

	As at March 31, 2018	As at March 31, 2017
Profit for the year as per Statement of Profit and Loss	(4,656.08)	(287.06)
Weighted average no. of equity shares	15,864,397	15,864,397
(Loss) per share (Basic and Diluted)	(29.35)	(1.81)
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)

	March 31, 2018	March 31, 2017
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of year		
- Principal amount due to micro and small enterprises	513.87	331.69
- Interest on the principal amount due	0.40	1.59
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year		
- Payments made to suppliers beyond the appointed date	2,974.85	1,280.57
- Interest paid on above	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006	11.71	4.56
The amount of interest accrued and remaining unpaid at the end of each year	12.11	6.15
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the supplier.	59.02	46.91

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 : 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.

Note 42 : 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 recognized.

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Unused Tax losses for which no deferred tax asset has been recognised		
- Business Losses	5,972.64	2,467.60
- Unabsorbed depreciation	5,084.28	3,780.82
Potential tax benefit	3,416.59	1,930.76

Notes forming part of financial statements

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

Expiry date	Amounts
March 31, 2023	1,379.30
March 31, 2024	1,088.30
March 31, 2026	3,505.04
Total	**5,972.64**

Note 43 : 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 44 : Details of Specified Bank Notes ('SBN') held and transacted during the period 08 November 2016 to 30 December 2016 (in accordance with the notification issued by Ministry of Corporate Affairs G.S.R. 308 (E) dated 30th March 2017)

	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

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

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

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 recognized 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

Changes in present value of defined benefit obligation are as follows:

(₹ in Lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at 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 recognized 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 recognized in other comprehensive income	**58.08**	**10.14**	**68.22**
Employer contributions	-	(2.45)	**(2.45)**
Benefit payments	(30.58)	-	**(30.58)**
Closing defined benefit obligation as at 31 March 2017	**591.15**	**(374.31)**	**216.84**

(₹ in Lakhs)

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2017	591.15	(374.31)	**216.84**
Current service cost	46.70	-	**46.70**
Interest expense/(income)	39.91	(25.98)	**13.93**
Total amount recognized in profit or loss	**86.61**	**(25.98)**	**60.63**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	0.96	**0.96**
(Gain)/loss from change in demographic assumptions	-	-	**-**
(Gain)/loss from change in financial assumptions	(14.67)	-	**(14.67)**
Experience (gains)/losses	5.53	-	**5.53**
Total amount recognized in other comprehensive income	**(9.14)**	**0.96**	**(8.18)**
Employer contributions	-	(4.50)	**(4.50)**
Benefit payments	(25.51)	-	**(25.51)**
Closing defined benefit obligation as at 31 March 2018	**643.11**	**(403.83)**	**239.28**

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

(₹ in Lakhs)

	As at March 31, 2018	As at March 31, 2017
Present value of funded obligations	643.11	591.15
Fair value of plan assets	(403.83)	(374.31)
Non-current liability recognized in balance sheet	**239.28**	**216.84**

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

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

(₹ in Lakhs)

	Year ended March 31, 2018	Year ended March 31, 2017
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(27.45)	(26.07)
(ii) 1% decrease in discount rate	30.03	28.61
(iii) 1% increase in rate of salary escalation	29.69	28.14
(iv) 1% decrease in rate of salary escalation	(27.65)	(26.14)

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 recognized 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, 2018	As at March 31, 2017
Insurer managed funds*	100%	100%

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

Contribution expected to be paid to the plan during the next financial year ₹ 4.97 lakhs (March 31, 2017 ₹ 4.34 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, 2018	As at March 31, 2017
Defined benefit obligation		
Less than a year	119.93	107.46
Between 1 - 2 years	114.02	103.11
Between 2 - 5 years	315.86	288.52
Over 5 years	445.65	380.60
Total	**995.46**	**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, 2018	As at March 31, 2017
Contribution to Employees' Superannuation Fund	19.19	24.86
Contribution to Provident Fund	143.81	172.10
Contribution to Employee's State Insurance Scheme	17.76	20.04

(C) Risk exposure

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

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

(₹ in Lakhs)

	March 31, 2018	March 31, 2017
Current		
Financial assets		
First charge		
Factored receivables	-	2,054.44
Other receivables	3,153.15	2,976.75
Non-financial assets		
First charge		
Inventories	2,874.97	2,444.20
Total current assets pledged as security	**6,028.12**	**7,475.39**
Non-current		
Non-financial assets		
First charge		
Plant and machinery	5,988.21	6,385.90
Second charge		
Freehold land	23.55	23.56
Building	1,183.56	1,198.31
Total non-current assets pledged as security	**7,195.32**	**7,607.77**
Total assets pledged as security	**13,223.44**	**15,083.16**

Note 47 :

The figures for the previous year have been regrouped / rearranged as necessary to conform to current year's presentation and disclosure.

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

Swapnil Dakshindas
Partner
Membership No: 113896

Place: Pune
Date: April 26, 2018

For and on behalf of the Board of Directors
Automotive Stampings and Assemblies Limited
CIN:L28932PN1990PLC016314

Ramnath Mukhija
Chairman
DIN: 00001653

Deepak Rastogi
Director
DIN: 02317869

Prashant Mahindrakar
Chief Executive Officer

Anubhav Maheshwari
Chief Financial Officer

Ashutosh Kulkarni
Company Secretary

Place: Pune
Date: April 26, 2018