INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF AUTOMOTIVE STAMPINGS AND ASSEMBLIES LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Automotive Stampings and Assemblies Limited ("the Company"), which comprise the balance sheet as at 31 March 2022, and the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Material uncertainty Related to Going Concern

We draw your attention to note 4.2 to the financial statements, which states that the Company has incurred losses in the recent years which was also impacted by COVID-19. While there has been an improvement in business operations in the current period, it has incurred a net loss before exceptional items and tax of INR 767.34 lakhs during the year ended 31 March 2022. Further, as at date, the Company's liabilities exceed its total assets by INR 3,571.42 lakhs and the net worth of the company as at 31 March 22 is negative. These events or conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. However, the Management has prepared the financial statements on a going concern basis since they have a reasonable expectation that the company would be able to meet its liabilities on the basis of letter of financial support provided by the Holding Company, access to alternative sources of funding by the Group entities, implementation of various measures to improve operational efficiency and optimise margins.

Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the Material Uncertainty related to Going Concern section we have determined the matter described below to be the key audit matter to be communicated in our report.

The Key Audit Matter	How the matter was addressed in our audit
Impairment evaluation of Property, Plant and Equipment ("PPE") (refer note 2.4 and 5 to the financial statements) Based on the guidance provided by Ind AS 36 'Impairment of assets', the following indicators that PPE may be impaired have been identified: - As of 31 March 2022, the Company's total liabilities exceeded its total assets by INR 3,571.42 Lakhs - The Company has been consistently reporting losses before exceptional items and tax for the past 10 years. For the year ended 31 March 2022, the Company has reported a net loss before exceptional items and tax amounting to INR 767.34 Lakhs. - The automobile sector has business and operational challenges due to the COVID-19 pandemic. Therefore, as required by Ind AS 36, the Company has estimated the recoverable amount of its PPE with the assistance of an external expert. The fallout of the COVID-19 pandemic has repercussions on the Indian economy. Any valuation / forecasting assessments performed in this environment are exposed to a higher-than-usual degree of estimation uncertainty and judgement. Accordingly, this is a key audit matter.	Our audit procedures included: - Obtaining an understanding of the Company's process and key controls over the impairment evaluation. - Assessing and testing the design and operating effectiveness of such controls. - Evaluating the Company's process with respect to impairment assessment and fair valuation. Assessed the competence, experience and objectivity of the expert engaged by the management. - Involving our valuation specialists to assess and challenge the appropriateness of the valuation model and the underlying assumptions. - Assessing and testing the sensitivity analysis performed by the Company and evaluating whether any possible changes in assumptions could lead to a significant change the recoverable value.

Other information

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

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

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

Management's and Board of Directors' Responsibility for the Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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, the Management and Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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

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

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

    c) The balance sheet, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on 31 March 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of Section 164(2) of the Act.

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

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

    a) The Company has disclosed the impact of pending litigations as at 31 March 2022 on its financial position in its financial statements - Refer Note 41 to the financial statements;

    b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

    c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

    d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries.

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has neither declared nor paid any dividend during the year.

(C) With respect to the matter to be included in the Auditors’ Report under section 197(16):

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

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

Abhishek
Partner
Membership No. No: 062343
UDIN: 22062343AHTAAX9948

Place: Pune
Date: 25 April 2022

Annexure A to the Independent Auditors' report on the financial statements of Automotive Stampings and Assemblies Limited for the period ended 31 March 2022.

With reference to Annexure A 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 financial statements for the year ended 31 March 2022, we report that:

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

(a) (B) The Company has maintained proper records showing full particulars of intangible assets.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has a regular programme of physical verification of its Property, Plant and Equipment by which all property, plant and equipment are verified every year. In accordance with this programme, property, plant and equipment were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable property (other than properties where the company is the lessee, and the lease agreements are duly executed in favour of the lessee). Accordingly, clause3(i)(c) of the Order is not applicable.

(d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.

(e) According to information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.

ii.(a) The inventory, except goods-in-transit and stocks lying with third parties, has been physically verified by the management during the year. For stocks lying with third parties at the year-end, written confirmations have been obtained and for goods-in-transit subsequent evidence of receipts has been linked with inventory records. In our opinion, the frequency of such verification is reasonable and procedures and coverage as followed by management were appropriate. No discrepancies were noticed on verification between the physical stocks and the book records that were more than 10% in the aggregate of each class of inventory.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets. In our opinion, the quarterly returns or statements filed by the Company with such banks or financial institutions are in agreement with the books of account of the Company.

iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. Accordingly, provisions of clauses 3(iii)(a) to 3(iii)(f) of the Order are not applicable to the Company.

iv. According to the information and explanations given to us and on the basis of our examination of records of the Company, the Company has neither made any investments nor has it given loans or provided guarantee or security and therefore the relevant provisions of Sections 185 and 186 of the Companies Act, 2013 ("the Act") are not applicable to the Company. Accordingly, clause 3(iv) of the Order is not applicable.

v. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

vi. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 for the products manufactured by it (and/or services provided by it). Accordingly, clause 3(vi) of the Order is not applicable.

vii.(a) The Company does not have liability in respect of Service tax, Duty of excise, Sales tax and Value added tax during the year since effective 1 July 2017, these statutory dues has been subsumed into GST.

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 Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues have generally been regularly deposited with the appropriate authorities, though there have been slight delays in a few cases of Profession Tax, Provident fund, and Employees' State Insurance, except for certain dues in relation to provident fund related matters referred to in note 41(b) to the financial statements.

According to the information and explanations given to us, no undisputed amounts payable in respect of Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-Tax, Duty of Customs, Cess and other statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable, except for certain dues in relation to provident fund related matters referred to in note 41(b) to the financial statements.

(b) According to the information and explanations given to us, statutory dues relating to Goods and Service Tax, Provident Fund, Employees State Insurance, Income-Tax, Duty of Customs or Cess or other statutory dues which have not been deposited on account of any dispute are as follows:

Name of the statute	Nature of the dues	Amount (₹ in Lakhs) (Gross Demand)	Amount (₹ in Lakhs) (Paid under Protest)	Period to which the amount relates	Forum where dispute is pending
Central Excise Act, 1944	Duty	31.70	-	2007-08	Custom, Excise and Service Tax Appellate Tribunal
	Duty	123.96	-	2008-09	Custom, Excise and Service Tax Appellate Tribunal
	Penalty	83.82	69.83	2006-11	Bombay High Court
	Duty	357.37	-	2002-05	Custom, Excise and Service Tax Appellate Tribunal
Bombay Sales Tax Act, 1959	Sale Tax	2.92	-	2002-03	Joint Commission (Appeals)
Income Tax Act, 1961	Income Tax	30.08	-	2002-03	Commissioner of Income Tax (Appeals)
	Income Tax	17.78	-	2005-06	Commissioner of Income Tax (Appeals)

viii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.

ix. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not defaulted in repayment of loans and borrowing or in the payment of interest thereon to banks or financial institutions or any other lender during the year.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

(c) In our opinion and according to the information and explanations given to us by the management, no term loans were obtained. Accordingly, clause 3(ix)(c) is not applicable.

(d) According to the information and explanations given to us and on an overall examination of the balance sheet of the company, we report that no funds raised on short-term basis have been used for long-term purposes by the company.

(e) The Company does not hold any investment in any subsidiary, associate or joint venture (as defined under Companies Act, 2013) during the year ended 31 March 2022. Accordingly, clause 3(ix)(e) is not applicable.

(f) According to the information and explanations given to us and procedures performed by us, we report that the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies (as defined under the Act).

x. (a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.

(b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

xi. (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

xii. According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.

xiii. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business

(b) We have considered the internal audit reports of the Company issued till date for the period under audit.

xv. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

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

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

(c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

(d) According to the information and explanation given to us by the management, the Group has five CICs which are registered with the Reserve Bank of India and 1 CIC which is not required to be registered with the Reserve Bank of India.

xvii. The Company has not incurred cash losses in the current financial year however cash losses of INR 1,823.46 lakhs was incurred in the immediately preceding financial year.

xviii. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

xix. We draw attention to Note 4.2 to the financial statements, which indicates that the Company has incurred a net loss before exceptional items and tax of INR 767.34 lakhs during the year ended 31 March 2022 and, as of that date, the Company’s net worth is fully eroded and that the current liabilities exceed its current assets by INR 3,571.42 lakhs. On the basis of the above and according to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, the aforesaid events or conditions indicate that a material uncertainty exists as on the date of the audit report regarding whether the Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, Tata AutoComp System Limited, the holding company, has given a letter that it would continue to provide financial support to the Company in the foreseeable future to meet its obligations.

xx. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Companies Act, 2013 pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

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

Abhishek
Partner
Membership No.: 062343
UDIN: 22062343AHTAAX9948

Place: Pune
Date: 25 April 2022

Annexure B to the Independent Auditors' report on the financial statements of Automotive Stampings and Assemblies Limited for the period ended 31 March 2022.

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

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

Opinion

We have audited the internal financial controls with reference to financial statements of Automotive Stampings and Assemblies Limited ("the Company") as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controlswith reference to financial statements and such internal financial controls were operating effectively as at 31 March 2022, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

Meaning of Internal Financial controls with Reference to Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

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

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

Abhishek
Partner
Membership No. 062343
UDIN: 22062343AHTAAX9948

Place: Pune
Date: 25 April 2022

Automotive Stampings and Assemblies Limited

BALANCE SHEET

(All figures in INR Lakhs, unless otherwise stated)

	Notes	As at March 31, 2022	As at March 31, 2022
ASSETS			
Non-current assets			
Property, plant and equipment	5	7,551.36	8,104.35
Capital work-in-progress	5	316.27	92.23
Right-of-use assets	6	1,434.20	221.98
Intangible assets	7	22.85	30.67
Financial assets			
(i) Other financial assets	8	136.74	114.30
Deferred tax assets (net)	9	-	-
Income tax asset (net)	10	342.12	148.55
Other non-current assets	11	331.28	336.63
Total non-current assets		**10,134.82**	**9,048.71**
Current assets			
Inventories	12	4,053.34	3,675.97
Financial assets			
(i) Trade receivables	13	2,302.06	3,115.47
(ii) Cash and cash equivalents	14	357.10	2.59
(iii) Bank balances other than (iii) above	15	65.47	0.96
(iv) Other financial assets	8	14.14	31.13
Other current assets	16	1,162.59	856.82
Assets held for sale	17	-	751.43
Total current assets		**7,954.70**	**8,434.37**
Total assets		**18,089.52**	**17,483.08**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	1,586.44	1,586.44
Reserves and surplus	19	(5,157.86)	(10,458.51)
Total equity		**(3,571.42)**	**(8,872.07)**
Liabilities			
Non-current liabilities			
Financial liabilities			
(i) Borrowings	20	-	3,607.81
(ii) Lease liabilities	6	3,666.91	-
Provisions	21	377.40	505.45
Total non-current liabilities		**4,044.31**	**4,113.26**
Current liabilities			
Financial liabilities			
(i) Borrowings	22	4,284.28	12,133.17
(ii) Trade payables	23		
(a) total outstanding dues of micro and small enterprises		1,181.31	459.69
(b) total outstanding dues other than (ii) (a) above		9,869.18	7,237.47
(iii) Lease liabilities	6	243.23	109.10
(iv) Other financial liabilities	24	534.26	701.17
Provisions	21	41.68	277.65
Other current liabilities	25	1,462.69	1,323.64
Total current liabilities		**17,616.63**	**22,241.89**
Total equity and liabilities		**18,089.52**	**17,483.08**

Summary of significant accounting policies 2-4
See accompanying notes to the standalone financial statements 4-51
The notes referred to above form an integral part of the standalone financial statements

As per our report of even date.

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

Abhishek
Partner
Membership No: 062343

ICAI UDIN: 22062343AHTAAX9948

Place: Pune
Date: April 25, 2022

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

Pradeep Bhargava
Chairman
DIN: 00525234

Deepak Rastogi
Director
DIN: 02317869

Yogesh Jaju
Chief Financial Officer

Jitendraa Dikkshit
Chief Executuve Officer

Prasad Zinjurde
Company Secretary

Place: Pune
Date: April 25, 2022

STATEMENT OF PROFIT AND LOSS

(All figures in INR Lakhs, unless otherwise stated)

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers	26	60,763.71	33,913.02
Other income	27	227.44	5.20
Total income		**60,991.15**	**33,918.22**
Expenses			
Cost of materials consumed	28	49,327.09	25,602.51
Changes in inventories of finished goods, work-in-progress, stock-in-trade and tools	29	(258.31)	194.52
Employee benefits expense	30	3,108.60	2,920.12
Finance costs	31	1,497.30	1,829.34
Depreciation and amortization expense	32	1,084.41	1,146.42
Other expenses	33	6,999.40	5,195.20
Total expenses		**61,758.49**	**36,888.11**
Profit before exceptional items and tax		**(767.34)**	(2,969.89)
Exceptional item	48	**5,998.42**	-
Profit/(Loss) before tax		**5,231.08**	**(2,969.89)**
Income tax expense:		-	-
Current tax		-	-
Deferred tax		-	-
Profit (Loss) for the year		**5,231.08**	**(2,969.89)**
Other Comprehensive Income (OCI)			
Items that will not be reclassified subsequently to profit or loss			
Remeasurements of post-employment benefit obligations		**69.57**	(18.85)
Income tax relating to items that will not be reclassified to profit or loss			
Total other comprehensive income / (loss) for the year		**69.57**	**(18.85)**
Total Comprehensive income / (loss) for the year (TCI)		5,300.65	-2,988.74
Earnings per equity share			
Basic earning per share of face value of Rs 10 each	41	32.97	(18.72)
Diluted earning per share of face value of Rs 10 each		32.97	(18.72)

Summary of significant accounting policies 2-4
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Company Secretary

Place: Pune
Date: April 25, 2022

CASH FLOW STATEMENT

(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit before tax	5,231.08	(2,969.89)
Adjustments for:		
Depreciation and amortisation expense	1,084.41	1,146.42
Net (Gain) / loss on disposal of property, plant and equipment	(6,683.34)	2.25
Provision for tax contingencies written back	(149.04)	-
Changes in fair value of financial assets at fair value through profit or loss	-	0.52
Finance costs	1,497.30	1,829.34
Interest income	(1.53)	(2.20)
	978.88	**6.44**
Change in operating assets and liabilities:		
Decrease in trade receivables	813.41	52.01
Increase in inventories	(377.37)	(538.79)
Increase in trade payables	3,502.37	657.30
Increase in other non-current financial assets	(22.44)	-
Decrease in other current financial assets	16.99	403.48
Decrease in other non-current assets	(7.64)	8.75
Increase in other current assets	(305.77)	(80.79)
(Decrease) / increase in non-current provisions	(58.48)	70.17
(Decrease) / increase in current provisions	(235.97)	28.23
Increase in other current liabilities	139.05	212.23
Increase / (decrease) in other current financial liabilities	132.95	(470.94)
Other financial liabilities non-current	-	-
Cash generated from operations	**4,575.98**	**348.09**
Income taxes paid (net of refund, if any)	(193.57)	74.69
Net cash flow from operating activities (A)	**4,382.41**	**422.78**
B. Cash flow from investing activities		
Acquisition of property, plant and equipment	(1,784.48)	(121.02)
Advance received for sale of property, plant and equipment	-	345.00
Proceeds on sale of property, plant and equipment	10,971.60	50.13
Fixed deposit (placed) / matured with banks	(64.51)	12.00
Interest received	1.53	2.20
Net cash generated from investing activities (B)	**9,124.14**	**288.30**
C. Cash flow from financing activities		
Interest paid	(1,432.41)	(1,863.97)
Payment of Initial direct cost for lease	(63.16)	-
Payment of lease liabilities	(199.77)	(102.01)
Repayment of long term borrowings	(3,925.00)	(1,254.87)
Proceeds from Long term borrowings	-	2,325.00

CASH FLOW STATEMENT (CONTD.)

(All figures in INR Lakhs, unless otherwise stated)

	Year ended March 31, 2022	Year ended March 31, 2021
Proceeds from short term borrowings availed	13,596.10	26,111.00
Repayment of short term borrowings availed	(21,127.81)	(25,964.62)
Net cash flow used in financing activities (C)	**(13,152.04)**	**(749.47)**
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**354.51**	**(38.39)**
Cash and cash equivalents at the beginning of the period	2.59	40.98
Cash and cash equivalents at the end of the year	**357.10**	**2.59**
Cash and cash equivalents as per above comprise of the following:		
Cash on hand	0.29	0.29
Balances with banks	356.81	2.30
	357.10	**2.59**

Changes in liabilities arising from financing activities (INR In Lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Non-current borrowings: (Including current maturities)		
Opening balance	**3,925.00**	2,854.87
Amount borrowed during the year	**-**	2,325.00
Amount repaid during the year	**(3,925.00)**	(1,254.87)
Closing balance	**-**	3,925.00
Short term borrowings: (Excluding current maturities of long term debt)		
Opening balance	**11,815.98**	11,669.60
Amount borrowed during the year	**13,596.10**	26,111.00
Amount repaid during the year	**(21,127.81)**	(25,964.62)
Closing balance	**4,284.27**	11,815.98
Finance cost:		
Opening balance	**106.06**	140.69
Finance cost incurred during the year	**1,440.29**	1,829.34
Amount paid during the year	**(1,432.41)**	(1,863.97)
Closing balance	**113.94**	106.06

Summary of significant accounting policies 2-4
See accompanying notes to standalone financial statements 4-51

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

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Partner
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ICAI UDIN: 22062343AHTAAX9948

Place: Pune
Date: April 25, 2022

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Chief Executuve Officer

Prasad Zinjurde
Company Secretary

Place: Pune
Date: April 25, 2022

Statement of changes in equity

(All figures in INR Lakhs, unless otherwise stated)

A. Equity Share Capital

1. As at March 31, 2022

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,586.44	-	1,586.44	-	**1,586.44**

2. As at March 31, 2021

Balance at the beginning of the current reporting period	Changes in Equity Share Capital due to prior period errors	Restated balance at the beginning of the current reporting period	Changes in equity share capital during the current year	Balance at the end of the current reporting period
1,586.44	-	1,586.44	-	**1,586.44**

B. Other equity

Particulars	**Reserves and surplus**				**Total**
	General reserve	**Capital redemption reserve**	**Securities premium**	**Retained earnings**	
As at April 1, 2020	444.15	300.00	4,237.26	(12,451.18)	**(7,469.77)**
Loss for the year	-	-	-	(2,969.89)	**(2,969.89)**
Other comprehensive income, net of tax	-	-	-	(18.85)	**(18.85)**
					-
As at March 31, 2021	**444.15**	**300.00**	**4,237.26**	**(15,439.92)**	**(10,458.51)**
As at April 1, 2021	444.15	300.00	4,237.26	(15,439.92)	**(10,458.51)**
Profit for the period				5,231.08	**5,231.08**
Other comprehensive income, net of tax				69.57	**69.57**
As at March 31, 2022	**444.15**	**300.00**	**4,237.26**	**(10,139.27)**	**(5,157.86)**

Nature and purpose of other reserves

General Reserve

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

Capital Redemption Reserve

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

Securities Premium

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

Statement of changes in equity

(All figures in INR Lakhs, unless otherwise stated)

Retained Earnings

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

Summary of significant accounting policies	2-4
See accompanying notes to the standalone financial statements	4-51

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

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Chief Executuve Officer

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Company Secretary

Place: Pune
Date: April 25, 2022

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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 - TACO House, Plot No- 20/B FPN085, V. G. Damle Path, Off Law College Road, Erandwane, Pune: 411004, 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.

The accounting policies applied in these financial statements are the same as those applied in the financial statements as at and for the year ended 31 March 2022.

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 25, 2022.

(ii) Basis of measurement

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

(iii) Functional and presentation currency

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

(iv) Current versus non-current classification

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

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

All other assets are classified as non-current. A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

(v) Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values. In determining the fair value of its financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each reporting date. The Chief Financial Officer and persons entrusted have overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values and assessments that these valuations meet the requirements of Ind AS. The methods used to determine fair value include discounted cash flow analysis, available quoted market prices and dealer quotes. All methods of assessing fair value result in general approximation of value, and such value may never actually be realised.

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

Level 1: Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs). The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified. When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

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

Further information about the assumptions made in measuring fair values is included in the following note:- Note 32- Financial risk management"

(vi) Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company's normal operating cycle is less than 12 months.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

2.2 Revenue recognition

The Company generates revenue principally from -

(i) Sale of products including scrap sales:

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

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

(ii) Sale of tools:

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

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

(iii) Sale of services:

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

(iv) Other Income:

Interest Income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable and dividend income from investments in shares is recognised when the owner's right to receive the payment is established.

(v) Contract liabilities:

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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 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 less impairment loss, if any. Historical cost comprises of purchase price, including non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use. Subsequent costs are included in the asset's carrying amount or 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.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separated items (major components) of property, plant and equipment.

Depreciation methods, estimated useful lives and residual value:

Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful lives of the assets which in certain cases may be different than the rate prescribed in Schedule II to the Companies Act, 2013, in order to reflect the actual usages of the assets.

The asset's residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Class of Asset	Useful life as prescribed in Schedule II of Companies Act, 2013 (in years)	Useful life as followed by the Company (in year)
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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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

The assets' residual values, useful lives and method of depreciation are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

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

2.5 Intangible asset

Intangible assets that are acquired by the Company are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates. Intangible assets are amortized on a straight line basis over their estimated useful lives ranging from 3-5 years. The amortization period and amortization method are reviewed as at each Balance sheet end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly. Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

2.6 Non-current assets classified as held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less cost to sell. An impairment loss is recognised for any initial or subsequent write down of the asset to fair value less cost to sell. A gain is recognised for any subsequent increase in fair value less cost to sell of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of sale of the non-current asset is recognised at the date of de-recognition.

Non-current assets are not depreciated or amortized while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet.

2.7 Borrowings

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

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/(losses). Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

2.8 Borrowing cost

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

2.9 Leases

A. Recognition

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

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

This policy is applied to contracts entered into, or changed, on or after April 01, 2019.

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

B. Company as a lessee

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

The Company recognises a Right-Of-Use (ROU) asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

underlying asset or the site on which it is located, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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

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

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

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

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

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

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

C. Sale and leaseback of Assets

Ind As 116 requires,The Company shall apply Ind AS 116 which says the requirements for determining when a performance obligation is satisfied in Ind AS 115 to determine whether the transfer of an asset is accounted for as a sale of that asset.

(a) the seller-lessee shall measure the right-of-use asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the right of use retained by the seller-lessee. Accordingly, the seller-lessee shall recognise only the amount of any gain or loss that relates to the rights transferred to the buyer-lessor.

(b) the buyer-lessor shall account for the purchase of the asset applying applicable Standards, and for the lease applying the lessor accounting requirements in this Standard.

If the fair value of the consideration for the sale of an asset does not equal the fair value of the asset, or if the payments for the lease are not at market rates, an entity shall make the following adjustments to measure the sale proceeds at fair value:

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

(a) any below-market terms shall be accounted for as a prepayment of lease payments; and (b) any above-market terms shall be accounted for as additional financing provided by the buyer-lessor to the seller-lessee.

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

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

2.10 Inventories

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

2.11 Employee benefits

(i) Short-term obligations

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

The liabilities are presented as current employee benefit obligations in the balance sheet.

(ii) Other long-term employee benefit obligations

The liabilities for 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 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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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.

2.12 Financial instruments

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

(i) Classification

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

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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

(ii) Measurement

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

Subsequent measurement of debt instruments depends on the Company's business models for managing the assets and the cash flow characteristics of the assets. There are three measurement categories into which the Company classifies its debt instruments:

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

Fair Value through Other Comprehensive Income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through Other Comprehensive Income (OCI), except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in statement of profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented net in the statement of profit and loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income

Equity instruments:

The Company subsequently measures all equity investments at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any

Notes to financial statement

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

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

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

(iii) Impairment of financial assets

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 45 (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.

An impairment loss for financial assets is reversed if the reversal can be related objectively to an event occurring after the impairment loss has been recognized.

(iv) Derecognition

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- Retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

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

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

Notes to financial statement

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such gain or loss would have otherwise been recognized in profit or loss on disposal of the financial asset.

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

2.13 Offsetting financial instruments

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

2.14 Impairment of non-financial assets

The Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For impairment testing, assets that do not generate independent cash inflows are grouped together into cash generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs. The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset). An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss.

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

2.15 Cash and cash equivalents

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

2.16 Earnings/(loss) per share

(I) Basic earnings/ (loss) per share

Basic earnings / (loss) per share is calculated by dividing:

- the profit attributable to owners of the Company

Notes to financial statement

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- by the weighted average number of equity shares outstanding during the financial year.

(ii) Diluted earnings / (loss) per share

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

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

2.17 Income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously. Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.18 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. 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.

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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.

2.19 Segment reporting

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

2.20 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.

2.21 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.

2.22 Cash flow statement

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

Note 3: Recent pronouncements

Ministry of Corporate Affairs (“MCA”) notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended

Notes to financial statement

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use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss. The Company does not expect the amendments to have any impact in its recognition of its property, plant and equipment in its financial statements.

Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts. The amendment is essentially a clarification and the Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability. The Company does not expect the amendment to have any significant impact in its financial statements.

Ind AS 106 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration. The Company does not expect the amendment to have any significant impact in its financial statements.

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. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the Company and that are believed to be reasonable under the circumstances.

<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.

Notes to financial statement

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4.2 Going concern assumptions

The Company has incurred loss before exceptional item and tax of INR 140.49 lakhs for the quarter ended March 31, 2022 and INR 767.34 lakhs for the year ended March 31, 2022. Further, the Company had incurred losses in the recent years, partly impacted by the pandemic Covid-19. As of March 31, 2022, the total liabilities exceeded its total assets by INR 3,571.42 lakhs as compared to INR 8,872.07 as at March 31, 2021. These factors indicate that material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern and, therefore, that the Company may be unable to realise its assets and discharge its liabilities in the normal course of business. The Company's management has carried out an assessment of the Company's financial performance and has obtained a letter providing comfort of financial support from the Holding Company, if required to meet its liabilities. The Company also has access to alternate sources of funding by the Group entities. There has been continued improvement in business operations during the current year. Further, as explained in note 8 below, the Company has sold surplus land and out of sale proceeds repaid the borrowings of INR 9977.82 lakhs. This will reduce the interest burden in future year. During the year FY 2020-21, the Company had also prepared a strategic plan for the next five years after estimating effect of COVID-19. Pursuant to the said plan, the Company continues to focus on various initiatives including cost optimisation through operational efficiency, improvement initiatives, rationalisation of existing operations and increase in sales volumes from the existing and new customers. With continued efforts, the Company expects to address the material uncertainty in future. Accordingly, the above financial results have been prepared on going concern basis which contemplates realisation of assets and settlement of liabilities in the normal course of business.

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 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 is India.

4.5 Impairment of Property, plant and equipment :

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

Notes to financial statement

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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 may vary and the variations may be material.

4.6 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.

4.7 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 43.

4.8 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.

4.9 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.

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(All figures in INR Lakhs, unless otherwise stated)

Note 5 : Property, plant and equipment and capital work-in-progress

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

	Freehold Land	Factory Buildings	Office Buildings	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Tools, Jigs and Fixtures	Total	Capital work-in-progress
As at March 31, 2021										
Gross carrying amount										
Opening gross carrying amount	30.46	3,601.75	123.13	22.78	10,320.05	4.42	112.98	30.79	**14,246.36**	377.83
Additions	-	316.75	-	-	61.96	-	16.10	-	**394.81**	83.72
Disposals	-	-	-	-	(61.12)	-	(0.24)	-	**(61.36)**	(369.32)
Assets held for sale (refer note 17)	(6.91)	(901.90)	(24.30)	-	(140.83)	-	-	-	**(1,073.94)**	
Closing gross carrying amount	**23.55**	**3,016.60**	**98.83**	**22.78**	**10,180.06**	**4.42**	**128.84**	**30.79**	**13,505.87**	**92.23**
Accumulated depreciation										
Opening accumulated depreciation	-	830.34	10.96	14.60	3,780.98	4.42	51.77	9.90	**4,702.97**	-
Depreciation charge during the year	-	176.40	2.34	2.29	823.39	-	23.66	1.97	**1,030.04**	-
Disposals / write off	-	-	-	-	(8.75)	-	(0.24)	-	**(8.99)**	-
Assets held for sale (refer note 17)	-	(239.06)	(2.77)	-	(80.68)	-	-	-	**(322.51)**	-
Closing accumulated depreciation	**-**	**767.68**	**10.53**	**16.89**	**4,514.94**	**4.42**	**75.19**	**11.87**	**5,401.51**	**-**
Net carrying amount	**23.55**	**2,248.92**	**88.30**	**5.89**	**5,665.12**	**-**	**53.65**	**18.92**	**8,104.36**	**92.23**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 5 : Property, plant and equipment and capital work-in-progress

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

	Freehold Land	Factory Buildings	Office Buildings	Furniture and fixtures	Plant and equipment	Vehicles	Office Equipment	Tools, Jigs and Fixtures	Total	Capital work-in-progress
As at March 31, 2022										
Gross carrying amount										
Opening gross carrying amount	23.55	3,016.60	98.83	22.78	10,180.06	4.42	128.84	30.79	**13,505.87**	92.23
Additions	-	295.79	2.41	-	1,213.73	-	38.04	46.42	**1,596.39**	307.76
Disposals	(23.55)	(1,479.75)	(83.36)	(3.08)	(348.87)	-	(20.52)	(1.42)	**(1,960.55)**	(83.72)
Closing gross carrying amount	**-**	**1,832.64**	**17.88**	**19.70**	**11,044.92**	**4.42**	**146.36**	**75.79**	**13,141.71**	**316.27**
Accumulated depreciation										
Opening accumulated depreciation	-	767.68	10.53	16.89	4,514.94	4.42	75.19	11.87	**5,401.51**	-
Depreciation charge during the year	-	89.30	0.68	1.55	820.39	-	22.45	4.16	**938.53**	-
Disposals / write off	-	(455.22)	(9.64)	(2.43)	(265.25)	-	(16.50)	(0.66)	**(749.70)**	-
Closing accumulated depreciation	**-**	**401.76**	**1.57**	**16.01**	**5,070.08**	**4.42**	**81.14**	**15.37**	**5,590.34**	**-**
Net carrying amount	**-**	**1,430.88**	**16.31**	**3.69**	**5,974.84**	**-**	**65.22**	**60.42**	**7,551.37**	**316.27**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

b. Capital work-in-progress

Capital work-in-progress as at March 31, 2022 amounts to INR 316.27 Lakhs comprising majorly of addition to plant and machinery for capacity expansions, while that as at March 31, 2021 amounts to INR 92.23 Lakhs comprising majorly of addition to plant and machinery for capacity expansions.

Capital work-in-progress- Ageing

Particulars	As at March 31, 2022	As at March 31, 2021
(a) Projects in process		
Less than 1 year	**316.27**	92.23
1-2 years	**-**	-
2-3 years	**-**	-
More than 3 years	**-**	-
Total	**316.27**	92.23

There is no projects whose completion is overdue or has exceeded its cost compared to its original plan.

c. Contractual Obligation

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

d. Sale of land and building

During the year, the company has sold freehold land and building situated at Chakan, Pune for INR 10,100.00 lakhs. The gain arising from sale of said assets is INR 6,172.75 lakhs is recognised as exceptional item. (refer note 48)

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 6 : Leases

A. Right of use assets

	Land	Building	Total
As at March 31, 2021			
Gross carrying amount			
Opening gross carrying amount	131.43	297.13	428.56
Additions	-	-	-
Disposals	-	-	-
Initial direct cost	-	-	-
Closing gross carrying amount	**131.43**	**297.13**	**428.56**
Accumulated depreciation			
Opening accumulated depreciation	2.01	101.28	103.29
Depreciation charge during the year	2.01	101.28	103.29
Disposals		-	
Closing accumulated depreciation	**4.02**	**202.56**	**206.58**
Net carrying amount	**127.41**	**94.57**	**221.98**

	Land	Building	Total
As at March 31, 2022			
Gross carrying amount			
Opening gross carrying amount	131.43	297.13	428.56
Additions *	-	1,365.25	1,365.25
Disposals	-	(297.13)	(297.13)
Closing gross carrying amount	**131.43**	**1,365.25**	**1,559.85**
Accumulated depreciation			
Opening accumulated depreciation	4.02	202.56	206.58
Depreciation charge during the year	2.00	132.43	134.43
Disposals	-	(278.53)	(278.53)
Closing accumulated depreciation	**6.02**	**56.46**	**62.48**
Net carrying amount	**125.41**	**1,308.79**	**1,497.37**

* Addition includes sales and lease back of chakan building.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

B. Lease liabilities

	As at March 31, 2022	As at March 31, 2021
Current	243.23	109.10
Non Current	3,666.91	-
Total	**3,910.14**	**109.10**

C. Interest expenses on lease liabilities

	As at March 31, 2022	As at March 31, 2021
Interest on lease liabilities	57.01	18.21

D. Expenses on short term leases / low value assets

	As at March 31, 2022	As at March 31, 2021
Short term lease	153.08	126.51

E. Amounts recognised in the statement of cash flow

	As at March 31, 2022	As at March 31, 2021
Total cash outflow for leases	199.77	120.22

F. Maturity analysis – contractual undiscounted cash flows

	As at March 31, 2022	As at March 31, 2021
Less than one year	539.40	115.21
One to five years	1,766.02	-
More than five years	3,950.65	-
Total undiscounted lease liabilities	**6,256.08**	**115.21**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 7 : Intangible assets and intangible assets under development

a. Intangible assets

	Acquired intangible asset
	Computer software
As at March 31, 2021	
Gross carrying amount	
Opening gross carrying amount	87.85
Additions	-
Disposals	-
Closing gross carrying amount	**87.85**
Accumulated amortisation	
Opening accumulated amortisation	**44.11**
Amortisation charge for the year	13.08
Disposals	-
Closing accumulated amortisation	**57.19**
Net carrying amount	**30.66**

	Acquired intangible asset
	Computer software
As at March 31, 2022	
Gross carrying amount	
Opening gross carrying amount 87.85	
Additions	3.62
Disposals	-
Closing gross carrying amount	**91.47**
Accumulated amortisation	
Opening accumulated amortisation	57.19
Amortisation charge for the year	11.44
Disposals	-
Closing accumulated amortisation	68.63
Net carrying amount	**22.84**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 8 : Other financial assets

	As at March 31, 2022		As at March 31, 2021	
	Current	**Non- current**	Current	Non-current
Unsecured, considered good unless otherwise stated				
Financial assets carried at amortised cost				
Security deposits				
Considered good	10.00	116.14	14.29	93.80
Considered doubtful	10.00	116.14	14.29	93.80
Less : provision for doubtful deposits / loss allowance	-	-		
	10.00	116.14	14.29	93.80
Claims receivables	-	17.66	-	17.66
Bank deposits	-	2.94	-	2.84
Other receivables	4.14	-	16.84	-
Total	**14.14**	**136.74**	**31.13**	**114.30**

Note 9 : Deferred tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Deferred tax asset		
Tax losses carried forward (Including Unabsorbed Depreciation)	738.23	668.12
Defined benefit obligations	102.25	74.61
Disallowances under section 43B of the Income Tax Act,1961	13.26	30.39
Provisions for doubtful debts and advances and inventory	24.08	87.93
Others	77.60	60.66
	955.42	**921.71**
Deferred tax liabilities		
Excess of depreciation/amortization on fixed assets under income tax law over depreciation/amortization provided in the accounts	(955.42)	(921.71)
	(955.42)	**(921.71)**
Total	-	-

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Movement in deferred tax assets/ (liabilities)

	Defined benefit obligation	Tax losses carried forward (Including Unabsorbed Depreciation)	Disallowances under section 43B of the Income Tax Act,1961	Provisions for doubtful debts and advances and inventory	Other items	Total
At April 01, 2020	79.65	1,008.91	14.03	134.82	65.36	1,302.77
(Charged)/Credited						
To Profit and Loss Account	-5.04	-340.79	16.36	-46.89	-4.70	-381.06
To Other Comprehensive Income						-
Others						-
At March 31, 2021	**74.61**	**668.12**	**30.39**	**87.93**	**60.66**	**921.71**
(Charged)/Credited						
To Profit and Loss Account	27.64	70.11	(17.13)	(63.85)	16.94	33.71
To Other Comprehensive Income						-
Others						-
At March 31, 2022	**102.25**	**738.23**	**13.26**	**24.08**	**77.60**	**955.42**

Ind AS 12 ‘Income Taxes’ states that deferred tax assets should be recognised and carried forward only to the extent it is probable that the entity will have sufficient taxable profit against which such

deferred tax assets can be realised. As it is not probable as at 31 March 2021, deferred tax assets is recognised only to the extent of deferred tax liabilities.

Note 10 : Income tax assets (net)

	As at March 31, 2022	As at March 31, 2021
Opening balance	148.55	223.24
Refund received during the year	-	(162.13)
Taxes paid during the year	193.57	87.44
Closing balance	**342.12**	**148.55**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 11 : Other non-current assets

	As at March 31, 2022	**As at March 31, 2021**
Unsecured, considered good unless otherwise stated		
Capital advances		
Considered good	20.28	33.27
Considered doubtful	-	-
	20.28	33.27
Less: Provision for doubtful capital advances	-	-
	20.28	**33.27**
Balances with government authorities		
Considered good	241.44	211.21
Considered doubtful	-	
	241.44	**211.21**
Less: Provision for doubtful balances	-	-
	241.44	211.21
Taxes paid under protest		
Considered good	195.59	218.18
Considered doubtful		
	(126.03)	(126.03)
	69.56	**92.15**
Total	**331.28**	**336.63**

Note 12 : Inventories

	As at March 31, 2022	As at March 31, 2021
Raw materials (includes inventory-in-transit Rs. NIL lakhs,		
March 31, 2021 Rs.NIL lakhs)	2,830.35	2,767.94
Work-in-progress	450.46	404.51
Finished goods(includes inventory-in-transit Rs.139.84 lakhs,		
March 31, 2021 Rs.59.85 lakhs)	368.36	157.31
Stores and spares	358.43	301.78
Scrap	45.74	44.43
Total inventories	**4,053.34**	**3,675.97**

Amount recognised in statement of profit and loss

(i) Write-downs of inventories to net realisable value amounted to Rs.7.13 lakhs (March 31, 2021 Rs.3.98 lakhs). These were recognised as an expense during the year and included in 'cost of materials consumed' in Statement of Profit and Loss.

(ii) Inventories have been offered as securities against the working capital facilities provided by the banks. Refer note 47.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 13 : Trade receivable

	As at March 31, 2022	As at March 31, 2021
Trade receivables	514.32	1,192.30
Balance with related parties (refer note 37)	1,860.59	2,058.81
Less: Allowance for doubtful trade receivables	(72.85)	(135.64)
Total	**2,302.06**	**3,115.47**

Break-up of security details

	As at March 31, 2022	As at March 31, 2021
Trade receivable considered good - secured	-	-
Trade receivable considered good - unsecured	2,302.06	3,115.47
Trade receivable which have significant increase in credit risk (refer note 47)	72.85	135.64
Trade receivable credit impaired	-	-
Total	**2,374.91**	**3,251.11**
Less: Loss allowance	(72.85)	(135.64)
Total	**2,302.06**	**3,115.47**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Trade Receivables- Ageing

Particulars	As at March 31, 2022	As at March 31, 2021
Considered good:		
i. Undisputed Trade Receivables - considered good		
Unbilled amounts	-	-
Not due	1,233.60	2,529.17
Less than 6 months	1,010.16	505.77
6 months - 1 year	6.59	13.89
1-2 years	96.67	31.71
2-3 years	1.00	120.90
More than 3 years	26.89	49.68
Total	**2,374.91**	**3,251.12**
Considered doubtful:		
i. Undisputed Trade Receivables - considered doubtful		
Unbilled amounts		
Not due	-	-
Less than 6 months	10.19	1.93
6 months - 1 year	3.51	7.05
1-2 years	31.26	20.35
2-3 years	1.00	56.63
More than 3 years	26.89	49.68
Total	**72.85**	**135.64**

Trade Receivables from private companies with common directors

	As at March 31, 2022	As at March 31, 2021
Tata AutoComp Hendrickson Suspensions Private Limited	153.48	20.73
Tata Ficosa Automotive Systems Private Limited	6.02	17.01

Trade receivables have been offered as securities against the working capital facilities provided by the banks. Refer note 47.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 14 : Cash and cash equivalents

	As at March 31, 2022	As at March 31, 2021
Balances with banks		
- in current accounts	356.81	2.30
Cash on hand	0.29	0.29
Total	**357.10**	**2.59**

Note 15 : Bank balances other than above

	As at March 31, 2022	As at March 31, 2021
Margin money deposits (with maturity more than 3 months but less than 12 months)	65.47	0.96
Total	**65.47**	**0.96**

Note 16 : Other current assets

	As at March 31, 2022	As at March 31, 2021
Unsecured, considered good unless otherwise stated		
Advances to suppliers		
Considered good	969.59	588.48
Considered doubtful	-	-
	969.59	588.48
Less: Provision for doubtful advances	-	-
	969.59	**588.48**
Balances with government authorities	98.53	186.29
(i) CENVAT credit receivable	-	35.92
(ii) GST related balances	98.53	150.37
Prepaid expenses	94.47	61.91
Advacnes to employees	-	20.14
Total	**1,162.59**	**856.82**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 17 : Assets held for sale

	As at March 31, 2022	As at March 31, 2021
Leasehold land	-	6.91
Factory and office buildings	-	684.37
Plant and machinery	-	60.15
Total	-	**751.43**

On January 31, 2021, consent of the Board of Directors was obtained for transfer of the freehold land situated at Halol along with the building. The carrying value of said assets have been presented as “Assets held for sale” under the current assets and the advance consideration received from buyers amounting to INR 245 lakhs was presented under “Other current liabilities”. The transaction completed in financial year 2021-22.

Note 18: Equity share capital

	As at March 31, 2022	As at March 31, 2021
Authorised share capital		
20,000,000 (March 31, 2020 : 20,000,000) equity shares of INR 10 each	2,000.00	2,000.00
16,000,000 (March 31, 2020:16,000,000) preference shares of INR 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 INR 10 each. (31 March 2020: 15,864,397 equity shares of INR 10 each)	1,586.44	1,586.44

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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

	As at March 31, 2022		As at March 31, 2021	
	Number of shares (in lakhs)	**Equity share capital (par value)**	Number of shares (in lakhs)	Equity share capital (par value)
Equity shares At the commencement and at the end of the year	15,864,397.00	1,586.44	15,864,397.00	1,586.44

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

	As at March 31, 2022	As at March 31, 2021
11,898,296 equity shares (March 31, 2020 : 11,898,296 equity shares) held by Tata AutoComp Systems Limited, the Holding Company	1,189.83 -	1,189.83 -
	1,189.83	**1,189.83**

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

Name of the shareholder	Number of shares held as on March 31, 2022	% holding	Number of shares held as on March 31, 2021	% holding
Tata AutoComp Systems Limited	11,898,296	75.00%	11,898,296	75.00%

(d) Terms and rights attached to equity shares:

The Company has only one class of equity shares having a face value of INR 10/- per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian rupees. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 19: Reserves and surplus

	As at March 31, 2022	As at March 31, 2021
Capital redemption reserve		
At the commencement and at the end of the year	300.00	300.00
Securities premium		
At the commencement and at the end of the year	4,237.26	4,237.26
General reserve		
At the commencement of the year	444.15	444.15
Add: Additions	-	-
At the end of the year	444.15	444.15
Retained earnings		
At the commencement of the year	(15439.92)	(12451.18)
Profit for the year	5231.08	(2969.89)
Items of other comprehensive income recognised directly in retained earnings		
Remeasurements of post-employment benefit obligations	69.57	(18.85)
	(10139.27)	(15439.92)
Total	**(5157.86)**	**(10458.51)**

Note 20 : Non-current borrowings

	Maturity date	Terms of repayment	Nature of Security	Interest rate	As at March 31, 2022	As at March 31, 2021
Secured						
Term Loan						
From related party	May 2025				-	-
	to February 2026	Monthly Installment in 5 years	first and exclusive hypothecation of land and building and plant and machinery of Pantnagar plant of the Company	9% to 11.5%	-	1,767.37
					-	
					-	
Unsecured						
From related party					-	
Long term loan	March 2023	Lumpsum	NIL	10.25%	-	1,350.00
Inter Corporate Deposit (ICD)	March 2023	Lumpsum	NIL	10.25%	-	500.00
					-	
Total					-	3,617.37
Less: Interest accrued					-	(9.56)
Total					-	3,607.81

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 21 : Provisions

	As at March 31, 2022		As at March 31, 2021	
	Current	**Non-Current**	**Current**	**Non-Current**
Provision for employee benefits				
Compensated absences	18.89	163.82	23.60	215.46
Gratuity (refer note 35)	-	210.55	-	286.96
Other provisions (refer note 40)				
Provision for indirect tax	15.53	-	246.79	-
matters	7.26	3.03	7.26	3.03
Provision for warranty				
Total	**41.68**	**377.40**	**277.65**	**505.45**

Note : Non-current - other liabilities

Note 22 : Financial liabilities - current borrowings

	Terms of repayment	Nature of security	Coupon / interest rate	As at March 31, 2022	As at March 31, 2021
Secured					
Loans from banks repayable on Demand	On Demand	hypothecation of current assets and second charge on the movable and immovable properties of Chakan plant of the Company.	9.50% p.a. to 11.00% p.a.	184.28	1,673.54
				-	-
				-	-
Loan from related party repayable on demand	On Demand	first and exclusive hypothecation of plant and machinery and first charge on leasehold land and building of Pantnagar plant of the Company	10%	-	2,117.16
Unsecured					
Loan from related party repayable on demand	On Demand	-	7.7% pa (10.25% pa till January 22)	4,100.00	8,050.00
Current maturities of long term borrowings				-	317.19
Less: Interest accrued				-	(24.72)
Total				**4,284.28**	**12,133.17**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 23 : Trade payables

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues of micro enterprises and small enterprises (refer note 43)	1,181.31	459.69
Total outstanding dues of creditors other than micro enterprises and small enterprises		
Acceptances	940.57	794.54
Other than acceptances	4,462.49	5,024.03
Trade payable to related parties (refer note 37)	579.95	1,418.90
Acceptances to relates parties	3,886.17	-
Total	**11,050.49**	**7,697.16**

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

Trade Payables- Ageing

	As at March 31, 2022	As at March 31, 2021
i. MSME		
(a) Disputed dues-MSME		
Not due		
Less than 1 year	-	
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**-**	**-**
(b) Other than Disputed dues-MSME		
Not due	1,152.39	459.69
Less than 1 year	28.91	-
1-2 years	-	-
2-3 years	-	-
More than 3 years	-	-
Total	**1,181.30**	**459.69**
i. Other than MSME		
(a) Disputed dues- Others		
Not due	-	-
Less than 1 year	-	-
1-2 years	-	-
2-3 years	66.07	-
More than 3 years	-	
Total	**66.07**	**-**
(b) Other than Disputed dues- Others		
Not due	9,370.71	5,673.60
Less than 1 year	158.74	1,165.86
1-2 years	16.24	140.26
2-3 years	75.09	83.35
More than 3 years	182.33	174.39
Total	**9,803.11**	**7,237.47**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 24 : Current - other financial liabilities

	As at March 31, 2022	As at March 31, 2021
Creditors for capital goods	90.81	53.55
Payable towards employee benefits expense	278.97	325.35
Interest accrued on borrowings	113.94	106.06
Security deposit	41.80	56.96
Claims payable to customers	6.25	158.73
Other payable	2.45	-
Foreign-exchange forward contracts (refer note 44)	0.04	0.52
Total	**534.26**	**701.17**

Note 25 : Other current liabilities

	As at March 31, 2022	As at March 31, 2021
Advance from customers	992.15	347.37
Deferred grant income (INR 3 Lakhs each year released to statement of profit and loss)	12.00	15.00
Statutory dues payables	458.01	612.07
Consideration received in advance for sale of property, plant and equipment	-	345.00
Others	0.53	4.20
Total	**1,462.69**	**1,323.64**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 26: Revenue from Contracts with customer

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customers		
Sale of products	60,694.91	33,787.87
Sale of services	13.69	122.94
Other operating revenues	55.11	2.21
Total	**60,763.71**	33,913.02

a) Contracts with customer

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue from contracts with customer	60,763.71	33,913.02
Disaggregation of revenue		
Based on type of goods		
- Components	51,726.00	28,975.62
- Tools, dies and Moulds	1,219.29	460.27
- Scrap	7,818.43	4,477.13
Based on Market		
- Original equipment manufacturer	52,945.28	29,435.89
- Others	7,818.43	4,477.13
Impairment losses recognised on receivables or contract assets arising from an entity's contracts with customers	39.54	66.08

b) Details of contract balances:

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

	Year ended March 31, 2022	Year ended March 31, 2021
Trade receivable	**2,302.06**	3,115.47
Contract liabilities	**998.40**	506.10

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Significant changes in the contract liability balances are as follows:

	Year ended March 31, 2022	Year ended March 31, 2021
Contract liabilities at the beginning of the year	**506.10**	1,214.19
Revenue recognised that was included in the contract liability balance at the beginning of the year	**(506.10)**	(1,214.19)
Increase due to cash received, excluding amounts recognised as revenue during the year	**998.40**	506.10
Contract liabilities at the end of the year	**998.40**	506.10

c) Performance obligations

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

d) Transaction Price

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

e) Determining the timing of satisfaction of performance obligations

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

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

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

g) Cost to obtain contract or fulfil a contract

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 27: Other income

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income from financial assets carried at amortised cost	1.53	2.20
Net gain on sale of property, plant and equipments	39.37	-
Provisions for tax contingencies written back	149.04	-
Other non-operating income	37.50	3.00
Total	**227.44**	**5.20**

Note 28: Cost of materials consumed

	Year ended March 31, 2022	Year ended March 31, 2021
Inventory of raw materials at the beginning of the year	2,767.94	2,024.10
Add: Purchases	49,389.50	26,346.35
Less: Inventory of raw material at the end of the year	2,830.35	2,767.94
Total	**49,327.09**	**25,602.51**

Note 29 : Changes in inventories of finished goods and work-in-progress

	Year ended March 31, 2022	Year ended March 31, 2021
Opening stock		
Work-in-progress	404.51	509.65
Finished goods	157.31	229.42
Scrap	44.43	61.70
	606.25	800.77
Closing stock		
Work-in-progress	450.46	404.51
Finished goods	368.36	157.31
Scrap	45.74	44.43
	864.56	606.25
Total	**(258.31)**	**194.52**

Note 30: Employee benefits expense

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	2,624.93	2,500.28
Contributions to provident fund and other fund (refer note 35)	227.69	229.95
Staff welfare expenses	255.98	189.89
Total	**3,108.60**	**2,920.12**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 31: Finance costs

	Year ended March 31, 2022	Year ended March 31, 2021
Interest and finance charges on financial liabilities measured at amortised cost	1,332.82	1,783.66
Other borrowing costs	107.47	27.47
Interest expenses on lease liabilities	57.01	18.21
Total	**1,497.30**	**1,829.34**

Note 32: Depreciation and amortization expense

	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment	938.54	1,030.05
Depreciation on Right-of-use assets	134.43	103.29
Amortisation of intangible assets	11.44	13.08
Total	**1,084.41**	**1,146.42**

Note 33: Other expenses

	Year ended March 31, 2022	Year ended March 31, 2021
Consumption of stores, spares and consumables	536.28	321.35
Power and fuel	1,037.55	758.72
Site expenses and contract labour charges	2,078.67	1,427.23
Rent and service charges	153.08	126.51
Repairs and maintenance:		
Buildings	89.79	93.30
Machinery	366.18	269.57
Others	38.50	14.04
Insurance	106.68	101.90
Rates and taxes	128.13	236.22
Communication expenses	18.06	28.73
Travelling and conveyance	31.51	25.55
Freight and forwarding	863.63	570.25
Consumption of packing material	2.72	7.78
Legal and professional fees [Refer Note 33 (a)]	142.51	88.35
Provision for bad and doubtful debts	39.54	66.08
Net loss on foreign currency transaction and translation *	13.45	9.07
Loss on sale of property, plant and equipment	-	2.25
Security and housekeeping charges	131.66	141.01
Processing charges	870.82	628.35
Miscellaneous expenses	350.64	278.94
Total	**6,999.40**	**5,195.20**

* Includes gain of Rs xxx lakhs on March 31, 2022 on account of change in fair value of derivative contracts.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 33 : a) Legal and Professional fees include payment to auditors

	Year ended March 31, 2022	Year ended March 31, 2021
As Auditor		
Statutory audit	8.00	8.00
Tax audit	1.00	1.00
Limited reviews	3.00	3.00
Reimbursement of expenses and certification fees	2.50	1.07
Total	**14.50**	**13.07**

33 b) Corporate social responsibility expenditure

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 34 : Income tax

Tax Losses

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.

	Year ended March 31, 2022	Year ended March 31, 2021
Unused tax losses for which no deferred tax asset has been recognised :		
- Business Losses and Unabsorbed depreciation	10,665.23	17,375.00
Potential tax benefit	2,772.96	4,517.50

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	Year ended March 31, 2022	Year ended March 31, 2021
March 31, 2024	1,379.29	1,379.29
March 31, 2025	1,088.30	1,088.30
March 31, 2027	3,199.45	3,199.45
March 31,2028	567.41	567.41
March 31,2029	641.27	641.27
March 31,2030	1,644.41	1,639.36
Total	8,520.13	8,515.08

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Reconciliation of tax expense and the accounting profit:

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before income tax expense	(767.34)	(2,969.89)
Tax Rate of 26% (FY 2020-21 – 26.00%)	(199.51)	(772.17)
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Other items	0.56	0.74
Unrecognised deffered tax asset	198.95	771.43
Adjustments for current tax of prior periods	-	
Income tax expense	-	-

The Government of India, on September 20, 2019, vide the Taxation Laws (Amendment) Act 2019, inserted a new Section 115BAA in the Income Tax Act, 1961, which provides an option to the Company to pay income taxes at reduced tax rates as per the provisions/conditions defined in the said section. The Company has evaluated and decided to continue under the existing tax regime.

Note 35 : Employee benefits

(A) Defined benefit plans

a) Gratuity

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

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

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2020	**719.09**	**(463.79)**	**255.30**
Current service cost	50.75	-	50.75
Interest expense/(income)	42.40	(28.41)	13.99
Total amount recognised in profit or loss	**93.15**	**(28.41)**	**64.74**
Remeasurements	-	-	-
Return on plan assets, excluding amounts included in interest expense	-	2.95	2.95
(Gain)/loss from change in demographic assumptions	87.90	-	87.90
(Gain)/loss from change in financial assumptions	(42.86)	-	(42.86)
Experience (gains)/losses	(29.14)	-	(29.14)
Total amount recognised in other comprehensive income	**15.90**	**2.95**	**18.85**
Employer contributions	-	(4.00)	(4.00)
Benefit payments	(47.93)	-	(47.93)
Closing defined benefit obligation as at March 31, 2021	**780.21**	**(493.25)**	**286.96**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

	Present value of obligation	Fair value of plan assets	Net amount
Opening defined benefit obligation as at April 1, 2021	**780.21**	**(493.25)**	**286.96**
Current service cost	54.60		54.60
Interest expense/(income)	49.01	(32.64)	16.37
Total amount recognised in profit or loss	**103.61**	**(32.64)**	**70.97**
Remeasurements			
Return on plan assets, excluding amounts included in interest expense/(income)	-	(4.58)	(4.58)
(Gain)/loss from change in demographic assumptions	-	-	-
(Gain)/loss from change in financial assumptions	(15.34)	-	(15.34)
Experience (gains)/losses	(49.61)	-	(49.61)
Total amount recognised in other comprehensive income	**(64.95)**	**(4.58)**	**(69.53)**
Employer contributions	-	(2.47)	(2.47)
Benefit payments	(75.38)	-	(75.38)
Closing defined benefit obligation as at March 31, 2022	**743.49**	**(532.94)**	**210.55**

Note 35 : Employee benefits (continued)

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

	As at March 31, 2022	As at March 31, 2021
Present value of funded obligations	743.49	780.21
Fair value of plan assets	(532.94)	(493.25)
Non - current liability recognised in Balance Sheet	**210.55**	**286.96**

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

	As at March 31, 2022	As at March 31, 2021
Discount rate	6.80%	6.60%
Salary escalation	8.00%	8.00%
Rate of return on plan assets	6.86%	6.91%
Attrition Rate- Management	16.00%	16.00%
Attrition Rate- Non- Management	3.00%	3.00%

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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

	Year ended March 31, 2022	Year ended March 31, 2021
Increase/(decrease) in present value of defined benefit obligation as at the end of the year		
(i) 1% increase in discount rate	(70.34)	(76.55)
(ii) 1% decrease in discount rate	81.44	89.18
(iii) 1% increase in rate of salary escalation	79.74	87.14
(iv) 1% decrease in rate of salary escalation	(70.27)	(76.34)

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

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

Note 35 : Employee benefits (continued)

b) The following payments are expected contributions to defined benefit plan in future years.

The weighted average duration of the defined benefit obligation is 11 years

	As at March 31, 2022	As at March 31, 2021
Defined benefit obligation (gratuity)		
Less than a year	34.40	38.34
Between 1 - 2 years	37.59	40.58
Between 2 - 5 years	156.12	164.94
Over 5 years	391.47	394.30
Total	**619.58**	**638.16**

Category of plan assets are as follows -

	As at March 31, 2022	As at March 31, 2021
Unquoted		
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, 2022 is considered to be the fair value.

Contribution expected to be paid to the plan during the next financial year Rs. 2.31 lakhs (Previous year Rs. NIL lakhs).

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

(B) Defined Contribution Plans

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

	As at March 31, 2022	**As at March 31, 2021**
Contribution to Employees' Superannuation Fund	16.72	19.44
Contribution to Provident Fund	105.75	140.84
Contribution to Labour Welfare fund	0.39	0.35
Contribution to Employees' State Insurance	7.06	4.57

(C) Risk exposure

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

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

Note 36 : Segment information

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

i) Product information:

	Year ended March 31, 2022	**Year ended March 31, 2021**
- Components	51,726.00	28,975.62
- Tools, dies and Moulds	1,219.29	460.27
- Others	7,818.43	4,477.13
Total	**60,763.72**	**33,913.02**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

ii) Geographical information

	Revenue		Non-current assets*	
	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2022	Year ended March 31, 2021
India	60,763.72	33,913.02	9,998.08	8,934.41
Total	**60,763.72**	**33,913.02**	**9,998.08**	**8,934.41**

* Non-current asset excludes financial assets.

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

	Year ended March 31, 2022	Year ended March 31, 2021
Tata Motors Limited	26,942.58	17,398.45
Fiat India Automobiles Private Limited	15,922.03	6,943.78
Tata Motors Passenger Vehicles Limited	7,147.46	-
	50,012.07	**24,342.23**

Note 37 : Related party transactions

a) Related parties and their relationship

Promoters/ Promoter group

i) Tata Sons Private Limited (Ultimate holding company) (Formerly known as Tata Sons Limited)

ii) Tata AutoComp Systems Limited (Holding company)

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

i) Tata Toyo Radiator Limited

ii) Tata Autocomp Hendrickson Suspensions Private Limited

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

i) Tata Capital Financial Services Limited

ii) Tata AIG General Insurance Company Limited

iii) Tata Motors Limited

iv) Fiat India Automobiles Private Limited

v) Tata Technologies Limited

vi) Tata Steel Limited

vii) Tata Steel Downstream Products Limited (formerly Tata Steel Processing and Distribution Limited)

viii) Tata Communications Limited

ix) Tata Teleservices Limited

x) Tata Ficosa Automotive Systems Private Limited

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

xi) Voltas Limited

xii) Tata Advanced Systems Limited (formerly TAL Manufacturing Solutions Limited)

xiii) Tata Steel BSL Limited (formerly Bhushan Steel Limited)

xiv) Tata Power Renewable Energy Limited

xv) Trent Hypermarket Pvt Ltd

xvi) Tata Motors Passenger Vehicles Limited (formerly TML Business Analytics Services Limited)

xvii) Roots Corporation Limited

Key management personnel

i) Mr. Jitendraa Dikkshit, CEO (Manager)

ii) Mr. Pradeep Bhargava, Director

iii) Mr. Shrikant Sarpotdar, Director (till March 14, 2021)

iv) Ms. Bhavna Bindra, Director

v) Mr. Arvind Goel, Director

vi) Mr. Deepak Rastogi, Director

vii) Mr. Sanjay Sinha, Director (till October 23, 2021)

viii) Mr. Bharat Parekh, Director

x) Mr. Prakash Gurav, Director

	Transaction value		**Closing balance**	
	Year ended March 31, 2022	Year ended March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Sale of goods				
- Tata Motors Limited	26,942.58	17,398.45	634.52	609.83
Tata Motors Passenger Vehicles Limited (formerly TML Business Analytics Services Limited)	7,147.46	-	791.50	-
- Fiat India Automobiles Private Limited	15,922.03	6,943.78	360.73	1,355.05
- Tata AutoComp Systems Limited	31.59	4.68	(553.74)	(7.58)
Taco Hendrickson Suspensions Private Limited	538.21	19.51	(146.96)	(-2.97)
Tata Ficosa Automotive Systems Limited	56.77	17.01	1.80	(13.03)
Purchase of goods and services				
- Tata Motors Limited	2,218.24	562.19	(484.41)	200.14
Tata International Limited	3.91			
Tata Motors Passenger Vehicles Limited (formerly TML Business Analytics Services Limited)	751.47		886.03	
- Tata Steel Limited	1,403.64	16.08	(210.91)	(12.53)
- Tata Steel Downstream Products Limited	11,359.58	5,979.13	3,960.06	981.77
Tata Steel BSL Limited (formerly Bhushan Steel Limited)	688.17	479.13	12.00	7.55
- Tata AutoComp Systems Limited		0.14	-	-
-Taco Hendrickson Suspensions Private Limited	31.98	-	37.74	-
- Others	-	-	1.25	2.27

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

	Transaction value		Closing balance	
	Year ended March 31, 2022	Year ended March 31, 2021	**As at March 31, 2022**	As at March 31, 2021
Purchase of service				
- Tata Sons Limited	-	0.15	0.27	0.27
Tata Capital Financial Services Limited	6.30	30.21	0.00	4.66
Tata Communications Limited	9.49		0.24	
Tata Power Renewable Energy Limited	17.48	18.04	-	
- Tata AutoComp Systems Limited	12.29	6.91	3.65	-
Tata AIG General Insurance Co Ltd	-	-	5.84	5.84
- Fellow Subsidiaries		13.93	0.00	-4.68
- Roots Corporation Limited	0.08	-	(0.01)	-
Sale of services and reimbursement				
- Tata Motors Limited	-	22.94	-	-
Purchase of Property, plant and equipment				
-Taco Hendrickson Suspensions Private Limited	0.00	-	0.00	-
- Voltas Limited	3.02		(0.91)	
Recovery of expenses				
- Tata AutoComp Systems Limited	-	43.46	52.56	52.56
- Fellow Subsidiaries	6.65	-	-	-
-Taco Hendrickson Suspensions Private Limited		2.94		
Tata Toyo Radiator Limited	-	18.39		21.70
Reimbursement of expenses				
- Tata AutoComp Systems Limited	168.51	129.54	26.52	99.98
Tata Toyo Radiator Limited	7.53	-	0.00	0.00
Loan availed				
- Tata AutoComp Systems Limited	7,300.00	6,550.00	4,100.00	3,400.00
- Tata AutoComp Systems Limited - ICD	-	-	-	500.00
- Tata Capital Financial Services Limited	6,932.89	16,886.00	-	4,167.44
-Taco Hendrickson Suspensions Private Limited	-	5,000.00	-	6,000.00
Loan repaid				
- Tata AutoComp Systems Limited	6,600.00	8,700.00	-	-
- Tata AutoComp Systems Limited -ICD	500.00	800.00	-	-
- Taco Hendrickson Suspensions Private Limited	6,000.00	-	-	-
- Tata Capital Financial Services Limited	11,100.00	17,163.39	-	-
Interest paid				
- Tata AutoComp Systems Limited	864.49	392.16	-	-
- Tata Capital Financial Services Limited	209.09	520.38	-	34.28
- Taco Hendrickson Suspensions Private Limited	11.11	584.11	-	-
Sale of Property, plant and equipment				
- Tata AutoComp Systems Limited	4.55	-	-	-
Remuneration to key managerial personnel				
-Mr. Jitendraa Dikkshit (Refer note d below)				
Short-term employee benefits	87.63	65.00	-	-
Sitting fees paid to key managerial personnel				
- Mr. Pradeep Bhargava	6.50	6.00	-	-
- Mr. Prakash Gurav	6.20	-	-	-
- Mr. Shrikant Sarpotdar	-	6.20	-	-
- Ms. Bhavna Bindra	5.00	5.40	-	-

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

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 20 and 22

In addition to the above related party transactions Tata Auto comp Systems Limited (Holding Company) has provided a letter of comfort for loans of INR 183.33 lakhs to State Bank of India , INR NIL lakhs to HDFC Bank Ltd and INR NIL lakhs to Tata capital financial services limited. (as at March 31, 2021 INR 988.21 lakhs to State Bank of India and INR 685.33 lakhs to HDFC Bank Ltd. and INR 4,500.00 lakhs to Tata capital Financial Services Limited) 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 38 :
Contingent liabilities (To the extent not provided for)

	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debts		
Excise duty and VAT related matters (refer note (a) below)	82.82	593.24
Labour matter (refer note (c) below)	417.23	397.23
Other matters (refer note (d) below)	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.

(a) The Company has received various demand/notices from the Excise and VAT/Sales Tax department on various matters. The Company has filed/is in the process of filing of appeal for these demand/ notices and does not expect any significant outflows. Major demand is for mismatch between details as per the Company with that of filed by vendors and other matters such as for alleged evasion of Central Excise duty and alleged contravention of Central Excise Rules for which demand is raised and interest / penalty is charged. Further, the Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in the financial statements. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(b) There are numerous interpretative issues relating to the Supreme Court (SC) judgment dated 28th February, 2019, relating to components/allowances paid that need to be taken into account while computing an employer's contribution to provident fund under the Employees' Provident Funds and Miscellaneous Provident Act, 1952. The Company has also obtained a legal opinion on the matter and basis the same there is no material impact on the financial statements as at 31 March 2021. The Company would record any further effect on its financial statements, on receiving additional clarity on the subject.

(c) The Company is contesting various demands relating to labour matters and the management believes that its position will likely be upheld in the appellate process. The management believes that the ultimate outcome of above proceeding will not have a material adverse effect on the Company's financial position and results of operations.

(d) This represents remote liability pertaining to other employee related matters. The management believe that the chances of outflow of resources is remote.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 39 : Capital commitments

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital contracts and not provided for (net of advances)	127.78	43.76

Note 40 : Movements in provisions for probable claims and indirect tax matters
For the year ended March 31, 2022

	Tax Contingencies		Warranty	
	For the year ended March 31, 2022	For the year ended March 31, 2021	For the year ended March 31, 2022	For the year ended March 31, 2021
Carrying amount at the beginning of the year	246.79	-	10.29	8.65
Additional provision made during the year	15.53	246.79	-	1.64
Amounts used / written back during the year	(246.79)	-	-	-
Carrying amounts at the end of the year	**15.53**	**246.79**	**10.29**	**10.29**
Current	15.53	246.79	7.26	7.26
Non Current	-		3.03	3.03

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

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

Note 41 : Earnings per share

		As at March 31, 2022	As at March 31, 2021
Net earnings attributable to equity shareholders	Rs. in lakhs	5,231.08	(2,969.89)
Weighted average no. of equity shares		15,864,397	15,864,397
Earnings per share (Basic and Diluted)	Rs.	32.97	(18.72)
Nominal value of an equity share	Rs.	10.00	10.00

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 42 : Ratios

Ratios	Numerator	Denominator	As on March 31, 2022	As on March 31, 2021	Variation with preceding year	Comments if variation in above 25%
Current Ratio	Current Assets	Current Liabilities	0.45	0.38	19.07%	NA
Debt-Equity Ratio	Total Debt	Shareholder's Equity	(2.29)	(1.79)	28.43%	Refer Note A
Debt Service Coverage Ratio	Earnings available for debt service	Debt service	0.12	0.01	1046.58%	Refer Note B
Return on Equity Ratio	Net profit after tax	Average shareholder's equity	(0.84)	0.40	-308.86%	Refer Note C
Inventory Turnover Ratio	Cost of goods sold	Average inventory	12.70			Refer Note D
Trade Receivables turnover ratio	Net credit sales	Average accounts receivables	22.43	10.80	107.80%	Refer Note E
Trade Payable turnover ratio	Net credit purchases	Average accounts payables	5.27	3.58	47.36%	Refer Note F
Net Capital turnover ratio	Net sales	Working capital	(6.29)	(2.46)	156.05%	Refer Note G
Net profit ratio	Net profit	Net sales	0.09	(0.09)	-198.30%	Refer Note H
Return on capital employed	Earnings before interest and taxes	Capital employed	1.46	(0.16)	-990.93%	Refer Note I

A. Debt to equity ratio continues to be negative as the company has negative net worth which has decreased from Rs. -8872.07 Lakh as at March 31, 2021 to Rs.- 3571.42 Lakh as at March 31, 2022. During the year, the Company has reduced its borrowing from Rs. 15,737.00 Lakh to Rs. 4283.00 Lakh.

B. Debt coverage ratio has significantly improved since the Company has improved the earnings and substantial reduction in the borrowings.

C. The ratio negative as the company has negative net worth which has decreased from Rs. (8,872.07) Lakh as at March 31, 2021 to Rs.(3571.42) Lakh as at March 31, 2022.

D. Ratio has improved as compared to previous FY 2020-21, mainly due to volume increase and increase in input prices post COVID 19 lockdown impact.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

E. The ratio has improved compared to PY 20-21 due to effective control on receivables and discounting facility with major OEM customers

F. There is improvement in liquidity position leading to effective control on payables.

G. There is improvement in ratio is due to reduced current borrowings and effective control on trade payables.

H. As explained above, the Company has improved operational efficiencies in terms of material savings, labour productivity, original equipment efficiency and EBITDA.

I. The ratio has improved due to land sale proceeds, resulting into reduction in overall borrowings and finance cost. Also exceptional gains of INR 5,998.42 booked out of said transaction.

Note 43 : Disclosures required under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) are given as follows:

	As at March 31, 2022	As at March 31, 2021
The principal amount and the interest due thereon remaining unpaid to any micro and small supplier at the end of each accounting year:		
- Principal	1,181.31	459.69
- Interest	0.23	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year		
- Payments made to suppliers beyond the appointed date (Principal amount)	2,110.56	783.92
- Interest on the principal amount	-	-
Interest paid, other than under Section 16 of Micro, Small and Medium Enterprises Development Act, 2006.		
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	5.22	5.84
Interest under section 16 Micro, Small and Medium Enterprises Development Act, 2006 accrued during the year	5.22	5.84
The amount of interest accrued and remaining unpaid at the end of each accounting year	5.45	5.84
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	85.61	80.16

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 44 : Fair Value Measurement

Financial Instrument by category:

The carrying value and fair value of financial instruments by categories as of March 31, 2022 were as follows:

	Amortised **cost**	**Financial assets / liabilities at fair value through profit or loss**	**Total Carrying value**
		Designated upon initial recognition	
Financial assets:			
Non-current			
Other financial assets	136.74	-	136.74
Current			
Trade receivables	2,302.06	-	2,302.06
Cash and cash equivalents	357.10	-	357.10
Bank balances other than cash and cash equivalent	65.47	-	65.47
Other financial asset	14.14	-	14.14
Financial liabilities:			
Non-current			
Borrowings	-	-	-
Lease liabilities	3,666.91	-	3,666.91
Current			
Borrowings	4,284.28	-	4,284.28
Trade payable	11,050.49	-	11,050.49
Lease liabilities	243.23	-	243.23
Other financial liabilities	534.22	0.04	534.26

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 44 : Fair Value Measurement (Contd.)

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

	Amortised cost	Financial assets / liabilities at fair value through profit or loss	Total Carrying value
		Designated upon initial recognition	
Financial assets:			
Non-current			
Other financial assets	114.30	-	114.30
Trade receivables	3115.47	-	3115.47
Cash and cash equivalents	2.59	-	2.59
Bank balances other than cash and cash equivalent	0.96	-	0.96
Other financial asset	31.13	-	31.13
Financial liabilities:			
Non-current			
Borrowings	3,607.81	-	3607.81
Current			
Borrowings	12133.17	-	12133.17
Trade payable	7697.16	-	7697.16
Lease liabilities	109.10	-	109.10
Other financial liabilities	701.17	0.52	701.69

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

Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level is as follows:

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

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

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 44 : Fair Value Measurement (continued)

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2022 :

	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments - foreign currency forward contracts	0.04	-	0.04	-

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis as of March 31, 2021 :

	As at March 31, 2022	Fair value measurement at end of the reporting period using		
		Level 1	Level 2	Level 3
Liabilities				
Derivative financial instruments - foreign currency forward contracts	0.52	-	0.52	-

- 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.

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

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 45 : Financial risk management

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

- Create a stable business planning environment by reducing the impact of currency fluctuations on the Company's business plan.

- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(A) Market risk

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

(a) Foreign currency risk

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to the USD, EUR and Others. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the Company's functional currency (INR). The risk is measured through a forecast of highly probable foreign currency cash flows. The Company's risk management policy is to hedge around 50% to 70% of forecasted foreign currency sales and purchases for the subsequent 6 months. The objective of the hedges is to minimise the volatility of the INR cash flows of highly probable forecast transactions.

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

	As at March 31, 2022		As at March 31, 2021	
	USD	**EUR**	**USD**	**EUR**
Financial liabilities				
Trade payables	58.95	1.93	77.43	1.97
Exposure to foreign currency risk (liabilities)	58.95	1.93	77.43	1.97

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Sensitivity

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

Forward contracts receivable / payable

	As at March 31, 2022	As at March 31, 2021
Forward contracts payable		
USD	43.79	77.18

(a) Interest rate risk

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

The Company's exposure to variable borrowing rate are as follows:

	As at March 31, 2022	As at March 31, 2021
Variable rate borrowings	184.28	5,840.98
Fixed rate borrowings	4,100.00	9,900.00
Total borrowings	**4,284.28**	**15,740.98**

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

	As at March 31, 2022			As at March 31, 2021		
	Weighted average interest rate	Balance	% of total loans	Weighted average interest rate	Balance	% of total loans
Bank loan	10.15%	184.28	4.30%	10.52%	5,840.98	37.11%

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

Sensitivity

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

Change in interest rate	Impact on profit after tax	
	As at March 31, 2022	As at March 31, 2021
Increases in rates by - 0.50%	13.15	29.20
Decreases in rates by - 0.50%	(13.15)	(29.20)

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

(B) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, the Company treasury maintains flexibility in funding by maintaining availability under committed credit lines.

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

Maturities of financial liabilities

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

- all non-derivative financial liabilities, and

- net and gross settled derivative financial instruments for which the contractual maturities are essential for an understanding of the timing of the cash flows.

The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 year and above	Total
March 31, 2022				
Non-derivatives				
Borrowings non current	-	-	-	-
Borrowings current	4,284.28	-	-	4,284.28
Trade payables	11,050.49			11,050.49
Other financial liabilities	534.26			534.26
Undiscounted lease liabilities	539.40	549.12	5,167.56	6,256.08
Total non-derivative liabilities	**16,408.43**	**549.12**	**5,167.56**	**22,125.11**
Derivatives (net settled)				
Foreign exchange forward contracts	43.79			43.79
Total derivative liabilities	**43.79**	**-**	**-**	**43.79**

Contractual maturities of financial liabilities	Upto 1 year	Between 1 and 2 years	2 year and above	Total
March 31, 2021				
Non-derivatives				
Borrowings non current	-	2,356.25	1,251.56	3,607.81
Borrowings current	12,133.17	-	-	12,133.17
Trade payables	7,697.16	-	-	7,697.16
Other financial liabilities	701.17	-	-	701.17
Undiscounted lease liabilities	115.21	-	-	115.21
Total non-derivative liabilities	**20,646.71**	**2,356.25**	**1,251.56**	**24,254.53**
Derivatives (net settled)				
Foreign exchange forward contracts	77.18			77.18
Total derivative liabilities	**77.18**			**77.18**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

(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

- 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, 2022, that defaults in payment obligations will occur.

Financial assets that are neither past due nor impaired

None of the Company’s cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other financial assets that are neither impaired nor past due, there were no indications as at March 31, 2021, that defaults in payment obligations will occur.

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

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

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Trade receivables	As at March 31, 2022			As at March 31, 2021		
	Gross	Allowance	Net	Gross	Allowance	Net
Trade receivables						
Period (in months)						
Not due	1,413.21		1,413.21	2,830.40	-	2,830.40
Overdue up to 3 months	760.56		760.57	168.99	-	168.99
Overdue 3-6 months	69.97	1.48	68.49	34.92	-	34.92
Overdue more than 6 months	131.16	71.37	59.79	216.80	135.64	81.16
Total	**2,374.91**	**72.85**	**2,302.06**	**3,251.11**	**135.64**	**3,115.47**

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

	Amount
Loss allowance on March 31, 2020	92.23
Changes in loss allowance	66.08
Loss allowance utilised	**(22.67)**
Loss allowance on March 31, 2021	135.64
Changes in loss allowance	(62.79)
Loss allowance on March 31, 2022	**72.85**

Note 46 : Capital Management

(a) Risk management

The Company's objectives when managing capital are to:

• Safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders, and

• Maintain an optimal capital structure to reduce the cost of capital.

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

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

Total debt includes all long and short-term debts and lease liabilities as disclosed in notes 20, 22 and 6 to the financial statements.

	As at March 31, 2022	As at March 31, 2021
Total debt	8,194.42	15,850.08
Total equity	(3,571.42)	(8,872.07)
Net debt to equity ratio	**(2.29)**	**(1.79)**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

Note 47 : Assets pledged as security

The carrying amounts of assets pledged as security for current and non-current borrowings are:

	As at March 31, 2022	As at March 31, 2021
Non-current		
First charge		
Leasehold land	104.76	127.42
Building	1,289.90	1,287.82
Plant and machinery	5,662.41	4,569.63
Second charge		
Freehold land	-	23.55
Building	-	1,049.40
Current		
First charge		
Trade receivables	1,994.15	3,115.47
Inventories	3,984.39	3,675.97

Note 48 : Exceptional item - Gain on sale of leasehold land and building

A Chakan : Sale and Lease Back

In the board meeting held on April 5, 2021, the Board of Directors approved the sale of the Company's land along with building situated at Chakan. The Company had obtained an approval from the shareholders through the postal ballot. As at March 31, 2022 the Company had received entire consideration of INR 10,100 lakhs from the buyer and the sale deed for the said transaction was been executed on January 24, 2022. The Company has taken building and portion of land on lease for 15 years on which the operations of the Company will continue. Consequently, the right to use of asset of INR 743.88 lakhs, lease liability of INR 3427.16 lakhs is recognised in books and net gain of INR 6,172.42 lakhs is recognised exceptional item.

Particulars	Amount
Sales Consideration	10,100.00
Written Down Value (WDV)	(1,121.80)
Total Gain	**8,978.20**
Expenses Incurred	(122.18)
Lease Liability recognized for lease payments	(3,427.48)
Right of Use Assets recognized	743.88
Net Gain recognized as Exceptional Item	**6,172.42**

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

B Sale of Land and Factory Building at Halol Plant

On January 31, 2021, consent of the Board of Directors was obtained for transfer of the freehold land situated at Halol along with the building. The carrying value of said assets was presented as "Assets held for sale" under the current assets and the advance consideration received from buyers amounting to INR 245 lakhs is presented under "Other current liabilities" as at March 31, 2021. The Company has completed the sale of said assets during the year and has recognised gain on Asset held for sale of amounting to INR 485.78 lakhs. Further, the Company has also incurred expenses of INR 660.11 lakhs during the year for one-time termination compensation of employees relating to the Halol plant consequent to its closure, expenses for transfer of identified plant and equipment from Halol plant to other manufacturing facilities of the Company, write off of certain property, plant and equipment having no continuing use and certain other expenses. These items have been disclosed as exceptional item.

Particulars	Amount
Sales Consideration	1,225.00
Written Down Value (WDV)	(739.00)
Gross Gain on Sale	**486.00**
Direct Expenses	14.5
Net gain on Sales	**471.5**
Other Expenses Incurred*	(645.5)
Net Loss recognized as Exceptional Item (B)	**(174.00)**
Total Exceptional Gain during the year (A+B)	**5,998.42**

*** Expenses Incurred**

Particulars	Amount
Freight Expenses	430.00
Employees termination Cost due to Halol Closure	200.00
Other Misc. Expenses	16.54
Total Other Expesnes	**646.54**

Note 49:

The Indian Parliament has approved the Code on Social Security, 2020 which would impact the contributions by the Company towards Provident Fund and Gratuity. The Ministry of Labour and Employment has released draft rules for the Code on Social Security, 2020 on November 13, 2020, and has invited suggestions from stakeholders which are under active consideration by the Ministry. The Company will assess the impact and its evaluation once the subject rules are notified and will give appropriate impact in its financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

Note 50: Other Statutory information

a. The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.

b. There are no transactions and / or balance outstanding with companies struck off under section 248 of the Companies Act, 2013.

Notes to financial statement

(All figures in INR Lakhs, unless otherwise stated)

c. The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

d. The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

e. The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

   i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

   ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

f. The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

   i) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

   ii) provided any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

g. The Company does not any transactions which are not recorded in the books of accounts that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)

h. The company does not have any investments through more than two layers of investment companies as per section 2(87) (d) and section 186 of Companies Act, 2013.

Note 51: Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date attached
For B S R & Co. LLP
Chartered Accountants
Firm Registration Number: 101248W / W-100022

Abhishek
Partner
Membership No: 062343

ICAI UDIN: 22062343AHTAAX9948

Place: Pune
Date: April 25, 2022

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

Pradeep Bhargava
Chairman
DIN: 00525234

Deepak Rastogi
Director
DIN: 02317869

Yogesh Jaju
Chief Financial Officer

Jitendraa Dikkshit
Chief Executuve Officer

Prasad Zinjurde
Company Secretary

Place: Pune
Date: April 25, 2022