AUTO LINE

# AUTOLINE INDUSTRIES LTD.

## 23RD ANNUAL REPORT

## 2018-19

**Determined to Deliver**

# DETERMINED TO DELIVER

***We are determined*** to expand our customer base. We are continuously working to add new customers in auto and non-auto segments with the support of strong design and development team to optimize our manufacturing capabilities. Last year we have been successful in adding few marquee customers both in auto and non-auto segments.

***We are determined*** to improve liquidity. Last year, the liquidity position improved with fresh infusion of equity from a private equity investor and promoters. We are currently working on monetizing our non-core assets to further improve the liquidity position that would help in working capital support and reduction of debt.

***We are determined*** to expand the product portfolio. In the process of expanding our product portfolio, we have added more customers from the non-auto sector in last year and also ventured into manufacturing of e-bicycle to tap the potential of the emerging e-vehicles market in the country.

***We are determined*** to improve efficiency and reduce cost and hence we are optimizing our operations, rationalizing manpower, increasing *productivity, implementing better inventory management controls and modernizing our systems.*

***We are excited. We are confident. We are convinced.***

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Mr. Vilas Lande
Chairman Emeritus

## BOARD OF DIRECTORS

| | | |
|---|---|---|
| Mr. Prakash Nimbalkar | : | Chairman (Independent Director) |
| Mr. Shivaji Akhade | : | Managing Director |
| Mr. Sudhir Mungase | : | Whole-time Director |
| Mr. Umesh Chavan | : | Executive Director and Chief Executive Officer |
| CA. Vijay Thanawala | : | Independent Director |
| Dr. Jayashree Fadnavis | : | Independent Director |
| Mr. Krishan Kant Rathi | : | Nominee Director (Appointed w.e.f. April 12, 2019) |
| Mr. Amit Goela | : | Non Executive Director (Resigned w.e.f.July 24, 2018) |

| Statutory Auditors | Internal Auditors | Chief Financial Officer | Company Secretary |
|---|---|---|---|
| A. R Sulakhe & Co.<br>Chartered Accountants | Ketan Shah & Associates<br>Chartered Accountants<br>(till Financial Year 2018-19)<br>Moore Stephens Singhi Advisors LLP<br>(For Financial Year 2019-20) | CA Gokul Naik | CS Ashish Gupta |

## REGISTERED OFFICE

Survey Nos. 313, 314, 320 to 323 Nanekarwadi,
Chakan, Taluka- Khed, District- Pune 410 501
Tel: +91-2135-664865/6,
CIN- L34300PN1996PLC104510
E-mail: investorservices@autolineind.com
Website: www.autolineind.com

## BANKERS / LENDERS

Bank of Baroda
The Catholic Syrian Bank Ltd.
Axis Bank Ltd.
TATA Motors Finance Solutions Limited
JM Financial Asset Reconstruction Company Limited

## FACTORIES / UNITS

1) S. Nos. 291 to 295, Nanekarwadi, Chakan, Taluka - Khed, Dist - Pune-410 501.
2) S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka - Khed, Dist - Pune - 410 501.
3) S. No. 613, Mahalunge, Chakan, Taluka - Khed, Dist - Pune - 410 501.
4) E-12-17 (7) & (8), MIDC, Bhosari, Pune - 411 026.
5) Plot Nos. 5, 6 and 8, Sector 11, II E, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand - 263 153.
6) Plot No. 186 - A, Belur Industrial Area Growth Centre, Industrial Area Garag, Opp. High Court, Dharwad, 580011, Karnataka.
7) Survey No.53, 36/2, 36/3, situated at Moorthigana Dinna Village, Dasaripalli, Hosur Bagalur Road, Hosur Taluk, Tamil Nadu - 635109

## SUBSIDIARIES / ASSOCIATES

| | |
|---|---|
| 1) Autoline Industrial Parks Limited - | S. Nos. 313, 314, 320 to 323, Nanekarwadi,Chakan, Taluka - Khed, Dist. Pune - 410501. |
| 2) Autoline Design Software Limited - | First Floor, E-12(17) (8), MIDC, Bhosari, Pune - 411026. |
| 3) Koderat Investments Limited - | Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus. |

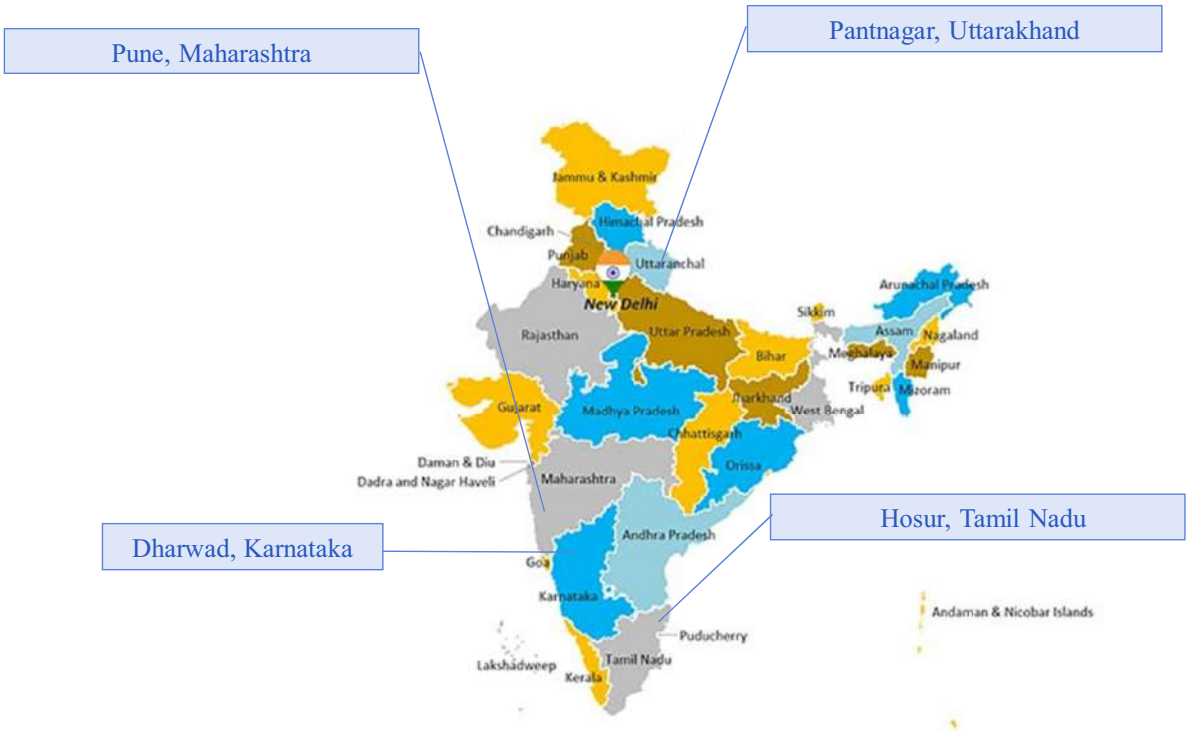
## REGISTRAR AND SHARE TRANSFER AGENT

**Link Intime India Pvt. Ltd.**
Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune- 411001,
Phone: (020) - 26161629, 26160084
Fax: 020 26163503
E-mail: pune@linkintime.co.in
Web: www.linkintime.co.in

## KEY MANAGEMENT TEAM

| | | |
|---|---|---|
| Mr. Shivaji Akhade | : | Managing Director |
| Mr. Sudhir Mungase | : | Whole-time Director |
| Mr. Umesh Chavan | : | Executive Director & CEO |
| CA Gokul Naik | : | Chief Financial Officer |
| Mr. Mayank Sharma | : | Chief Operating Officer |
| CS Ashish Gupta | : | Company Secretary |
| Mr. Jitendra Sonar | : | Head – Human Resources |
| Mr. Satish Satpute | : | Head – Commercials |
| Mr. G.V. Rangaraju | : | Head – Tool Room |
| Mr. Faiyaz Kashi | : | Head – Development |
| Mr. P. Subramanyam | : | Head – Costing |
| Mr. Sandeep Patil | : | Head – Quality |
| Mr. Mukund Palve | : | Head – IT and Systems |

## Autoline Industries – Manufacturing Locations




## Manufacturing Locations

Chakan 'II' Pune India

Chakan 'I' Pune India

Mhalunge Pune India

E12 Bhosari Pune India

Uttarakhand, India (3 Units)

Hosur, Tamilnadu India

Dharwad Karnataka India

Strategic Pan India presence in 4 different states

## Manufacturing...Engineering Transformation

- Deck Lid/ Lift Gate
- A Pillar
- B Pillar
- C Pillar
- Parcel Shelf
- Door Hinges
- Door Assembly
- Longitudinal Member
- Step Panel
- Tie Member
- Body Side Inner & Outer
- Battery Tray
- Firewall

- Parking Brakes
- Pedal Drive System
- Inner Quarter Panel
- Suspension Tower
- Chassis Cross member
- Floor Assembly
- Door Anti-Intrusion Beam
- Drive Tunnel Assembly
- Side Wall Assembly
- Brackets
- Bonnet Inner
- Mud Guard
- Wheel Arch
- Load Body

- Firewall
- Sub-Structure with floor
- Bumper
- Bumper Corner
- Headlamp Mount
- Roof Header
- Glass - Run Channel
- Side wall assembly
- Cab Stay – Cab Tilt Assy.
- Cab mount
- Exhaust System
- Engine Cross Member

Manufacturing all Major aggregates for Commercial as well as passenger vehicles

## Major Parts

Door Shells, Body Side Inners/Outers, Bumpers, Tail Gate, Exhaust Systems Etc.
Kinematic assemblies like Pedal Box, Hinges, Parking Brakes, Cab Stay, Gear Shifter etc.

## AUTOLINE AWARDED WITH IATF CERTIFICATION

CERTIFICATE

Autoline Industries Ltd

IATF 16949

### COMPANY'S CRITERIA TO GET AN IATF CERTIFICATION

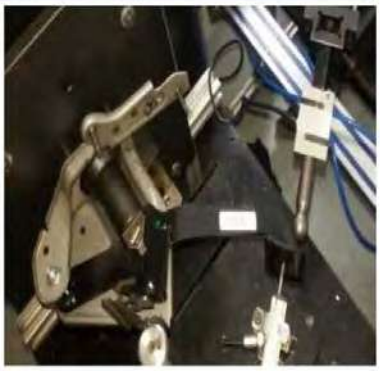
- Provides for Continuous Improvement
- Emphasizes Defect Prevention
- Includes Specific Requirement from Automotive Industry
- Promotes Reduction of Variation and Waste in Supply Chain

## BUSINESS MEET WITH KOREAN DELEGATES

## In-house Testing & Validation

Pedal System Durability Testing Chamber

Structural Test Setup



Parking Brake Durability Testing

Structural Test Setup

## MOCK DRILL TRAINING (11.12.2018) – CHAKAN PLANT II

## FINANCIAL HIGHLIGHTS OF LAST FIVE YEARS (CONSOLIDATED)

(₹ in Lakhs except share data)

| PARTICULARS | 2018-19 | 2017-18 | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|---|
| **OPERATING RESULTS** | | | | | |
| Revenue and Other Income | 45458 | 40489 | 39378 | 36449 | 50746 |
| Profit before Depreciation, Interest & Tax | 989 | 686 | 966 | 1842 | (431) |
| Less: Depreciation & Amortisation | 2123 | 2226 | 2347 | 2454 | 2763 |
| Finance Cost | 3752 | 3686 | 3675 | 3118 | 3237 |
| Profit/(loss) before Tax (PBT) | (488) | (5226) | (8447) | (3890) | (5606) |
| Profit/(loss) after Tax (PAT) | (495) | (5237) | (7197) | (3903) | (5707) |
| **ASSETS** | | | | | |
| Non-Current Assets | 24348 | 26097 | 27201 | 29126 | 30092 |
| Current Assets | 28285 | 23630 | 23481 | 23689 | 21495 |
| **Total Assets** | **52633** | **49727** | **50682** | **52815** | **51587** |
| **EQUITY & LIABILITIES** | | | | | |
| Equity Share Capital | 2703 | 2100 | 1603 | 1323 | 1234 |
| Other Equity | 8038 | 4855 | 5796 | 11525 | 18617 |
| Non-Controlling Interest | 6228 | 6225 | 5957 | 6022 | 1868 |
| | | | | | |
| **Total Equity** | **16969** | **13180** | **13356** | **18870** | **21719** |
| | | | | | |
| Non-Current Liabilities | 8897 | 15864 | 16124 | 15052 | 14126 |
| Current Liabilities | 26767 | 20683 | 21202 | 18893 | 15742 |
| **Total Liabilities** | **35664** | **36547** | **37326** | **33945** | **29868** |
| **Total Equity & Liabilities** | **52633** | **49727** | **50682** | **52815** | **51587** |
| **OTHERS** | | | | | |
| Face Value of Share | 10 | 10 | 10 | 10 | 10 |
| Number of Issued Shares | 27027585 | 21000188 | 16031054 | 13231054 | 12341054 |
| Earnings Per Share (EPS) | (2.32) | (29.05) | (50.31) | (31.00) | (45.47) |

*Figures from 2015-16 onwards are as per Ind AS

# From the Chairman's Desk

**Dear Fellow Shareholders,**

It is my privilege to present you the Annual Report for the financial year 2018-19. Our determination to excel and strong will to deliver has shaped the transitional journey for your Company.

India is emerging as a global auto hub and is set to be a part of top automobile and auto component manufacturing nations in the world. Major global original equipment manufacturers (OEMs) have made India a component sourcing hub for their global operations. With the emergence of electric vehicles (EVs) in the country and government's push for use of EVs, new growth avenues are set to arise for both OEMs and auto component industry. Your Company, primarily involved in automobile engineering, is among the top players of the country for commercial auto ancillary segment and has maintained the position since many years.

On the backdrop of sector challenges and liquidity concerns, we have achieved notable revenue growth in the past three years. The promoters, board members, investors and management team are very much confident for the future growth of your Company. This is evident from the infusion of equity funds by the promoters in the last four years. The additional investment by other investors including high net worth individuals, foreign investor and private equity fund further boosted the confidence of all the stakeholders.

Towards the transformational journey, your Company has taken several initiatives to emerge out from the past challenges and is geared up for the future. Some of the initiatives are mentioned as below:

**Expansion of Client Base:** In addition to strengthening its hold in the domestic market, your Company has expanded its customer base beyond domestic OEM's and have added marquee customers in its portfolio.

**Diversification in Product-mix**: In order to optimize our capabilities and to mitigate sectoral risk, your Company has been diversifying into non-auto sector. To tap the potential of emerging EV market, your Company has launched its own e-bicycle and is also exploring partnership opportunities to leverage its manufacturing capabilities for e- vehicles.

**Capacity Consolidation**: To optimise installed capacities, we are consolidating manufacturing plants. Recently, a plant in Dharwad is successfully executed; another plant in Pune and Pantanagar is underway. The consolidation would lead to enhanced cost savings, asset utilization, manpower rationalisation and improvement in production controls & supply chain management.

**Asset Monetisation**: Your Company is monetising its non-core assets to stay lean and fit. The sale proceeds will help debt reduction and support in growth capital for its core business.

**Cost Saving and Operational efficiencies**: Your Company is undertaking various measures like improved machine utilisation, manpower rationalisation, raw material optimisation, tight control over scrap generation etc. for enhancing operational efficiency and reduce cost.

**Improving Liquidity and Debt Reduction**: Your Company is continuously raising resources to support its operations and to reduce debt levels. The receipts of additional Industrial Promotion Subsidy (IPS) during the year and equity fund invested by promoters and investor provided a robust liquidity.

**Technology Tie-ups:** In order to align and upgrade itself with fast and growing tech advancements, your Company has signed MoU with Korean Company, which will aid technologic support in tooling, fixture and manufacturing low cost components.

The automobile industry in India is still in the grasp of challenges. The production and sales numbers continues to decline owing to increased regulations, subdued demand and tight liquidity; however, the prospects are optimistic. As per an industry report, the Indian auto component sector is expected to grow at a CAGR of 19% from USD 51.2 billion in FY 2017- 18 to reach USD 200 billion in FY 2025-26.

We believe that the recent slump in automobile sector is transitory in nature. Various government reforms including bank recapitalization to improve credit availability, further liberalising FDI policy, and other sector related reforms will definitely boost the growth prospects for automobile and auto component industry. Your Company being a largest automotive sheet metal components and tools manufacturer will be able to reap benefit from the growth of both the conventional as well as electric vehicles segments.

Your Company is determined to achieve sustainable turnaround and steer towards growth path to add value to all the stakeholders. We will continue our endeavour to improve quality and living standards of the community we live in, and enhance prosperity and happiness for our stakeholders.

With profound grief, I would like to inform the recent sad demise of Mr. M. Radhakrishnan, Promoter and Ex-Managing Director of the Company. He would always be fondly remembered for his contribution to the growth of the Company.

To conclude, I thank all our customers, employees, financial institutions, investors, government agencies and suppliers for their unrelenting and unswerving support.

With Best Regards,
Prakash Nimbalkar
Chairman

# Condolence Message

*Late Mr. M. Radhakrishnan*
*Founder Member and Promoter*
*Autoline Industries Limited*

A Brilliant Entrepreneur imbibed with noble & caring soul, lots of Humanity and Positive Attitude, our beloved Mr. M. Radhakrishnan, the Founder Member and one of the Promoters of Autoline Industries Ltd since its incorporation left for heavenly abode on June 20, 2019.

May the Lord Almighty take the departed soul to heavenly abode and give the entire family strength and courage to bear this irreparable loss.

At Autoline, the role played by him to promote and nourish the Company and Autoline group can never be forgotten. We will remember and inculcate his teachings and strive to achieve what he always wished.

With Gratitude
Board of Directors
Autoline Industries Ltd.

# NOTICE

Notice is hereby given that the Twenty Third Annual General Meeting of the Members of Autoline Industries Limited will be held on Saturday, September 28, 2019 at 2:30 p.m. at Survey Nos. 291 to 295, Nanekarwadi, Chakan, Taluka Khed, District - Pune - 410501, to transact the following businesses:

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited financial statements of the Company on a standalone and consolidated basis, for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Umesh Chavan (DIN: 06908966), who retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for reappointment.

3. To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the twenty sixth Annual General Meeting and to fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s),the following resolution as an Ordinary Resolution:

"**RESOLVED THAT** pursuant to the provisions of Section 139, 142 of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies(Audit and Auditors) Rules, 2014 (including any statutory modification(s) or reenactment (s)thereof, for the time being in force), and pursuant to the recommendation of the Audit Committee of the Company, A.R. Sulakhe & Co. Chartered Accountants (Registration No.110540W), be and are hereby re-appointed as the Auditors of the Company, for a second term of 3 (three) consecutive years to hold office from the conclusion of this Annual General Meeting to the conclusion of the Twenty Sixth Annual General Meeting at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the Auditors."

**SPECIAL BUSINESS**

4. **To re-appoint Mr. Prakash B. Nimbalkar (DIN: 00109947) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or reenactment(s) thereof, for the time being in force) ("Listing Regulation") Mr. Prakash B. Nimbalkar (DIN: 00109947), who was appointed as an Independent Director and who held the office of the Independent Director up to the conclusion of this Annual General Meeting and who has attained the age of 75 years and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed him as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years effective from September 29, 2019 to September 28, 2024.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be deem fit or required and to delegate all or any of its powers herein conferred to any committee of Board or Director(s) /Key managerial personnel to give effect to this resolution."

5. **To re-appoint Mr. Vijay K. Thanawala (DIN: 00001974) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 149, 152 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV of the Act and the applicable provisions of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (including any statutory modification(s) or reenactment (s) thereof, for the time being in force) ("Listing Regulation") Mr. Vijay K. Thanawala (DIN: 00001974) , who was appointed as an Independent Director and who held the office of the Independent Director up to the conclusion of this Annual General Meeting and being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act, proposing his candidature for the office of Director, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years effective from September 29, 2019 to September 28, 2024 and to continue to hold office of Independent Director till the date of appointment i.e. September 28, 2024 notwithstanding that he attains the age of 75 years during the tenure of appointment.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be deem fit or required and to delegate all or any of its powers herein conferred to any committee of Board or Director(s) /Key managerial personnel to give effect to this resolution."

6. **To re-appoint Mr. Umesh N. Chavan (DIN: 06908966) as an Executive Director & CEO and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 152, 196, 197, 198 and 203 and all other applicable provisions of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial personnel) Rules, 2014 and other applicable Rules made under the Act (including any statutory modification(s) or re-enactment (s) thereof for the time being in force) read with Schedule V of the Act and subject to and in accordance with the other approvals and consents as may be required, the consent of the members of the Company be and is hereby accorded to the re-appointment of Mr. Umesh N. Chavan (DIN: 06908966), as an Executive Director & CEO of the Company, for a period of 5 (five) years with effect from June 25, 2019, liable to retire by rotation, on the terms and conditions including remuneration as set out in the Statement annexed to this Notice convening Annual General Meeting with the authority to Board of Directors (which includes Nomination & Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Umesh N Chavan (DIN: 06908966), subject to the applicable provisions and/or approvals, if any.

**RESOLVED FURTHER THAT** as per the proviso to Section II (A) of Part II of Schedule V, the limits specified in Section II (A) of Part II of Schedule V of the Act, be exceeded and the Remuneration as set out in the Statement annexed to this Notice be approved for the period of 3 (three) years effective from June 25, 2019 and in case the Company incurs a loss or its profits are inadequate,the said remuneration be paid till the time it is within the limit specified in the proviso of Section II of Part II of Schedule V of the Act or such other limits as may be prescribed by the Central Government from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** wherein any financial year, during the currency of his appointment,if the Company has adequate profits, the Board of Directors of the Company, be and is hereby authorized to increase his remuneration over and above the remuneration as set out in the Statement annexed to this Notice but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. Umesh N Chavan,Executive Director & CEO subject to the provisions of Section 197 of the Act, and other applicable provisions/approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be deem fit or required and to delegate all or any of its powers herein conferred to any committee of Board or Director(s) /Key managerial personnel to give effect to this resolution."

7. **To approve the remuneration of Mr. Shivaji T. Akhade (DIN: 00006755), Managing Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Act (including any statutory modification(s) or re- enactment(s) thereof for the time being in force) read with Schedule V of the Act and subject to and in accordance with such other necessary approvals, permissions and consents, as may be required, the consent of the Members be and is hereby accorded for payment of below mentioned remuneration to Mr. Shivaji T Akhade (DIN:00006755), Managing Director for the period starting from October 1, 2019 to September 30, 2021 within the limits specified in Section 197 of the Act, read with Schedule V to the Act, or any statutory modification(s) or re-enactment thereof.

1. Salary : ₹ 60,00,000/- per annum
2. Perquisites, allowances and other benefits:
   a) Mediclaim policy: For self and dependents as per the policy of the Company.
   b) Personal accident insurance: As per the policy of the Company.
   c) Directors & Officers Liability Insurance - As per the policy of the Company.
   d) Insurance - Overseas travelling insurance- As per the policy of the Company.
   e) Company car and telephone: Use of the Company's car, chauffeur and telephone as per the policy of the Company.
   f) Leave travel concession/ allowance: For self and family as per the policy of the Company or as decided by the Board of Directors from time to time.
   g) Earned / privilege leave: As per the policy of the Company.
   h) Company's contribution to Provident Fund and superannuation fund: As per the policy of the Company.
   i) Gratuity : As per the policy of the Company.

**RESOLVED FURTHER THAT** as per the proviso to Section II (A) of Part II of Schedule V, the limits specified in Section II (A) of Part II of Schedule V of the Act be exceeded and in case the Company incurs a loss or its profits are inadequate, the remuneration as set out above be paid till the time it is within the limit specified in the proviso of Section II of Part II of Schedule V of the Act or such other limits as may be prescribed from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors of the Company,be and is hereby authorized to increase his remuneration over and above the above mentioned remuneration but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. Shivaji T Akhade (DIN:00006755), Managing Director subject to the provisions of Section 197 of the Act and other applicable provisions/approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be deem fit or required and to delegate all or any of its powers herein conferred to any committee of Board or Director(s) / Key managerial personnel to give effect to this resolution."

**8. To approve the remuneration of Mr. Sudhir V. Mungase (DIN:00006754), Whole-time Director of the Company and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Act (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) read with Schedule V of the Act and subject to and in accordance with such other necessary approvals, permissions and consents, as may be required, the consent of the Members be and is hereby accorded for payment of below mentioned remuneration to Mr.Sudhir V Mungase (DIN:00006754), Whole-time Director for the period starting from October 1, 2019 to September 30, 2021 within the limits specified in Section 197 of the Act, read with Schedule V to the Act, or any statutory modification(s) or re-enactment thereof.

1. Salary : ₹ 24,00,000/- per annum
2. Perquisites, allowances and other benefits:
   a) Mediclaim policy: For self and dependents as per the policy of the Company.
   b) Personal accident insurance: As per the policy of the Company.
   c) Directors & Officers Liability Insurance - As per the policy of the Company.
   d) Insurance - Overseas travelling insurance- As per the policy of the Company.
   e) Company car and telephone: Use of the Company's car, chauffeur and telephone as per the policy of the Company.
   f) Leave travel concession/ allowance: For self and family as per the policy of the Company or as decided by the Board of Directors from time to time.
   g) Earned / privilege leave: As per the policy of the Company.
   h) Company's contribution to Provident Fund and superannuation fund: As per the policy of the Company.
   i) Gratuity : As per the policy of the Company.

**RESOLVED FURTHER THAT** as per the proviso to Section II (A) of Part II of Schedule V,the limits specified in Section II (A) of Part II of Schedule V of the Act be exceeded and in case the Company incurs a loss or its profits are inadequate, the remuneration as set out above be paid till the time it is within the limit specified in the proviso of Section II of Part II of Schedule V of the Act or such other limits as may be prescribed from time to time as minimum remuneration.

**RESOLVED FURTHER THAT** wherein in any financial year, during the currency of his appointment, if the Company has adequate profits, the Board of Directors of the Company,be and is hereby authorized to increase his remuneration over and above the above mentioned remuneration but within the overall entitlements of 10% of net profits by way of salary, perquisites, commission and any other allowances to Mr. Sudhir V Mungase (DIN:00006754), Whole-time Director subject to the provisions of Section 197 of the Act and other applicable provisions/approvals, if any.

**RESOLVED FURTHER THAT** the Board be and is hereby authorised to do all such acts, deeds and things and execute all such documents, instruments and writings as may be deem fit or required and to delegate all or any of its powers herein conferred to any committee of Board or Director(s) / Key managerial personnel to give effect to this resolution."

9. **To confirm the appointment of Mr. Krishan Kant Rathi (DIN: 00040094) as a Nominee Director in the Company and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:**

"**RESOLVED THAT** the appointment of Mr. Krishan Kant Rathi (DIN: 00040094), being the representative of IndiaNivesh Renaissance Fund, as a Nominee Director in the Company with effect from April 12, 2019 pursuant to the provisions of Article 90 and other enabling provisions of the Articles of Association of the Company and in accordance with the provisions of Section 161(3) and other applicable sections of the Companies Act, 2013 and vide Board resolution dated April 12, 2019 is hereby acknowledged and confirmed."

10. **To alter the Articles of Association of the Company as per the provisions of the Companies Act, 2013 and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

"**RESOLVED THAT** pursuant to the provisions of Section 14 and any other applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this Meeting be and are hereby approved and adopted as the Articles of Association of the Company in substitution, and to the entire exclusion of the regulations contained in the existing Articles of Association of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including a Committee thereof) be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution. "

11. **To approve the waiver of recovery of emuneration paid to Mr. Umesh N. Chavan,Executive Director & CEO (DIN: 06908966) for the period June 25, 2014 to June 24,2017 and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 197(10), (17) and 198 read with Schedule V of the Companies Act, 2013 ("the Act") and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable Rules made under the Act (including any statutory modification(s) or reenactment(s) thereof for the time being in force) and in pursuance of the Special Resolution no. 7 passed by the Members at the 18th Annual General Meeting of the Company held on July 31, 2014, the approval of the Members be and is hereby accorded to waive the recovery of the remuneration paid within the limit prescribed in Schedule V of the Companies Act, 2013 to Mr. Umesh N. Chavan, Executive Director & CEO (DIN: 06908966) for the period from June 25, 2014 to June 24, 2017 in view of the abatement of the application of the Company filed with the Central Government for the approval of payment of remuneration.

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

12. **To approve granting of Loans, providing any Security, giving any Guarantees in connection with any loans raised, by Autoline Industrial Parks Limited (AIPL), Subsdiary of Autoline Industries Limited (AIL) and in this regard to consider and, if thought fit, to pass with or without modification, the following resolution as a Special Resolution:**

**"RESOLVED THAT** pursuant to the provisions of Section 185 of the Companies Act, 2013 ('the Act') and any other applicable provisions of the Act and Rules made there under read with the Companies (Amendment) Act, 2017 (including any statutory modification thereof for the time being in force and as may be enacted from time to time) and the relevant clause of the Articles of Associations of the Company and subject to the provisions of other applicable laws and such approvals, consents, sanctions and permissions, as may be necessary, and in line with the approval already accorded by the shareholders of the Company under Section 186 of the Act vide resolution no. 5 of the Notice of 22nd Annual General Meeting dated May 30, 2018, consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee constituted by the Board or any person(s) authorised by the Board to exercise the powers conferred on the Board by this Resolution), to advance any loan including any loan represented by book debt to Autoline Industrial Parks Ltd. give any guarantee or provide any security in connection with any loans /debentures / bonds etc. raised by Autoline Industrial Parks Limited upto an aggregate amount not exceeding Rs. 50 Crores (Rupees Fifty Crores Only).

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to take from time to time all decisions and such steps as may be necessary for giving loans, guarantees or providing securities and to execute such documents, deeds, writings, papers and/or agreements as may be required and do all such acts, deeds, matters and things, as it may in its absolute discretion, deem fit, necessary or appropriate and to delegate all or any ofits powers herein conferred to any committee of Board or Director(s) / Key managerial personnel to give effect to this resolution''.

By Order of the Board of Directors of
Autoline Industries Limited

Ashish Gupta
Company Secretary & Compliance Officer
Membership No. : A16368

Pune, August 14, 2019
Registered Office: Survey No. 313, 314, 320 to 323
Nanekarwadi, Chakan, Taluka- Khed, District- Pune
410501
CIN: L34300PN1996PLC104510
E-mail: investorservices@autolineind.com

## NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING (THE "MEETING/AGM") IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING THE PROXY SHOULD, HOWEVER, BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE COMMENCEMENT OF THE MEETING.

**A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.**

A proxy form for the AGM is enclosed. Proxies are requested to bring their identity document to prove identity at the time of attending the Meeting.

2. Corporate members intending to send their authorized representative to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.

3. Members/proxies/authorised representative are requested to bring their attendance slip along with their copy of Annual Report to the Meeting.

4. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

5. Brief profile and other details of Director(s) proposed to be re-appointed as stipulated under Regulation 36 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Regulation) and Secretarial Standards on General Meetings (SS-2) are given at **Annexure - 1** to this Notice.

6. Relevant documents referred to in this Notice and necessary Registers are open for inspection by the members at the Registered Office of the Company during 10:00 a.m. to 1:00 p.m. on all working days, up to the date of the Meeting.

7. Members holding shares in electronic form are requested to intimate immediately any change in their address or bank mandates to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form are requested to advise any change in their address or bank mandates immediately to the Company/Registrar and Share Transfer Agent of the Company.

8. Annual Report 2018-19 is being sent by electronic mode to all the members whose email addresses are registered with the Company/Depository Participant(s) for communication purposes unless any member has requested for a hard copy of the same. Physical copy of the Annual Report 2018-19 is being sent by the permitted mode to the members who have not registered their email addresses.

9. The Notice of the 23rd Annual General Meeting and instructions for e-voting, along with the Attendance Slip and Proxy Form, are being sent by electronic mode to all members whose email addresses are registered with the Company/ Depository Participant(s) unless a member has requested for a hardcopy of the same. For members, who have not registered their email addresses, physical copies of the aforesaid documents are being sent by the permitted mode.

10. Members may also note that the Notice of the 23rd Annual General Meeting and the Annual Report 2018-19 will be available on the Company's website- www.autolineind.com. The physical copies of the aforesaid documents will also be available at the Company's Registered Office for inspection during normal business hours on working days. Members who require communication in physical form in addition to e-communication, or have any other queries, may write to us at: pune@linkintime.co.in or investorservices@autolineind.com.

11. Members are requested to send all their documents and communications pertaining to shares to Link Intime India Pvt. Ltd., Share Transfer Agent of the Company (Link Intime) at its address at Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune- 411 001 (Maharashtra), India; Telephone No. (020)-26161629, 26160084; Fax No. (020)-26163503 for both physical and demat segment of Equity Shares. Please quote "Unit-Autoline Industries Limited" on all such correspondences. E-mail address of Link Intime is pune@linkintime.co.in.

12. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to Link Intime/ Company.

13. Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. The nomination form can be downloaded from the Company's website- www.autolineind.com under the section 'Investor Relations'.

14. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company, for consolidation in to a single folio.

15. Non-Resident Indian Members are requested to inform Link Intime immediately of:

a) Change in their residential status on return to India for permanent settlement.

b) Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC code and address of the bank with pin code number, if not furnished earlier.

16. **Transfer to Investor Education and Protection Fund (the IEPF) :**

Pursuant to the provisions of Section 124(5) of the Companies Act, 2013, the Company has transferred the unpaid or unclaimed dividends as and when declared up to the financial year 2010-11 on due dates, to the Investor Education and Protection Fund (the IEPF) established by the Central Government. Pursuant to the provisions of Investor Education and Protection Fund (Uploading of information regarding unpaid and unclaimed amounts lying with companies) Rules, 2012, the Company has uploaded the details of unpaid and unclaimed amounts lying with the Company as on September 28, 2018 (date of last Annual General Meeting) on the website of the Company (www.autolineind.com) and also on the website of the Ministry of Corporate Affairs.The details of dividend paid by the Company and their respective due dates of the proposed transfer to IEPF of the Central Government, if they remained un-cashed, are as under:

| Date of declaration of dividend | Date of dividend warrant | Dividend for the year | Dividend per share (₹) | Due date of the proposed transfer to the IEPF |
|---|---|---|---|---|
| 27.09.2012 | 08.10.2012 | 2011-12 | 4.00 | 02.11.2019 |
| 26.09.2013 | 30.09.2013 | 2012-13 | 1.00 | 01.11.2020 |

It may please be noted that no claim will lie against the Company from a member once the transfer is made to the credit of IEPF of the Central Government, under the provisions of Section 124 of the Companies Act, 2013 read with the Companies (Declaration and Payment of Dividend) Rules, 2014.In view of above, the Members are advised to send the un-cashed dividend warrants pertaining to the aforestated years to Link Intime/ the Registered Office of the Company for revalidation and en-cash them before the due date for transfer to IEPF of the Central Government.

17. Members desiring any information with regard to Accounts/ Annual Reports are requested to write to the Company Secretary at least 10 days before the date of the Annual General Meeting so as to enable the Management to keep the information ready.

18. The voting for the agenda item shall be done either by casting of votes by using Remote e-voting (evoting) that is an electronic voting system from a place other than the venue of the Meeting and or by Poll/Ballot process at the meeting for all those Members who are present at the Annual General Meeting but have not cast their votes by availing the remote e-voting facility.

19. Members who have cast their vote by remote e-voting prior to the meeting may also attend the meeting but shall not be entitled to cast their vote again in the meeting.

20. **Members who have not registered their e-mail addresses so far, are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.**

21. **Voting through electronic means:**

The Companies Act, 2013 has prescribed the provisions of voting through electronic means. In Compliance with provisions of Section 108 of the Companies Act, 2013 and rules thereof and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulation,2015, the Company is pleased to provide Members, facility of electronic voting system to exercise their right to vote on business to be transacted at the 23rd Annual General Meeting of the Company by electronic means through Central Depository Services (India) Limited (CDSL).

**The instructions for members voting electronically are as under:**

I. The voting period begins on Wednesday, September 25, 2019 (09:00 a.m.) and ends on Friday, September 27, 2019 (5:00 p.m.). During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Saturday, September 21, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

ii. The shareholders should log on to the e-voting website www.evotingindia.com.

iii. Click on Shareholders.

iv. Now Enter your User ID

a. For CDSL: 16 digits beneficiary ID,

b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,

c. Members holding shares in Physical Form should enter Folio Number registered with theCompany.

v. Next enter the Image Verification as displayed and Click on Login.

vi. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

vii. If you are a first time user follow the steps given below:

| | **For Members holding shares in Demat Form and Physical Form** |
|---|---|
| PAN | Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)Members who have not updated their PAN with the Company / Depository Participant are requested to use the sequence number which is printed on Postal Ballot form in the PAN field. |
| Dividend Bank Details **OR** Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv). |

viii. After entering these details appropriately, click on "SUBMIT" tab.

ix. Members holding shares in physical form will then directly reach the Company selection screen.

However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting on resolutions of any other company on which they are eligible to vote, provided that company opts for evoting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

x. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

xi. Click on the EVSN for Autoline Industries Limited.

xii. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.

xiv. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

xv. Once you "CONFIRM" your vote on the resolution,

you will not be allowed to modify your vote.

xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.

xvii. If a demat account holder has forgotten the changed password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

xviii. Members can also cast their vote using CDSL's mobile app m-Voting available for android based

mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.

xix. Note for Non – Individual Members and Custodians

* Non-Individual members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
* A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
* After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
* The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
* A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at ww.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

22. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date i.e. September 21, 2019. A person who is not a Member as on the cut-off date should treat Notice of this Meeting for information purposes only.

23. Any person, who acquires equity shares of the Company and becomes member of the Company after dispatch of the notice/annual report and holding shares as of the cut-off date i.e. Saturday, September 21, 2019, may follow the instructions for e-voting mentioned above. In case such Member has not updated his or her PAN with the Company or the Depository Participant, may obtain the sequence number by sending a request at pune@linkintime.co.in .

**24. Dematerialise the Shares held in Physical mode:**
SEBI vide its notification dated 8th June 2018 as amended on 30th November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form requesting them to demat their physical holdings.We urge the members holding shares in physical form to opt for dematerialization. Members may please note that the trading of the Company's shares on BSE Limited and The National Stock Exchange of India Limited, is in compulsory demat mode.

**25. Shares transferred to IEPF**: Under section 124(6) of the Companies Act, 2013, as amended, there has been a further provision that all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company, within a period of thirty days of such shares becoming due to be transferred to Investor Education and Protection Fund (IEPF). Accordingly, in due compliance of the provisions of rule 6(3) of Investor Education and Protection Fund Authority (Accounting, Auditing, Transfer and Refund) Rules, 2016 (IEPF Rules), the Company sent individual letters to such shareholders, in respect of whom dividend for a consecutive period of seven years had remained unpaid. Further, public notice was released in newspapers on December 13, 2018.In view of the same, during the year under review, the Company transferred 4748 equity shares of the face value of Rs 10 each in respect of 75 shareholders to the Demat Account of the IEPF Authority held with CDSL and filed necessary e-form IEPF-4 with MCA on June 3, 2019. Details of such shareholders, whose shares are transferred to IEPF and their unpaid dividends for the subsequent years are available to the concerned shareholders on the website of the Company at www.autolineind.com. As provided under these Rules, the shareholders would be allowed to claim such unpaid dividends and the shares transferred to the Fund by following the required procedure. Shareholders are requested to get in touch with the compliance officer for further details on the subject.

**26. Proposed transfer of shares to IEPF:** Pursuant to section 124(6) of the Companies Act, 2013 and the IEPF Rules, 2016 (as amended) stipulates that shares on which dividend has not been paid or claimed for Seven consecutive years or more, then such shares are to be transferred to the IEPF which is constituted by the Government of India as per Section 125 of the Companies Act, 2013. Details of such shareholders, whose shares are liable to be transferred in FY 2019-20 to IEPF and their unpaid dividends for the subsequent years are available on the website of the Company at www.autolineind.com.

We request all those shareholders who have not encashed the dividend warrants for last seven consecutive years commencing from 2011-12 to claim the unclaimed dividend on the equity shares before November 2, 2019. Failing which the said shares will be transferred to IEPF. After the shares have been transferred to IEPF, the concerned shareholder/s can claim the shares from IEPF Authorities by filing e-Form No. IEPF 5 as prescribed under the rules.

27. Mr. Sunil G. Nanal (FCS No. 5977), Partner M/s. KANJ & Co. LLP, Practicing Company Secretaries has been appointed as the Scrutinizer to scrutinize the e-voting and poll process in a fair and transparent manner.

28. The scrutinizer shall, immediately after the conclusion of voting at the general meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make a consolidated scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a director authorized by board in writing who shall countersign the same. The Chairman or a director authorized by board shall declare the result of the voting forthwith but not later than 48 hours of conclusion of the meeting.

29. The Results declared along with the Scrutinizer's Report shall be placed on the Company's website www.autolineind.com and on the website of CDSL www.cdslindia.com and communicated to the Stock Exchanges immediately after declaration. The result shall also be displayed on the Notice Board at the Registered Office of the Company.

## EXPLANATORY STATEMENT

(Statement setting out material facts under Section 102 of the Companies Act, 2013)

**ITEM NO. 3**

The members are informed that A.R. Sulakhe & Co, Chartered Accountants, (Firm Registration No. 110540W) were appointed as the Statutory Auditors of the Company by the members vide their Ordinary Resolution passed in the 18th Annual General Meeting of the Company to hold the office from 18th AGM to the conclusion of 23rd AGM. The Audit Committee in its Meeting held on May 29, 2019 has recommended the Board for re-appointment of A.R.Sulakhe & Co, Chartered Accountants for a further period of 3 years commencing from the conclusion of this, i.e. 23rd Annual General Meeting till the conclusion of 26th Annual General Meeting. The Board of Directors at their meeting held on May 30, 2019 have considered the matter and approved the reappointment subject to the approval of the members in the general meeting.In Accordance with Regulation 36 (5) (a) and (b) of the SEBI (Listing Obligations and Disclosure Requirements) Amendment Regulations, 2018, details of the disclosures required for Statutory Auditor proposed to be appointed/reappointed are as under:

a) Proposed fees – Rs. 30,00,000 (Rupees Thirty Lakhs only) per annum plus reimbursement of expenses incurred on actual basis. The power may be granted to the Board to alter and vary the terms and conditions of appointment, revision including upward revision of the remuneration during the proposed tenure of three years, etc., in such manner and to such extent as may be mutually agreed with the Statutory Auditors.

b) Terms of Re-appointment: Re-appointment as the Statutory Auditors of the Company for 3 consecutive years, i.e. from the conclusion of 23rd AGM to the conclusion of 26th AGM.

c) Basis of recommendation for appointment including the details in relation to and credentials: The Board of Directors, after considering the recommendation of Audit Committee, at its meeting held on May 30, 2019 have approved the re-appointment of the Statutory Auditors, after considering their following credentials:

(1) A.R. Sulakhe & Co, Chartered Accountants, Pune (Firm Registration No. 110540W) is a firm engaged in providing Audit & Assurance, Tax, Regulatory and Advisory services to various sectors for 37 years and thereby are rich in experience and expertise in the field of the above stated. CA Anand Sulakhe established the firm and has imbibed the firm with strong professional ethics and principles through the years. The firm also has been successfully peer reviewed twice in 2009 and 2014.Also, the Firm has ISO 9001 Certification since 2009.

(2) Further, during their tenure as Statutory Auditors of the Company, A.R. Sulakhe have provided excellent services in Financial Reporting, IND-AS, Audit & assurance and have provided solutions to the management to overcome the problems in the arenas of Financial, IND-AS and Tax Planning.

(3) As per the requirement of the Act, A.R. Sulakhe & Co, Chartered Accountants have confirmed that the appointment if made would be within the limits specified under Section 141(3) (g) of the Act and it is not disqualified to be appointed as statutory auditor in terms of the provisions of the proviso to Section 139 and 141 of the Act and the applicable Rules.

The Board of Directors are of the view that reappointment of A.R. Sulakhe & Co., Chartered Accountants as the Statutory Auditors for a further period of three consecutive years, i.e till the conclusion of 26th Annual General Meeting of the Company would be beneficial for the Company and its stakeholders.

None of the Directors, Key Managerial Personnel of the company or their relatives is in any way financially or otherwise, concerned or interested in the resolution .

The Bord commends the Resolution set out at Item No. 3 of the notice for approval by the members.

**ITEM NO. 4**

Mr. Prakash Nimbalkar (DIN: 00109947) was appointed as an Independent Director on the Board of the Company for a period of five years in the 18th Annual General Meeting of the Company in accordance with the applicable provisions of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges. He holds the office of Independent Director and Chairman of the Company.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Further, The Listing Regulation requires appointment/ continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution and justification thereof should be indicated in the explanatory statement annexed to the notice for such appointment. Mr. Prakash Nimbalkar, who is a non-executive director of the Company, has attained the age of 76 years and therefore it is necessary to approve his re-appointment by way of passing a Special Resolution as set out at Item no. 4 of the this Notice.

The Nomination and Remuneration Committee of the Board of Directors in its meeting dated May 25, 2019, on the basis of the report of performance evaluation of Independent Directors and satisfying with the aptness of Mr. Prakash Nimbalkar as a candidature for the position, has recommended reappointment of Mr. Prakash Nimbalkar (DIN: 00109947) as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Prakash Nimbalkar has over 35 years of experience in banking sectors with Reserve Bank of India (RBI), Industrial Development Bank of India (IDBI) and Small Industries Development Bank of India (SIDBI). He is Ex-Chairman & Managing Director of SIDBI. As Chairman of SIDBI Venture Capital Limited, Mr. Nimbalkar was looking after the policy formulation, sanctions and monitoring of venture capital projects. At RBI his responsibilities involved surveillance of commercial banks, branches of foreign banks and central /state co-operative banks engaged in agricultural finance. He participated in Annual Meetings of the Board of Governors of the World Bank Group, International Monetary Fund, Asian Development Bank and ADFIAP representing SIDBI. He possesses enough experience in finance sector and good governance system and always keen and committed to adopt and implement good corporate governance practices in the Company. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Prakash Nimbalkar (DIN: 00109947) would be of immense benefit to the Company and it is desirable to continue him as an Independent Director. The aforesaid distinctions justify his candidature for the position of Independent Director and accordingly, it is proposed to re-appoint Mr. Prakash Nimbalkar (DIN: 00109947) as an Independent Director and Chairman of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Prakash Nimbalkar (DIN: 00109947) is not disqualified from being reappointed as Director in terms of Section 164 of the Act and have given his consent to act as a Director. The Company has received notices in writing from him under Section 160 of the Act proposing him candidature for the office of Independent Director of the Company. The Company has also received declaration from Mr. Prakash Nimbalkar that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulations. In the opinion of the Board, Mr. Prakash Nimbalkar fulfils the conditions for reappointment as Independent Director as specified in the Act and the Listing Regulation. Mr. Prakash Nimbalkar is independent of the management.

Details of proposed Independent Director are provided in the "Annexure-1" to the Notice pursuant to the provisions of (i) Listing Regulation and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letter of appointment of Mr. Prakash Nimbalkar setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company.

Mr. Prakash Nimbalkar is interested in the resolution set out at Item No. 4 of the Notice with regard to his re-appointment. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

None of the Directors, Key Managerial Personnel of the Company or their relatives as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the resolution. The Board commends theSpecial Resolution set out at Item No. 4 of the Notice for approval by the members.

**ITEM NO. 5**

Mr. Vijay Thanawala (DIN: 00001974) was appointed as an Independent Director on the Board of the Company for a period of five years in the 18th Annual General Meeting of the Company in accordance with the applicable provisions of the Act read with the Companies (Appointment and Qualification of Directors) Rules, 2014 and the erstwhile Clause 49 of the Listing Agreement with the Stock Exchanges. He was appointed for five years up to the conclusion of twenty third Annual General Meeting of the Company in the calendar year 2019 ('first term' in line with the explanation to Sections 149(10) and 149(11) of the Act). He holds the office of Independent Director and Chairman of the Audit Committee of the Company.

Section 149(10) of the Act provides that an independent director shall hold office for a term of up to five consecutive years on the Board and shall be eligible for re-appointment on passing a special resolution by the company and disclosure of such appointment in its Board's report. Section 149(11) provides that an independent director may hold office for up to two consecutive terms.

Further, the Listing Regulations requires appointment/ continuance of any Non-Executive Director who has attained the age of 75 years to be approved by the shareholders by way of a Special Resolution and justification thereof should be indicated in the explanatory statement annexed to the notice for such appointment. Mr. Vijay Thanawala, who is a non-executive director of the Company, has attained the age of 72 years. Considering that during the course of term of reappointment of Mr. Vijay Thanawala, he will be attaining the age of 75 years, it is necessary to approve continuation of his directorship on attaining the age of 75 years on the Board of Directors of the Company by way of a special resolution as set out at Item no. 5 of this Notice.

The Nomination and Remuneration Committee of the Board of Directors in its meeting dated May 25, 2019, on the basis of the report of performance evaluation of Independent Directors and satisfying with the aptness of Mr. Vijay Thanawala as a candidature for the position, has recommended reappointment of Mr. Vijay Thanawala (DIN: 00001974) as an Independent Director for a second term of 5 (five) consecutive years on the Board of the Company.

Mr. Vijay Thanawala is a commerce graduate and a fellow member of the Institute of Chartered Accountants of India (FCA). He is senior partner of M/s Tandon & Thanawala, Chartered Accountants. He also has his own proprietary concern in the name and style of M/s. Thanawala & Company. He has been a practicing Chartered Accountant for the past 45 years and has vast and varied experience in the field of Audit, Taxation and Management Consultancy. His areas of practice include corporate and personal taxation, appellate work, statutory audit, management and internal audits.

The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Vijay Thanawala (DIN: 00001974) would be beneficial to the Company and it is desirable to continue him as an Independent Director. The aforesaid characteristic warrant his candidature for the position of Independent Director and accordingly, it is proposed to reappoint Mr. Vijay Thanawala (DIN: 00001974) as an Independent Director of the Company, not liable to retire by rotation and to hold office for a second term of 5 (five) consecutive years on the Board of the Company even he attains the age of 75 years during the terms of his appointment.

Mr. Vijay Thanawala (DIN: 00001974) is not disqualified from being reappointed as Director in terms of Section 164 of the Act and have given his consent to act as a Director. The Company has received notices in writing from him under Section 160 of the Act proposing his candidature for the office of Independent Director of the Company. The Company has also received declaration from Mr. Vijay Thanawala that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the Listing Regulation. In the opinion of the Board, Mr. Vijay Thanawala fulfils the conditions for reappointment as Independent Director as specified in the Act and the Listing Regulation. Mr. Vijay Thanawala is independent of the management.

Details of proposed Independent Director are provided in the "Annexure-1" to the Notice pursuant to the provisions of (i) Listing Regulation and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India. Copy of draft letters of appointment of Mr. Vijay Thanawala setting out the terms and conditions of appointment is available for inspection by the members at the registered office of the Company. Mr. Vijay Thanawala is interested in the resolutions set out at Item No. 5 of the Notice with regard to his re-appointment.

None of the Directors, Key Managerial Personnel of the Company or their relatives as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in this resolution. This statement may also be regarded as an appropriate disclosure under the Listing Regulations.

The Board commends the Special Resolution set out at Item No. 5 of the Notice for approval by the members.

**ITEM NO. 6:**

The members at the 18th Annual General Meeting (AGM) held on July 31, 2014 approved the appointment of Mr. Umesh N. Chavan as Executive Director & Chief Executive Officer of the Company for the Five years beginning June 25, 2014 and ending on June 24, 2019.

Mr. Umesh Chavan is having 25 years of experience & year on year success record in spearheading global sourcing, supply chain and business development functions in Automobile & Engineering during his venture with other organizations. He has worked in senior positions at Tata Motors Limited, Kirloskar Oil Engines Limited and Cummins India limited, Pune. Post his appointment in the Company, he has contributed significantly to the overall development of the Company's Supplier management and Business development areas and successfully completed various projects and transactions which were very crucial for the growth of the Company and its subsidiaries.

On the recommendation of the Nomination and Remuneration Committee ("the Committee") and subject to the approval of the members, the Board at its meeting held on May 30, 2019 reappointed Mr. Umesh Chavan as Executive Director and CEO for the period of Five years starting from June 25, 2019 to June 24, 2024 and payment of remuneration for the period of three years effective from June 25, 2019 to June 24, 2022. While deciding the remuneration the Committee considered financial position of the Company, trend in the industry, Mr. Umesh Chavan's qualification, past experience, contribution in the Company, the nomination and remuneration policy of the Company and recommended the Board to pay the remuneration of Rs. 500000/- (Rs. Five Lakh only) per month plus other allowances and perquisites as given below to Mr. Umesh Chavan.

i) **Tenure of Agreement:**

(a) Period of appointment: Five years beginning June 25, 2019 and ending on June 24,2024.
(b) Period for which remuneration is being decided – Three years beginning June 25, 2019 and ending on June 24, 2022.

ii) **Nature of duties**:

a) Mr. Umesh Chavan shall, subject to the supervision and control of the Board, be entrusted with substantial powers for day to day management of the Company and represent the Company before the government offices, various stakeholders and outside parties and he shall also perform such duties as, from time to time, be entrusted to him;
b) He shall also look after the business and other activities of Subsidiary companies of the Company in consultation with the Managing Director/Whole-time Director and instruction/advise of the Board of those companies;
c) Other terms and conditions as given in the appointment letter.

iii) **Remuneration**

Within the limits specified in Section 197 of the Companies Act, 2013 (the Act) read with Schedule V of the Act or any statutory modification(s) or reenactments thereof;
1. Salary and Bonus: Rs. 60 lakhs per annum

2. Performance / Variable payout: Payable at such intervals, as may be decided by the Board of Directors.

a) 1% of net profit on new business developed (net sales excluding any taxes, levies and duties) every twelve months from the date of joining. For the purpose this clause, new business developed every twelve months shall mean business received for the new finished products or received from new customers every twelve months as compared to the previous twelve months on standalone basis.

b) 10% on cost reduction achieved in material and Direct manufacturing costs every financial year as compared to previous financial years– as may be decided by the Board of Directors on standalone basis.

3. Perquisites and allowances:
a) Mediclaim policy: For self and dependents as per the rules of the Company.
b) Personal accident insurance : As per the rules of the Company.
c) Directors & Officers Liability Insurance - As per the rules of the Company.
d) Insurance - Overseas Travelling insurance- As per the rules of the Company.
e) Leave travel concession/ allowance: For self and family as decided by the Board of Directors from time to time.
f) Company car and telephone: Use of the Company's car, chauffeur and telephone as per the rules of the Company.

4. Other benefits:
a) Earned / privilege leave: As per the rules of the Company.
b) Company's contribution to Provident Fund and superannuation fund: As per the rules of the Company.
c) Gratuity: As per the rules of the Company.
d) Encashment of leave: As per the rules of the Company.

**Minimum Remuneration**:

Notwithstanding anything herein above stated where in any financial year closing on or after March 31, 2019, during the tenure of Mr. Umesh Chavan (DIN: 06908966) as Executive Director & CEO of the Company, the Company incurs a loss or its profits are inadequate, the Company shall pay to Mr. Umesh Chavan (DIN: 06908966) the above remuneration by way of salary, bonus and other allowances till the time it is within the limit as specified in the proviso of section II of Part II of Schedule V of the Act or such other limits as may be prescribed from time to time as minimum remuneration.

iv) The terms and conditions of appointment with Mr. Umesh Chavan also include clauses pertaining to adherence with the Company's Code of Conduct, including no conflict of interest with the Company maintenance of confidentiality and Prohibition of Insider Trading in the securities of the Company.

v) The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit and remuneration may be revised by the Board, after recommendation by Nomination and Remuneration Committee, within the maximum amount payable to Mr. Umesh Chavan, in accordance with the provisions of the Act or any amendments made hereafter in this regard and subject to such approvals as may be required.

vi) No sitting fees shall be paid to the Executive Director for attending the meetings of the Board of Directors or its Committees.

**Termination:**
The appointment may be terminated subject to the compliance with the provisions of the Act by either party by giving six months' notice in writing of such termination.
Pursuant to the provisions of Section 197 and Schedule V of the Act (as amended), where the company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting.

Accordingly, the Company has applied for the approval from secured creditors whose repayment has been defaulted for payment of the proposed remuneration for three years with effect from June 25, 2019 and ending on June 24, 2022 to Mr. Umesh Chavan, Executive Director & CEO of the Company.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

The Company has received necessary declaration from Mr. Umesh Chavan under the Act.Details of proposed Director are provided in the "Annexure-1" to the Notice pursuant to the provisions of (i) Listing Regulation and (ii) Secretarial Standard on General Meetings ("SS-2"), issued by the Institute of Company Secretaries of India.

Information as required under Schedule V Part II (B) (iv) of the Act is given under Item no. 8. The Board considers that it would be in the interest of the Company to reappoint Mr. Umesh Chavan as Executive Director & CEO of the Company for five years and commends passing the resolution as set out at Item no. 6 as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested the resolution as set out at item no. 6.

**ITEM NO.7**

The Members of the Company at their Twentieth AGM held on September 24, 2016 had approved the appointment of Mr. Shivaji Akhade as Managing Director of the Company for five years effective from October 1, 2016.

The Company was not regular in repayment of its debts or interest in the preceding financial year of the appointment of Mr. Shivaji Akhade as Managing Director due to difficult financial conditions and therefore the requirements as mentioned in Section II of Part II of Schedule V read with section 197 of the Act could not be met and therefore the Company approved his remuneration as given in the resolution at Item No. 7 for three years starting from October 1, 2016 to September 30, 2019.

Pursuant to the provisions of Section 197 read with Schedule V of the Act (as amended), where the Company has defaulted in payment of dues to any bank or public financial institution or non-convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the company before obtaining the approval in the general meeting for payment of remuneration to managerial personnel.

Accordingly, the Company has applied for the approval from secured creditors whose repayment has been defaulted for payment of the remuneration for remainder period of two years with effect from October 1, 2019 till September 30, 2021 to Mr. Shivaji Akhade, Managing Director of the Company.

Mr. Shivaji Akhade has been in office as a Director since inception of the Company. During his tenure, the Company has made considerable progress in all the spheres and acquired reputation in the Industry. He has contributed immensely in the growth of the Company. Keeping in view that Mr. Shivaji Akhade has rich and varied experience in the industry and has been involved in the operations of the Company since inception it would be in the interest of the Company to approve his remuneration as proposed in the resolution.

The Nomination and Remuneration Committee ("the Committee"), at its meeting held on May 25, 2019 has recommended to the Board to make the payment of remuneration from October 1, 2019 to September 2021 with the approval of secured creditor(s) and the Board of the Company has approved the same in their meeting held on May 30, 2019. This explanatory statement ay also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

Information as required under Schedule V Part II Section II (B) (iv) of the Act and other details are given below at Item no. 8. The Board commends passing the said resolution as a Special Resolution. None of the Directors, Key Managerial Personnel or their relatives except Mr. Shivaji Akhade, Managing Director and Mr. Sudhir Mungase, Whole-time Director are interested or concerned, financially or otherwise in the Resolution set out at item no. 7.

**ITEM NO. 8**

The Members of the Company at their Twentieth AGM held on September 24, 2016 had approved the appointment of Mr. Sudhir Mungase as Whole-time Director of the Company for five years effective from October 1, 2016. The Company was not regular in repayment of its debts or interest in the preceding financial year of the appointment of Mr. Sudhir Mungase as Whole-time Director due to difficult financial conditions and therefore the requirements as mentioned in Section II of Part II of Schedule V read with section 197 of the Act could not be met and therefore the Company approved his remuneration as given in the resolution item no. 8. for a period of three years starting from October 1, 2016 to September 30, 2019.

Pursuant to the provisions of Section 197 read with Schedule V of the Act (as amended),where the Company has defaulted in payment of dues to any bank or public financialinstitution or non-convertible debenture holders or any other secured creditor, the priorapproval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by thecompany before obtaining the approval in the general meeting for payment of remuneration to managerial personnel.

Accordingly, the Company has applied for approval from secured creditors whose repayment has been defaulted for payment of the remuneration for remainder period of two years with effect from October 1, 2019 till September 30, 2021 to Mr. Sudhir Mungase, Whole-time Director of the Company.

Mr. Sudhir Mungase has been in office as a Director since inception of the Company. During his tenure, the Company has made considerable progress in all the spheres and acquired reputation in the business. Keeping in view that Mr. Sudhir Mungase has rich and varied experience in the industry and has been involved in the operations of the Company since inception, it would be in the interest of the Company to approve his remuneration as proposed in the resolution.

The Nomination and Remuneration Committee ("the Committee"), at its meeting held on May 25, 2019 has recommended to the Board to make the payment of remuneration from October 1, 2019 to September 2021 with the approval of secured creditor(s) and the Board of the Company has approved the same in their meeting held on May 30, 2019. This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Act.

Information as required under Schedule V Part II Section II(B) (iv) of the Act and other details are given below hereunder.The Board commends passing the said resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives except Mr. Shivaji Akhade and Mr. Sudhir Mungase are interested or concerned, financially or otherwise in the Resolution set out at item no.8.

Information as required under Schedule V Part II (B) (iv) of the Act are as under:

<table>
<tr><th>Sr. No.</th><th>Particulars</th><th colspan="3">Information</th></tr>
<tr><td>I.</td><td>General Information</td><td></td><td></td><td></td></tr>
<tr><td>1</td><td>Nature of Industry</td><td colspan="3">Automobile Industry (Auto ancillary)</td></tr>
<tr><td>2</td><td>Date of commencement of commercial production</td><td colspan="3">Immediately after the incorporation as Private Limited Company on 16/12/1996.</td></tr>
<tr><td>3</td><td>In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus</td><td colspan="3">Not Applicable</td></tr>
<tr><td>4</td><td>Financial performance based on given indicators</td><td colspan="3">As per the audited annual accounts as on March 31, 2019: (Standalone)
<table>
<tr><th>Particulars</th><th>Amount (₹ in Lakhs except EPS)</th></tr>
<tr><td>Revenue from Operations</td><td>45209.49</td></tr>
<tr><td>PAT</td><td>(402.51)</td></tr>
</table></td></tr>
<tr><td>5</td><td>Foreign investments or collaborations, if any.</td><td colspan="3">Foreign Investments in the Company as on March 31, 2019 are as under:<br>1. Foreign Nationals holding 10763 equity shares – 0.04% of the total paid up capital of the Company.<br>2. NRIs - holding 1826331 equity shares – 6.76% of the total paid up capital of the Company.</td></tr>
<tr><td>II.</td><td>Information about the appointee:</td><td>Mr. Umesh Chavan</td><td>Mr. Shivaji Akhade</td><td>Mr. Sudhir Mungase</td></tr>
<tr><td>1</td><td>Background details</td><td>Mr. Umesh Chavan,aged 46 years is having 25 years of indepth experience & year on year success in spearheading global sourcing, supply chain and business development Functions in automobile & Engineering Industry. He is a Certified Purchase Manager with excellent business acumen and sound commercial knowledge & expertise in establishing green field projects from scratch. He was appointed as an Executive Director & CEO w.e.f. June 25, 2014. By Qualification, He is BE (Mechanical Engineering), MBA (Materials and Logistic Management) and Executive MBA from IIM-Ahmedabad.</td><td>Mr. Shivaji Akhade, aged 53 years, is a commerce graduate having 27 years long and varied experience in trading as well as manufacturing. He is Co-founder and one of the Promoters and Managing Director of the Company since inception. He was appointed first time on December 16, 1996 in the company and re-appointed as Managing Director w.e.f. October 1, 2016.</td><td>Mr. Sudhir Mungase aged 44 years having 22 years of experience, is Co- founder and one of the Promoters and Whole-time Director of the Company since inception. He was appointed first time on December 16, 1996 in the company and re-appointed as Whole-Time Director w.e.f. October 1, 2016.</td></tr>
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| | | | | |
|---|---|---|---|---|
| 2 | Past remuneration | ₹ 5,00,000 per month | ₹ 5,00,000 per month | ₹ 2,00,000 per month |
| 3 | Recognition or awards | Certified Six Sigma Belt. Won Chairman's Award in 2007 & 2012 for delivering superior results in Cummins. Won performance excellence Award for year 2003-04 and 2002-03. Identified as Potential Fast Trackers across the Kirloskar Group of Companies. | 'Pimpri Chinchwad Puraskar' from Foundation. | - |
| 4 | Job profile and his suitability | Mr. Umesh Chavan was appointed as an Executive Director & CEO of the Company at the 18th AGM. Post his appointment, he has contributed significantly to the overall development of Autoline's Supplier management and Business Development areas. | Mr. Shivaji Akhade has been providing the vision and the direction to the Company since its inception. Mr. Shivaji Akhade is fully conversant with the technicalities of the production and other processes as a result of his expertise in the early days of the Company, when he himself looked after all the functions. | Mr. Sudhir Mungase is the Whole-time Director. Associated with manufacturing and maintenance operations in the Company since inception. He has acquired expertise in Sheet Metal and Allied Operations. He oversees the production and maintenance functions. |
| 5 | Remuneration proposed | ₹ 5,00,000 per month and other benefits along with other terms and conditions as per Item No. 6. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit as may prescribed under the Act or within such limits as may be approved by the Central Government, if required. | ₹ 5,00,000 per month and other benefits alongwith other terms and conditions as per Item No. 7. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit as may prescribed under the Act or within such limits as may be approved by the Central Government, if required. | ₹ 2,00,000 per month and other benefits alongwith other terms and conditions as per Item No. 8. In addition to above remuneration, the Board of Directors is authorized to pay additional remuneration by way of salary, perquisite, commission and any other allowances within an overall ceiling limit as may prescribed under the Act or within such limits as may be approved by the Central Government, if required. |

| | | | | |
|---|---|---|---|---|
| 6 | Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin) | Taking into consideration the size of the company and its subsidiary Companies, the profile of the Directors, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the emuneration packages paid to their similar level counterparts in other companies. | Taking into consideration the size of the company and its subsidiary companies, the profile of the Directors, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar level counterparts in other companies. | Taking into consideration the size of the company and its subsidiary companies, the profile of the Directors, the responsibilities shouldered by him, the remuneration proposed to be paid is commensurate with the remuneration packages paid to their similar level counterparts in other companies |
| 7 | Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any | He has no pecuniary relationship with the company | He is a Promoter and co- founder of the Company and holding 3064022 equity shares– 11.34% of total paid up capital of the Company as on March 31, 2019. Relationship with Managerial personnel - Mr. Shivaji Akhade is brother-in- law of Mr. Sudhir Mungase. The Company has entered into transactions with some parties in the ordinary course of business and on an arm's length basis with whom Mr. Shivaji Akhade is interested, the details of RPTs are given in the note to the Accounts. | He is a Promoter and co- founder of the Company and holding 2537472 equity shares – 9.39% of total paid up capital of the Company as on March 31, 2019. Relationship with Managerial personnel- Mr. Sudhir Mungase is brother-in-law of Mr. Shivaji Akhade. The Company has entered into transactions with some parties in the ordinary course of business and on an arm's length basis with whom Mr. Shivaji Akhade is interested, the details of RPTs are given in the note to the Accounts. |

| III. | Other information: | |
|---|---|---|
| 1 | Reasons of loss or inadequate profits | The Company is predominantly in Automotive Sector and the products which are being produced by the company are exclusively for industrial use and as such there is no independent consumer market of its final products. Thus the company's performance is wholly depends on the performance of automobile industries to whom the company supplies. The main reasons behind the loss are the moderate growth of automobile industry and underutilization of installed capacity and infrastructure of the Company. |
| 2 | Steps taken or proposed to be taken for improvement | In order to improve profitability on sustainable basis, the following major steps are/being taken:<br>a) Induced substantial equity funds in the Company to support the operation activities and reduce the loans<br>b) Monetizing surplus assets<br>c) Cost saving and improving substantial operational efficiency by consolidating existing manufacturing facilities.<br>d) Improving financial positions of the company through demanding committed orders from customers and tapping new customers and products. |
| 3 | Expected increase in productivity and profits in measurable terms | Considering the steps taken by the company and proposed to be taken and expected recovery in growth in automobile sector, growth in other manufacturing & service sectors, the Company is hopeful to overcome the losses and turnaround to its earlier days. The Company is projecting 20% rise in the turnover for 2019-20 and consequent increase in profitability. |

**ITEM NO. 9**

The Company had entered into an Investment Agreement with IndiaNivesh Renaissance Fund ("Investor") on December 29, 2018 and by virtue of said agreement the Investor has invested Rs. 35 Crores in equity capital of the Company and acquired 16.97% shares (post conversion of outstanding share warrants) in the Company.

The Board of the Company in its meeting held on April 12, 2019 has appointed Mr. Krishan Kant Rathi a Non-executive, Nominee Director representing the Investor on the Board of theCompany not liable to retire by rotation. The said agreement contains a provision to confirm the appointment of Nominee Director in the general meeting of the Company.

The matter is being placed for taking the appointment of Mr. Krishan Kant Rathi as Nominee Director on record by the members of the Company.

The details with reference to the proposed confirmation of the appointment of Mr. Krishan Kant Rathi, (DIN: 00040094) as a Nominee Director representing India Nivesh Renaissance Fund are as under:

Mr. Krishan Kant Rathi aged 57 years is a Chartered Accountant and a Company Secretary by qualification. He is Managing Director of India Nivesh Fund Managers Pvt Ltd. Earlier he has worked as CEO of Future Venture India Ltd. He has over 30 years' experience of Corporate Finance, M&A, Investing and Operating businesses. He serves as an Independent Director on the board of various listed/ unlisted companies such as Future Consumer Ltd., Future Generali (Life & Non-Life), AU Small Finance Bank Ltd, Aavas Housing Finance Ltd. etc.

Mr. Krishan Kant Rathi does not have any relationship with any other Director, Manager or KMP nor has shareholding in the Company. The names of the listed entities in which Mr. Krishankant Rathi holds a Directorships are as under :-

| | Directorships held in Listed Entities | Membership of Audit Committee / Stakeholders Relationship Committee | Chairmanship of Audit Committee / Stakeholders Relationship Committee |
|---|---|---|---|
| Number of Companies | 3 | 5 | 1 |
| Names of Companies | 1. AU Small Finance Bank Limited (*(Formerly AU Financiers (India) Limited)* –Audit Committee)<br>2. Aavas Financiers Limit ed (Formerly AU Housing Finance Limited)<br>*3.* Future Consumer Limited | 1. Future Consumer Limited – Audit Committee<br>2. Aavas Financiars Limited *(Formerly AU Housing Finance Limited)* – Audit Committee<br>3 & 4. AU Small Finance Bank Limited *(Formerly AU Financiers (India) Limited)* - Audit Committee *and* - Stakeholders Relationship Committee<br>5. Future Generali India Life Insurance Company - Audit Committee | AU Small Finance Bank Limited *(Formerly AU Financiers) ((India) Limited)* - Audit Committee |

The Board commends passing the said resolution as an Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives except Mr. Krishan Kant Rathi to the extent of representing the Investor in the Company are interested or concerned, financially or otherwise in the Resolution set out at item no. 9.

**ITEM NO. 10**

The existing Articles of Association ("AoA") of the Company are based on the Companies Act,1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956. With coming into force the Companies Act, 2013, ("the Act") several regulations of the existing AoA of the Company require alteration or deletions. The AoA will be amended to bring the existing AoA in line with the provisions of the Companies Act, 2013. Further, the Company entered into an Investment Agreement with IndiaNivesh Renaissance Fund ("the Investor") on December 29, 2018 and the Investor acquired 16.97% shares (post conversion of outstanding share warrants) by investing funds in the Company. To incorporate the relevant provisions of the Investment Agreement, as agreed between both the parties, the Company is required to amend AoA. It is proposed to adopt new set of Articles of Association in substitution, and to the entire exclusion of the existing Articles of Association of the Company. The proposal requires the consent of the members.

Members' attention is invited to certain salient provisions in the new draft of AoA of the Company viz;

1. Various existing articles have been aligned with the Act.
2. Provisions relating to the Key Managerial Personnel have been added.
3. Provisions relating to use of the electronic medium to communicate with the Shareholders have been added.
4. Provisions relating to Investor's Right to Nominate Director and incidental matters and other matters releted to Investment Agreement.

The proposed new draft of AoA is being uploaded on the Company's website for perusal by the Shareholders. The Board of Directors recommends that the proposal be approved by the shareholders. The proposed new draft AoA will be available for inspection at the registered office of the Company during 10:00 a.m. to 1:00 p.m. on all working days till the conclusion of the meeting and will also be made available during the meeting.

The Board commends passing the said resolution as a Special Resolution.

None of the Directors, Key Managerial Personnel or their relatives are interested or concerned,financially or otherwise in the Resolution set out at item no. 10 exept Mr. Krishan Kant Rathi to the extent that he is representing the Investor.

**ITEM NO. 11**

The members are informed that at the 18th AGM held on July 31, 2014, the members of the Company had approved the appointment of Mr. Umesh Chavan as an Executive Director & CEO for 5 years with effect from June 25, 2014, till June 24, 2019 and had approved the payment of remuneration for 3 years till June 24, 2017

subject to the approval of the Central Government in terms of the provisions of then Section 197 of the Companies Act, 2013.

The Company was not regular in repayment of its debts and interest in the preceding financial year of the appointment of Mr. Umesh Chavan as an Executive Director and CEO due to difficult financial conditions and hence pursuant to the provisions of Companies Act, 2013, the Company had made an application to the Central Government for approval of payment of remuneration to Mr. Umesh Chavan as an Executive Director and CEO.

On September 12, 2018, the Ministry of Corporate Affairs (MCA) amended, inter-alia, Section 197 of the Companies Act, 2013. Pursuant to the modified relevant section of the Act, any application made prior to the commencement of the Companies (Amendment) Act, 2017 to the Central Government shall abate and the Company shall within one year of such commencement obtain the approval of shareholders by way of special resolution for payment of remuneration to the Director. Sub-section 9 of Section 197 provides that in case the Company has paid any sum by way of remuneration without the approval required under section 197 then the concern director shall refund such sum to the Company and sub-section 10 of said Section provides that the Company shall not waive the recovery of any sum refundable to it under sub-section 9 unless approved by the members of the Company by passing the special resolution within two years from the date the sum becomes refundable and where the company has defaulted in payment of dues to any bank or public financial institution or non convertible debenture holders or any other secured creditor, the prior approval of the bank or public financial institution concerned or the non-convertible debenture holders or other secured creditor, as the case may be, shall be obtained by the Company for such waiver.

The Central Government vide its letter dated October 4, 2018 has informed the Company that the application filed by the Company under the provisions of Section 197 of the Act for payment of remuneration to Mr. Umesh Chavan, which was pending with the Central Government, is abated and closed. In view of the said amendment and above referred letter of the Central Government, the Company has applied to the Banks and Secured Lenders for waiver of the recovery of the sum of remuneration drawn by Mr. Umesh Chavan during said period.

As stated above, the member had approved the payment of remuneration to Mr. Umesh Chavan by passing special resolution in their 18th AGM and the Company had also got, previously, the no objection certificate from the concern Banks/secured lenders for payment of remuneration and therefore the Board recommends to the members to provide their approval for waiver of recovery of the sum paid as remuneration to Mr. Umesh Chavan for the period from June 25, 2014 to June 24, 2017 by passing a Special Resolution as set out at Item no. 11.

None of the Directors Key Managerial Personnel or their relatives, except Mr. Umesh Chavan are interested or concerned, financially or otherwise in the Resolution.

**ITEM NO. 12**

Pursuant to the provisions of Section 186 of the Companies Act, 2013 ('Act'), the shareholders of the Company vide resolution no. 5 of the Notice of 22nd Annual General Meeting dated September 28, 2018 have accorded their approval to give loans or to give guarantee or to provide security or to make investment(s) upto an aggregate amount not exceeding 300 Crores (Rupees Three Hundred Crores Only).

In terms of the amended Section 185, a company may advance any loan including any loan represented by a book debt, or give any guarantee or provide any security in connection with any loan taken by any person in whom any of the Director of the Company is interested subject to obtaining the approval of the shareholders of the Company by way of Special Resolution and requisite disclosures are made in the Explanatory Statement. Autoline Industrial Parks Limited (AIPL), the Company's subsidiary is engaged in the business of developing housing project, construction etc. and owned and possesed 102.50 Acres land approved for township project in Mahalunge, Chakan, District Pune. AIPL has received the required regulatory and statutory development permissions. AIPL has commenced development activities on the land.

Hence, AIPL may require to obtain loan for the purpose of its business activities or may require to obtain security or guarantee in connection with any loan taken by it for the purpose of its business activities. The amount to be raised by AIPL would be utilized for their principal business activities i.e. to develop housing project and incidental activities. In view of the above; and in line with the approval of the shareholders accorded under section 186 of the Act the Board of Directors recommends resolution as set out in item no. 12 for approval of the members of the Company by way of a Special Resolution. The details of the Loans advanced, guarantees given and Securities provided are provided in the notes to Financial Statements, which forms part of this Annual Report.

Mr. Shivaji Akhade & Mr. Sudhir Mungase, Directors, shareholders and promoters of the Company are interested in this resolution being the Directors, Shareholders and Promoters of AIPL to the extent of their shareholding rights in both the Companies and Mr. Vijay Thanawala, Director of the Company is interested in this resolution being the Director of AIPL to the extent of his directorship in the Company and rest of the Directors and Key Managerial personnel of the Company may be interested in this resolution to the extent of transaction with subsidiary Company of the Company.

By Order of the Board of Directors of
Autoline Industries Limited

Ashish Gupta
Company Secretary & Compliance Officer
Membership Number : A16368

Pune, August 14, 2019
Registered Office: Survey No. 313, 314, 320 to 323
Nanekarwadi, Chakan,
Taluka- Khed, District- Pune 410501
CIN: L34300PN1996PLC104510
E-mail: investorservices@autolineind.com

## ANNEXURE – 1

| Name of Directors | Mr. Umesh N Chavan | Mr. Prakash B Nimbalkar | Mr. Vijay K Thanawala |
|---|---|---|---|
| Date of Birth & Age | March 10, 1973 (46 years) | February 12, 1943 (76 years) | April 24, 1947 (72 years) |
| Qualification | B.E.(Mechanical Engineering), MBA (Material & Logistic Management) and Executive MBA (Management Programme) from IIM, Ahmedabad | Commerce graduate (B.Com), holds a law degree (LLB) and is Certificated Associate of Indian Institute of Bankers (CAIIB). | Commerce graduate (B.Com) and is a fellow member of the Institute of Chartered Accountants of India (FCA). |
| Expertise in specific Functional Areas & Experience | Details are given at the Item no. 6 of Explanatory Statement to the Notice. | Details are given at the Item no. 4 of Explanatory Statement to the Notice. | Details are given at the Item no. 5 of Explanatory Statement to the Notice. |
| Terms & Conditions of Re-appointment | Same as per previous appointment | Same as per previous appointment | Same as per previous appointment |
| Last drawn Remuneration | Rs. 5,00,000 per month | NA | NA |
| Details of Remuneration sought to be paid | Details are given in the Explanatory Statement of Item No. 6 of this Notice | Only sitting fees | Only sitting fees |
| Date of First appointment on Board | June 25, 2014 | 15/06/2006 | 15/06/2006 |
| Names of listed entities in which the person holds the directorship and the membership of the committees of the Board | Nil except directorship in the Company. He is a member of Executive Committee of the Company. | Nil except directorship in the Company. He holds membership in the Committees of the Company as under:<br>1) Audit Committee<br>2) Stakeholders Relationship Committee<br>3) Nomination & remuneration Committee<br>4) Executive Committee<br>5) Risk Management Committee | Nil except directorship in the Company. He holds membership in the Committees of the Company as under:<br>1) Audit Committee<br>2) Stakeholders Relationship Committee<br>3) Nomination & Remuneration Committee |
| Shareholding (either by them/beneficial) in the Company | Nil | 6700 | 2525 |
| Relationship with other Directors, Manager or KMP | No relationship with any other director, manager or KMP | No relationship with any other director, manager or KMP | No relationship with any other director, manager or KMP |
| DIN | 06908966 | 00109947 | 00001974 |

The number of Meetings of the Board attended during the year are given in the Corporate Governance Report which forms part of this Annual Report.

# DIRECTORS' REPORT

Dear Members,

Your Directors are pleased to present 23rd Directors' Report on the business and operations of your Company together with the Audited Financial Statements for theyear ended March 31, 2019.

## FINANCIAL RESULTS

The financial highlights for the year under review compared to the previous financial year are given below:

(₹ In Lakhs except EPS data)

| PARTICULARS | Standalone | | Consolidated | |
|---|---|---|---|---|
| | 31.3.2019 | 31.3.2018 | 31.3.2019 | 31.3.2018 |
| Revenue from operations | 45209.49 | 38450.33 | 45213.32 | 39499.36 |
| Earnings before Interest, Financial Charges, Depreciation, Tax & Amortization – EBIDTA | 1062.92 | 759.21 | 989.28 | 686.47 |
| Less: Finance Cost | 3741.30 | 3667.21 | 3752.32 | 3686.03 |
| Less: Depreciation & amortization expenses | 2122.17 | 2224.88 | 2123.28 | 2225.98 |
| Add: Exceptional items | 4398.05 | 0.00 | 4389.05 | 0.00 |
| Profit Before Tax | 402.51 | (5132.87) | (488.27) | (5225.54) |
| Tax Expense | 0.00 | 0.00 | 6.57 | 12.26 |
| Profit After Tax (PAT) | 402.51 | (5132.87) | (494.84) | (5237.80) |
| Other Comprehensive Income | 15.90 | (1.93) | 15.90 | 0.47 |
| Profit Attributable to group | (386.61) | (5134.80) | (444.92) | (5186.40) |
| Earnings per Share (Basic) (in ₹) | (1.89) | (28.46) | (2.32) | (29.05) |
| Earnings per Share (Diluted) (in ₹) | (1.88) | (28.45) | (2.32) | (29.03) |

## PERFORMANCE REVIEW (CONSOLIDATED BASIS)

- Revenue from operations increased by 14.48%: ₹ 45213 Lakhs (Previous Year ₹ 39499 Lakhs).
- Operating EBIDTA (Earnings before Interest, Financial Charges, Depreciation, Tax & Amortization) before exceptional items increased by 44.11%: ₹ 989 (Previous Year ₹ 686 Lakhs).
- Net loss before exceptional items reduced by 6.59%: ₹ 4893 Lakhs (Previous Year ₹ 5238 Lakhs)
- Net loss after exceptional items reduced by 90.55% : ₹ 495 Lakhs (Previous Year ₹ 5238 Lakhs)

Since the Company incurred loss during the year under review the Company does not propose to transfer any amount to reserve.

The Company has registered 17.58% growth in standalone revenue from operation during the year under review with sale turnover of ₹ 45209 lakhs as compared to previous year of ₹ 38450 lakhs mainly due to increase in orders of Tata Motors Ltd and Non-TML customers.

The Company recorded net loss of ₹ 4801 lakhs before the income from exceptional items against the previous year's loss of ₹ 5133 lakhs. The net loss of the Company decreased by 6.46% because of the rise in sales volume and the execution of various cost cutting measures in the Company which resulted in reduction of Employee Costs and other expenses with respect to the sales of the corresponding years.

The Net loss after the exceptional items reduced substantial to ₹ 403 lakhs against the previous year's loss of 5133 lakhs. The income from exceptional items of ₹ 4398.05 lakhs comprises the additional VAT subsidy claim amount of ₹ 4460.57 lakhs sanctioned by the Government of Maharashtra as reduced by the payment made of ₹ 62.52 lakhs towards TDS compounding fees.

## DIVIDEND

In view of losses incurred during the year under review, the Board of Directors do not recommend dividend for the financial year 2018-19. No dividend was declared in the previous year.

## STATE OF THE COMPANY'S AFFAIRS AND BUSINESS OVERVIEW

Your Company is one of the largest automotive sheet metal components manufacturer in India and engages in production of Heavy Sheet Metal Components & Assemblies, Exhaust Systems, Pedal System, Door Assemblies, Load body, Door hinges & Skin panels etc. and supply to OEMs directly. Your Company is focused on optimum utilization of available infrastructure and cost cutting measures such as manpower optimization, material cost reduction, elimination of redundant processes, consolidation of business activities etc. simultaneously the efforts to tap the new markets as well as customers are well under way.

During the year under review, the Country's domestic sales and exports in the automotive market saw a major surge across all segments. The sale of Passenger Vehicles grew by 2.70 percent in 2018- 2019. Within the Passenger Vehicles, the sales of Passenger Cars, Utility Vehicle & Vans grew by 2.05 percent, 2.08 percent and 13.10 percent respectively in April-March 2019 over the same period last year.Auto sector is in the phase to transform from conventional vehicles to electric vehicles and its successful foundation will drive the growth of auto sector. India has a large enough market to consume the conventional as well as electric vehicles and your Company being a largest automotive sheet metal components and tools manufacturer will get benefited for the growth of either or both segments since stamping, tooling and other areas where your Company operate are common for both the segments.

As seen in previous few months, the automotive industry in India is in trouble as the production and sales numbers continue to decline. The slowdown is accentuated by low customer sentiment, some regulatory changes, tightening of lending norms and liquidity issues. However, the prospects of the auto mobile and components industry are optimistic. The recent slump in automobile is transitory and various government reforms such as to recapitalize banks to improve the availability of credit, further liberalising FDI policy to tap overseas capital at lower rate, government's new policies and their stability, strengthening the ease of doing business by simplification of labour laws will definitely boost the growth prospects for automobile and auto component industries.

The below are the highlights where your company has worked majorly:

**Issue of fresh Equity Shares and Share warrants on Preferential Basis**

During the year under review, the equity fund of ₹ 4625 lakhs infused in the Company to finance the working capital requirements of the Company along with repayment of loans. The Board of the Company, after obtaining the requisite approvals allotted 47,94,520 Share Warrants at a price of ₹ 73/- each on preferential basis to IndiaNivesh Renaissance Fund, a private equity fund, in the month of December, 2018 upon receipt of upfront 50% of Issue price. The warrants converted into Equity shares in the month of March, 2019 upon receipt of payment of remaining 50% of issue price. The Board allotted 12,32,877 Equity Shares having face value of Rs. 10/- each at a price of ₹ 73/- each (Including premium of ₹ 63/- each) to the promoters of the Company upon receipt of full consideration amount and also allotted 12,32,877 Convertible Share Warrants at a price of ₹73 each on preferential basis to the Promoters of the Company upon receipt of payment of upfront 25% of issue price. The remaining 75% of the Issue Price of Warrant shall be payable by the warrant holders on or before the exercise of the entitlement attached to Warrants to subscribe for Equity Share(s) and should be exercised by the Warrant Holders within 18 months from the date of allotment of warrants. With this issue, paid up share capital of the Company has increased from ₹ 210001880/- to ₹ 27,02,75,850/- divided into equity shares of Rs. 10/- each. The new allotment improves the Net Worth of the Company by 88% as on March 31, 2019. The newly allotted shares have been listed on BSE Limited and National Stock Exchange of India Limited.

**Technology Tie-ups**

As stated in the previous Annual Report, your Company has entered into Memorandum of Understanding with T. S. Eng. Co. Ltd, Korea ("Tae Sung") on April 19, 2018 for getting technical assistance for low cost manufacturing of stamping die, prototype parts, pedal box, automotive camera etc. and to collaborate with Tae Sung for the development of products as well as markets local and overseas. During the year under review, technical team of Tae Sung visited India and demonstrated their advanced products and technology among the prestigious customers of the Company. The discussion is going on to venture with T.S. Eng. Co. Ltd that will support Autoline for low cost manufacturing by utilizing available infrastructure and skills with advance technology and will also open new avenues to participate in vehicle development and other possible markets.

**Manufacturing Facility at Hosur**

During the year under review, your Company has shifted its Chennai facility to Hosur, Karnataka to optimize the production efficiency and to achieve better cost reduction. Shifting of Chennai operations to Hosur will yield direct saving in transportation cost since the plant of Ashok Leyland to whom Chennai unit supplies major quantity is located in Hosur and there is strong possibility of new business being awarded by Ashok Leyland since the Company's presence in Hosur will give them confidence about the immediate availability of products. Established Automobile majors such as Hyundai Motors India, Renault, KIA Motors, TI Cycles India,Toyotetsu, PSA Group Royal Enfield and TVS Motors have their manufacturing plants in Hosur which will be added advantage to the Company. This will help the Company to acquire new business and increase revenue with the support of cost saving .

**Consolidation of Business**

Consolidation of business and monetization of surplus assets are the major area wherein your Company is working from previous 4 years. Your Company believes that it will able to operate more efficiently and economically by reducing the number of facilities in a business. During the year under review, the Company shifted the manufacturing facility carried out at rented premises in Dharwad to its own premises situated at Plot No. 186 - A, Belur Industrial Area Growth Centre, Dharwad after building the necessary infrastructure. The consolidation will also improve communication between business functions and achieve savings by decreasing head counts, overheads and consolidating systems and processes.

Moving forward the Company entered into Memorandum of Understanding ("MOU") on December 24, 2018 with one of the prospective buyers to transfer land admeasuring 11611 Sq. Mtr. bearing Survey Nos. 392/1B and 613 at Mahalunghe ("Mahalunge property"). Currently, the Company is carrying on manufacturing activities thereat and will move the manufacturing facilities i.e. plant / machineries, shed, employees etc. to its other existing units in Pune.

To monetize the surplus assets, the Company entered into MOU with prospective buyer to sell land admeasuring about 549.78 Sq. mtr. bearing Gat No. 825, Kudalwadi, Pune and building Structures ("Kudalwadi property") constructed there upon. The said property was lying empty after consolidating the manufacturing facility to other units long before.

The sell transactions of Mahalunge and Kudalwadi properties are expected to complete in first half of FY 2019-20 and the sale proceeds would be utilized to pay outstanding term loans of Axis Bank since both the properties are mortgaged with Axis Bank and the Company would be able to settle entire term loan of Axis Bank.

Also, the Company sold a 1000 ton press machine which was not being used by the Company and was also not required for future business. The said machine was

pledged with JM Financial Assets Reconstruction Company and the Company repaid loan of ₹ 1 Crore from the sale proceeds of press machine.

Post consolidation, your Company is operating through 7 manufacturing facilities and in-house Tool & Design Centre.

**Additional Vat subsidy claim**

During the Year under review, the Government of Maharashtra has approved an amount of Rs.44.61 Crores as the additional Industrial Promotion Subsidy for Mega Project under Package Scheme of Incentive 2007 (Vat Subsidy) for its two more units where the fresh investment was made by the Company in addition of currently enjoying VAT/ CST Subsidy and out of the said approved amount, the Company has received ₹ 35.12 Crores by July 8, 2019 and the remaining amount is expected to receive during the year 2019-20.

**Diversification - Products as well as Customers**

The agenda of diversifying to non-auto businesses as well as client base has been on radar for several years to reduce the over dependency on its one major customer and auto-sector and most of actions are in line with drive. During the past year, your Company have taped prestigious clients like JCB, Sany, Carraro Agratalia etc. The continued efforts in this direction from past few years has resulted in sales contribution from clients other than Tata Motors went up from 22.7% in FY 2016-17 to 28.4% in FY2018-19.

The Company achieved sales contribution of ₹3,241 lakhs from new products/business range diversify the product portfolio. The objective is to diversify the products range without much capex.

**Future Business Strategy**

The year 2018-19 was challenging as well as re-energizes for Automobile Industry. Automobile industry registered a growth of 6.26% in production of vehicles and 14.50% growth in export during the financial year 2018-19 although there is domestic sales declined of 4.91% as compared to previous year.

Underutilization of capacity and shortage of working capital are still the prime concern to address to achieve the turnaround of the Company. The Company has worked tremendously on the said areas and able to address the working capital worry to certain extent by raising equity fund of ₹ 46.25 crores and ensuring additional VAT subsidy claim of ₹ 44.61 crores along with some rearranging of debts and rate revision from Tata Motors. Your Company has succeeded to get the price rise from Tata Motors for High Deck Load Body and Mega Excel Load Body parts supplied during the year 2018-19 and will get the difference amount in current year. The Company is planning to reduce its debts substantially with the support of extraordinary income and restructuring of debt and taking steps to un-lock values of non-core assets.

The Company constantly approaching the OEMs and OEM vendors for new business by demonstrating its capabilities such as available infrastructure, in-house design and tooling center and more than 20 years sound presence. The management is confident to add more business from long associated customers such as TML, Ashok Leyland, Mahindra, Cummins, Daimler, Volkswagen, Ford, General Motors etc. and join hands with new customers. The Management is very keen and confident to diversify the company's operation and exploring various possibilities to enter into JV, new ventures etc.

Regarding the monetization of township land of Subsidiary Company viz. Autoline Industrial Parks Ltd. ("AIPL"), the Subsidiary has received master plan approval for its Integrated Township Project from the Office of Pune Metropolitan Regional Development Authority which is a prime and vital approval for the project. As informed earlier, Subsidiary company has entered into an Agreement with Poddar Habitat Pvt.Ltd. a Mumbai based Developer (Subsidiary of Poddar Housing and Development Ltd.) on September 24, 2018 to develop the residential project on land. Now, the parties are finalizing the terms and conditions to move ahead the project and are discovering the available options. The Developer is also exploring the proposed development under"Pradhanmantri Aavas Yojna" (PMAY) scheme brought by the government which has several benefits and advantages to drive the fast disposal of Project. Your Board is assured that township project would be one of the milestones to result in turnaround the Company. Your Board is also exploring other strategic options to maximize the value of investment made by your Company in its subsidiary.

Large numbers of activities effectuated during the year under review in the Company as well as its subsidiary companies and your directors are confident to bring back the company into the growth path. Further details on opportunity, challenges, risks and concern etc. are given in Management Discussion and Analysis Report which forms part of this Annual Report.

**SUBSIDIARIES AND THEIR PERFORMANCE:**

**i. Autoline Industrial Parks Limited, Pune, India :**

Autoline Industrial Parks Limited ("AIPL") a subsidiary of the Company owned and possessed Township Land spread in 102.50 acres of land at Village Mahalunge, Taluka, Khed, District-Pune (MH), India for setting up of Township under the Integrated Township Project ("ITP") of Government of Maharashtra. AIPL had received locational clearance on September 10, 2014 and received Environment Clearance (EC) from the Ministry of Environment, Forest & Climate Change, Government of India on November 22, 2017. Also, District Collector, Pune vide its letter no. Khed/NA/ SR/23/2018 dated March 31, 2018 has issued the Letter of Intent (LOI) valid for two years for commencing the further activities for the Special Township Project.

Recently, AIPL has received Master plan approval under Integrated Township Project Regulation from Pune Metropolitan Regional Development Authority (PMRDA). The proposed development is envisaged in few phases. After receipt of these significant approvals the Subsidiary Company can proceed for commencement of the construction activity on land.

During the period under review, AIPL has not contributed to the performance of the Company since there is no other activity in AIPL except to monetize the township land which is under consideration. In order to develop township project, AIPL has entered into an Agreement with Poddar Habitat Pvt. Ltd. a Mumbai based Developer (Subsidiary of Poddar Housing and Development Ltd.) on September 24, 2018 to develop the residential project on land. The Developer had conducted the title search of the entire land held by AIPL and the Title & Search Report was found satisfactory and few issues on land as pointed out by the Developer have been sorted out. After the receipt of Master plan approval, AIPL and Poddar group are working on execution of Conveyance deed of phase-I land. Sluggish economy, slowdown in the entire Real Estate Sector and continuous regulatory changes are the prime concerns and the successful execution of above proposed transaction amidst the above challenges would be a significant achievement for the Company.

**ii Autoline Design Software Limited (ADSL):**

ADSL is a wholly owned subsidiary of the Company and it is a multifaceted and end-to-end Engineering Solutions Company which provides Engineering and Designing Software Services and Business Solutions. ADSL is also planning to work with, in association with your Company, T.S. Eng. Co. Ltd, Korea to get technical assistance for design the stamping die, camera, prototype parts etc. ADSL is able to provide one stop complete solution to its valued customers, enabling a quick & fast response to customer from design concept to rapid prototype manufacturing. ADSL is aggressively working to develop new customers as well as products by offering off-shore and onsite engineering services.

E-cycle project led by ADSL has successfully launched during the year under review and the production of E-cycle has been started during the year after getting ARAI approval. ADSL has orders of more than 100 numbers of e-cycles in hand. Now ADSL is working on feedback received/to be received from the customer and simultaneously exploring JV proposal for E-cycles and this project will open up new possibilities in electric segment for the Company. ADSL is also performing testing and validation activities and orders are being awarded by Ashok Leyland, Tata Motors, Autoline etc. and exploring business with other OEMs for testing and validation services. ADSL is also in discussion with various prospective customers for E-vehicles, GPS system, auto break etc.

ADSL provides engineering design, tooling services to the Company for efficiently accomplish the work orders well in time and during the year under review almost Rs. 50 crores business is performed for the Company and it gives comfort of in-house availability of engineering design capabilities to the customers of the Company and in that manner it is directly contributing in the performance of the Company.

**iii Koderat Investments Limited, Cyprus – (Koderat):**

In September 2008, Autoline acquired 100% stake in Koderat Investments Limited ("Koderat") (making it Wholly Owned Subsidiary), a Company incorporated and existing under the laws of Cyprus; acting as a Special Purpose Vehicle (SPV). Further "Koderat" invested funds in "SZ Design Srl" and "Zagato Srl" Italian limited liability companies, Milan and acquired 49% equity share capital of said Italian companies. These companies were into the business of developing, designing and providing engineering services.

The net worth of SZ Design Srl has been eroded due to various write offs. SZ Design Srl has been declared bankrupt by the Tribunal of Milan on January 2, 2015 and judiciary receiver has been appointed by the Bankruptcy Tribunal. Net assets value of Zagato Srl has turned into negative due to incurring of losses in previous years and it declared voluntarily in liquidation. Your Company is examining these both matters carefully and impact of thereof is yet to be ascertained. Koderat is an Special Purpose Vehicle ("SPV") and due to above mentioned reasons, it has not contributed directly to the performance of the Company during the year under review.

**SUBSIDIARIES' PERFORMANCE**

A Report on the performance and financial position of each of the subsidiaries of the Company pursuant to Rule 8 (1) read with Rule 5 of Companies (Accounts) Rules, 2014 in Form AOC-1 is annexed as "Annexure -A" and forms a part of this Annual Report.

**EXTRACT OF ANNUAL RETURN**

The extract of the Annual Return in the prescribed Form MGT-9 is enclosed as "Annexure- B" to this Annual Report. Also, in compliance with Section 92(3) of the Companies Act, 2013, the annual return is also available on the company's website at www.autolineind.com .

**DIRECTORS AND KEY MANAGERIAL PERSONNEL**

The Board of Directors of your Company is duly constituted with adequate mix and composition of executive, non-executive and independent directors. During the year under review, Mr. Amit Goela (DIN: 01754804), Non- Executive Director has resigned on July 24, 2018. The Board places appreciation for the services rendered by Mr. Amit Goela during his tenure as a Non-Executive Director on the Board of the Company. There was no change in the Key Managerial Personnel.

**Mr. Umesh Chavan** (DIN: 06908966) was appointed as Executive Director & CEO,for five years at the 18th Annual General Meeting held on July 31, 2014 till June 24, 2019. On the recommendation of Nomination and Remuneration Committee and subject to the approval of the members, the Board at its meeting held on May 30, 2019 reappointed Mr. Umesh Chavan as Executive Director and CEO for the period of Five years starting from June 25, 2019 to June 24, 2024 and approved the payment of remuneration for the period of three years effective from June 25, 2019 to June 24, 2022.

**Mr. Krishan Kant Rathi**, being the representative of IndiaNivesh Renaissance Fund ("the Investor") is appointed as a Non-executive, Nominee Director with effect from April 12, 2019 on the Board of the Company not liable to retire by rotation by virtue of the Investment Agreement entered with Investor. The Investor has invested ₹ 35 Crores in equity capital of the Company and acquired 16.97% shares (post conversion of outstanding share warrants) in the Company.

**Mr. Prakash Nimbalkar and Mr. Vijay Thanawala** were appointed as an Independent Directors on the Board of the Company for five years in the 18th Annual General Meeting of the Company. They have completed first terms of their appointment and shown their willingness for re-appointment. The Board at its meeting held on May 30, 2019 has re-appointed them for five years to hold office of Independent Director for second consecutive terms subject to the approval of Members by way of special resolution. As per the requirement of Section 149 of the Companies Act, 2013 the special resolutions of their re-appointment are to be placed in the 23rd Annual General Meeting for the approval of members.

**Mr. Prakash Nimbalkar** has attained the age of 76 years. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and Remuneration Committee, considered that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Prakash Nimbalkar (DIN: 00109947) would be of immense benefit for the Company and it is desirable to continue him as an Independent Director and accordingly Board has recommended re-appointment of Mr.Prakash Nimbalkar.

**Mr. Vijay Thanawala** age of 72 years, will be attaining the age of 75 years during the course of term of his reappointment. The Board, based on the performance evaluation of Independent Directors and as per the recommendation of the Nomination and remuneration Committee, considers that, given his background, experience and contributions made by him during his tenure, the continued association of Mr. Vijay Thanawala (DIN: 00001974) would be of immense benefit for the Company and it is desirable to continue him as an Independent Director and accordingly the Board has recommended re-appointment of Mr. Vijay Thanawala.

In accordance with the provisions of the Companies Act, 2013 and Company's Articles of Association, Mr. Umesh Chavan (DIN: 00006754), Executive Director & CEO of the Company is liable to retire by rotation at the conclusion of this Annual General Meeting and being eligible, he has offered himself for re- appointment at the 23rd Annual General Meeting.

## DIRECTORS RESPONSIBILITY STATEMENT

Pursuant to the requirement of Section 134(5) of the Companies Act, 2013, the Directors hereby confirm that:

i) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards have been followed alongwith proper explanations relating to material departures;
ii) The Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as on March 31,2019 and of the loss of the Company for that period;
iii) The Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
iv) The Directors have prepared the annual accounts on a going concern basis.
v) The directors have laid down internal financial controls to be followed by the Company and such controls are adequate and are operating effectively.
vi) The Directors have devised proper system to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively, which are being further strengthened.

## NUMBER OF BOARD MEETINGS

The Board of Directors duly met Eight (8) times in the year under review. The details of which are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013.

## INDEPENDENT DIRECTORS

Mr. Prakash Nimbalkar (DIN: 00109947), Mr. Vijay Thanawala (DIN: 00001974) and Dr. Jayashree Fadnavis (DIN: 01690087) are the Independent Directors on the Board of the Company and have remained independent throughout the year as contemplated in section 149(6) of the Companies Act, 2013.

Mr. Prakash Nimbalkar (DIN: 00109947) was appointed as an Independent Director on the Board of the Company for five years upto the conclusion of twenty third Annual General Meeting. The Board at its meeting held on May 30, 2019 has re-appointed him for five years effective from September 29, 2019 till September 28, 2024 to hold office of Independent Director for second consecutive terms subject to the approval of Members by way of special resolution. As per the requirement of Section 149 of the Companies Act, 2013 the special resolution of his re-appointment is to be placed in the 23rd Annual General Meeting for the approval of members.

Mr. Vijay Thanawala (DIN: 00001974) was appointed as an Independent Director on the Board of the Company for five years upto the conclusion of twenty third Annual General Meeting. The Board at its meeting held on May 30, 2019 has re-appointed him for five years effective from September 29, 2019 till September 28, 2024 to hold office of Independent Director for second consecutive terms subject to the approval of Members by way of special resolution. As per the requirement of Section 149 of the Companies Act, 2013 the special resolution of his reappointment is to be placed in the 23rd Annual General Meeting for the approval of members.

All the Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and Clause 16 (b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company familiarizes the Independent Directors through various Programmes with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company etc. The details of such familiarisation programmes are put on the Company's website and can be accessed at the link :
http://www. autolineind.com/code-of-conduct-policies

## PERFORMANCE EVALUATION

Pursuant to Section 178 (2) of the Companies Act, 2013 and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, a separate exercise was carried out to evaluate the performance of Individual Directors including the Chairman of the Board who were evaluated on various parameters such as level of engagement, contribution and independence of judgment as per the criteria formulated by Nomination & Remuneration Committee; thereby safeguarding the interest of the Company. The performance evaluation of the Independent Directors was carried out by the entire Board excluding the director being evaluated. The performance was evaluated on the basis of 1-5 scores (Min: 1, Max: 5) each on the basis above parameters.

The performance evaluation of the Non-Independent Directors was carried out by the Independent Directors. Annual evaluation of the performance of the Board and its committees such as Audit, Nomination and Remuneration as well as Stakeholder Relationship Committee were carried out. The Directors expressed their satisfaction with the evaluation process.

## NOMINATION & REMUNERATION COMMITTEE AND COMPANY'S POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

Your Company has duly established a Nomination and Remuneration Committee. The Committee has presented to the Board the policy with respect to appointment of directors including criteria for determining qualifications, positive attributes, independence of directors, remuneration for the directors, key managerial personnel and other senior employees etc. and thereafter the Board approved the same.

In compliance with Section 178(4) of the Companies Act, 2013 and the rules made thereunder, the salient features of the Nomination and Remuneration Policy of the Company and its web link is given as under:

The Nomination and Remuneration Policy of the Company is in compliance with the requirements of the Section 178 of the Companies Act, 2013 and Regulation 19 read with Part D of Schedule II of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The Policy extensively provides for the identification of the persons who are qualified to become Directors of the Board and those who may be appointed in the Senior Management in accordance with the criteria laid down and recommend to the Board their appointment. The policy also provides that the Nomination and Remuneration Committee shall ensure that the level and composition of remuneration is reasonable and is sufficient to attract, retain and motivate Directors and the employees of senior management.

The Policy provides that remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short term and long-term performance objective. Policy also has unique feature of providing Directors, Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.

The complete policy is available at :
http://www.autolineind.com/code-of-conduct-policies/

The Non-executive Directors have no pecuniary relationship or transactions with the Company.
Further the Company makes no payments to the Non-executive Directors other than sitting fees which is in accordance with the provisions of the Companies Act, 2013 and the Rules made there under.

## RISK MANAGEMENT POLICY

Your Directors have formed a Risk Management Committee chaired by Mr. Prakash Nimbalkar (DIN: 00109947). A Risk Management Policy is also in place. The Management has put in place adequate and effective system and resources for the purposes of risk management. At present your company has not identified any element of risk which may threaten the existence of your company except the general and business risks as given under the para Threats and Risks and Concern in Management Discussion and Analysis Report which forms part of this Annual Report.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

Your Company has an Internal Control System, commensurate with the size, scale and complexity of its operations. During the year under review, your Company replaced the internal auditor after three years to bring more expertise, more transparency and new approach in the Audit work and appointed multidiscipline and multi locational firms Moore Stephens Singhi Advisors LLP as Internal Auditors for FY 2019-20. The Internal Auditors/Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company and its subsidiaries. Based on the report of internal audit function /Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls.

## CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted CSR Committee and composition of CSR Committee is given in the Corporate Governance Report of the Company.

The Company has incurred losses during previous four financial years and hence the provisions of Section 135 of the Companies Act, 2013 with respect to CSR activities are not applicable to your Company. Although the Company has not carried out CSR activities in accordance with section 135 of the Companies Act, 2013 however your company have been undertaking CSR initiatives voluntarily such as tree planation, visit and helping to orphanages and needy ones etc.

## AUDIT COMMITTEE

Your Company has established an Audit Committee whose composition and other details are mentioned in the Corporate Governance report.

The Audit Committee, on a regular basis, gives its recommendation to the Board. The Board gives due consideration to those recommendations. However, there have been no instances of recommendations given by the Audit Committee not being accepted by the Board during the year under review.

**AUDITORS**
**STATUTORY AUDITORS**

M/s. A.R. Sulakhe & Co. Chartered Accountants (FRN 110540W) who are the statutory auditors of your Company, hold office, in accordance with the provisions of the Companies Act, 2013 up to twenty third Annual General Meeting of the Company. The Board at its meeting held on May 30, 2019 after considering the recommendation of the Audit Committee of the Company, reappointed M/s. A.R. Sulakhe & Co. Chartered Accountants (Registration No. 110540W), as the Auditors of the Company subject to the approval of the members of the Company, for a second term of 3 (three) consecutive years to hold office from the conclusion of this Annual General Meeting to the conclusion of the twenty sixth Annual General Meeting. Statutory Auditors have submitted their consent to act as an Auditor and they have confirmed their eligibility for being re-appointed as Statutory Auditors of the Company under the Companies Act, 2013 and that they are not disqualified.

**Auditors' Report**:

The Notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

**SECRETARIAL AUDITORS**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, M/s. KANJ & Co. LLP, Company Secretaries, (Erstwhile M/s. KANJ & Associates, Company Secretaries) Pune, a firm of Practicing Company Secretaries, was engaged by your Board for the purposes of Secretarial Audit for the year ended March 31, 2019.

Secretarial Audit Report in terms of Section 204 (1) is enclosed as "Annexure C".

The Secretarial Auditors in their Secretarial Audit Report have observed that:

**A) THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:**

The Company has transferred shares in respect of which dividend has not been claimed for seven consecutive years or more in the name of Investor Education and Protection Fund pertaining to the Financial Year 2011-12 with a delay of 2 months & 22 days and to that extent the Company has not complied with the provisions of Section 124 (6) of the Companies Act, 2013 read with the Rules made thereunder.

*Comments by the Board of Directors: the Company inadvertently missed to transfer the shares to the Investor Education and Protection Fund within the prescribed time being this was the new requirement and there is* a delay of 2 months & 22 days.

**(B) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LODR") -**

Mr. Amit Goela, Non-Executive Director tendered his resignation on 24th July, 2018 which was taken note in the Board Meeting dated 11th August, 2018 and the said resignation was reported to the stock exchanges on the same day. The Listed Entity has made delayed compliance with the provisions of the Regulation 30 (2) read with Regulation 30 (6) of the LODR as there was a delay in reporting of the resignation of Mr. Amit Goela to the Stock Exchanges.

Comments by the Board of Directors: The Company has reported the resignation of Mr. Amit Goela immediately after the Board meeting held on August 11, 2018 wherein the matter of resignation was placed. There was a gap of 17 days in resignation date and the date of Board Meeting and therefore there was a delay of 17 days to inform the resignation to Stock Exchanges which was an inadvertent mistake.

**(C) FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Company has not filed Annual Performance Report of its wholly owned subsidiary Koderat Investments Limited, Cyprus for the financial years 2015-16, 2016-17 and 2017-18. Thus, to that extent it has not complied with Regulation 15 of the ForeignExchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2000.

Comments by the Board of Directors: Koderat Investment Limited is acting as special purpose vehicle and acquired 49% stake of "SZ Design SRL" and "Zagato SRL" Italian Limited Liability companies and these companies are into liquidation/ bankruptcy stage and the audited accounts of these companies for the relevant period were not released and made available to us and therefore the Audit of Accounts for Koderat Investment Limited for the financial years 2015-16, 2016-17 and 2017-18 is yet not completed and Annual Performance Report has not filed. The Company will file the same immediately after receipt of Audited Accounts of Koderat Investment Limited.

**INTERNAL AUDITORS**

Your Company had appointed M/s Ketan H. Shah & Associates, Chartered Accountants, Pune, as Internal Auditors for the financial year 2018-19 and Internal Auditors have carried out the internal audit for said period and submitted their report to the Audit Committee and Board of the Company. Further, the Company has appointed M/s. Moore Stephen Singhi Advisors LLP, as Internal auditors for FY 2019-20 under Section 138 of the Companies Act, 2013 to carry out internal audit assignment.

**DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12)**

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under Section 143(12) of the Companies Act, 2013

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

Your Company has a vigil mechanism in the form of Whistle Blower Policy (WBP) to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy is explained in the Corporate Governance Report and also posted on the website of the Company.

**LOANS, GUARANTEES AND INVESTMENTS BY COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

**DEPOSITS**

Your Company has not accepted any deposits from the public falling within the ambit of Section 73 under chapter V of the Companies Act, 2013 and The Companies (Acceptance of Deposits) Rules, 2014.

**RELATED PARTIES TRANSACTIONS**

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their associates /relatives which may have a potential conflict with the interest of the Company at large.

All the Related Party Transactions were approved by the Audit Committee and also by the Board, wherever necessary. The Audit Committee has also granted omnibus approval for related party transactions that were repetitive in nature by following the requirements as laid down in the Companies Act and Rules made thereunder and Clause 23 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Company has not entered into any transactions with related parties during the year under
review which require reporting in Form – AOC-2 in terms of Companies Act, 2013 read with Companies (Accounts) Rules, 2014. The policy on Related Party Transactions and the Policy on Determination of Material Subsidiaries as approved by the Board is also uploaded on your Company's website.

**MATERIAL CHANGES AND COMMITMENTS OCCURRED DURING APRIL 1, 2019 TILL THE DATE OF THIS REPORT WHICH WOULD AFFECT THE FINANCIAL POSITION OF YOUR COMPANY.**

No such material changes and commitments occurred during April 1, 2019 till the date of this report which would affect the Financial Position of your Company.

**OTHER MATTERS**

I. No significant or material orders were passed by the Regulators or Courts or Tribunals which will impact the going concern status and Company's operations in future.

ii. The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) of the Company and its associates are covered under this policy. During the year under review,there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention,Prohibition and Redressal) Act, 2013.

iii. The Company has not issued Equity Shares with differential rights as to Dividend, Voting or Otherwise.

iv. The Company has not issued shares (including Sweat Equity Shares) to Employees of The Company under any Scheme.

v. There has not been any change in the nature of business of the Company during the year under review.

**CORPORATE GOVERNANCE**

As per the Listing Obligations and Disclosure Requirement (Regulations), 2015 a separate section on corporate governance practices followed by your Company, together with a certificate from the Company's Auditors confirming compliance forms an integral part of this Annual Report.

**CONSOLIDATED FINANCIAL STATEMENTS**

The Consolidated Financial Statements of your Company prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013 and other recognized accounting practices and policies to the extent applicable and forms part of this Annual Report.

**CONSERVATION OF ENERGY, TECHNOLOGICAL ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3) (m) of the Companies Act, 2013 read with Rule, 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "Annexure-D".

**PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is as under:

<table>
<tr><th>Sr. No.</th><th colspan="3">Particulars</th></tr>
<tr><td>(i)</td><td>The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year</td><td colspan="2"><table><tr><th>Name of the Director</th><th>Ratio</th></tr><tr><td>Mr. Shivaji Akhade (DIN: 00006755)</td><td>31.25 : 1</td></tr><tr><td>Mr. Sudhir Mungase (DIN: 00006754)</td><td>12.5 : 1</td></tr><tr><td>Mr. Umesh Chavan (DIN: 06908966)</td><td>31.25 : 1</td></tr></table></td></tr>
<tr><td>(ii)</td><td>Percentage increase in remuneration of each director, CEO, CFO and CS in the financial year 2018-19.</td><td colspan="2"><table><tr><th>Name of the Directors & KMPs</th><th>% Increase</th></tr><tr><td>Mr. Shivaji T Akhade</td><td>Nil</td></tr><tr><td>Mr. Sudhir Mungase</td><td>Nil</td></tr><tr><td>Mr. Umesh Chavan</td><td>Nil</td></tr><tr><td>Mr. Gokul Naik (CFO)</td><td>5%</td></tr><tr><td>Mr. Ashish Gupta (CS)</td><td>20%</td></tr></table></td></tr>
<tr><td>(iii)</td><td colspan="2">Percentage increase in the median emuneration of employees in the financial year 2018-19</td><td>8%</td></tr>
<tr><td>(iv)</td><td colspan="2">Number of permanent employees on the rolls of Company;</td><td>1160</td></tr>
<tr><td>(v)</td><td>Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.<br><br>*Managerial personnel includes KMPs.</td><td colspan="2">Due to financial constraint there is no regular annual increment to the salaries of the employees and the increment is being given slab/grade wise and accordingly the 9% increment was given to non-managerial personnel upto certain grade in the previous financial year 2017-18 and 1% increment was given to few higher grade nonmanagerial personnel during financial year 2018- 19 and further due to more than 10% reduction in head count during the financial year 2018-19 the average percentile increase made noncomparable. Average 3% increase made in the salaries of managerial personnel in the FY 2018- 19 as mentioned above no increment was given to managerial personnel in FY 2017-18.<br><br>The increment given to each individual employee is based on the employees' performance and also benchmarked against a comparable basket of relevant companies in India.</td></tr>
<tr><td>(vi)</td><td>Affirmation</td><td colspan="2">The Board affirms that the remuneration paid to the Directors and other employees is as per the remuneration policy of the Company.</td></tr>
</table>

**Information as per Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

Particulars of Top Ten Employees in terms of remuneration drawn and the name of every employee whose remuneration aggregated to ₹ 1.02 Crores per annum or Rs. 8.50 lakhs per month during FY 2018-19: **NIL**

During the year under review, there is no employee employed throughout the financial year or part thereof, was in receipt of remuneration which in the aggregate, or at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole Time Director and holds by himself or along with his spouse and dependent children, not less than 2% of the equity shares of the Company.

**SHAREHOLDING OF DIRECTORS AS ON MARCH 31, 2019**

| Sr. No. | Name of the Director | DIN | No. of Equity Shares | Percentage Holding |
|---|---|---|---|---|
| 1 | Mr. Prakash Nimbalkar | 00109947 | 6700 | 0.03 |
| 2 | Mr. Shivaji Akhade | 00006755 | 3064022 | 13.78 |
| 3 | Mr. Sudhir Mungase | 00006754 | 2537472 | 11.41 |
| 4 | Mr. Umesh Chavan | 06908966 | NIL | NIL |
| 5 | Mr. Amit Goela | 01754804 | 125000 | 0.56 |
| 6 | CA Vijay Thanawala | 00001974 | 2525 | 0.02 |
| 7 | Dr. Jayashree Fadnavis | 01690087 | NIL | NIL |

**INTER SE RELATIONSHIP BETWEEN DIRECTORS**

There are no inter se relationships between the Directors except that Mr. Sudhir Mungase (Whole-time Director) and Mr. Shivaji Akhade (Managing Director) are related to each other that Mr. Sudhir Mungase is brother-in-law of Mr. Shivaji Akhade.

**EMPLOYEES' STOCK OPTION SCHEME – ESOS**

In accordance with SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Company has instituted Employee Stock Option Scheme 2008 (Autoline ESOS 2008) pursuant to the Special Resolution passed by Shareholders at 12th Annual General Meeting held on September 27, 2008. As per Autoline ESOS 2008, 1,60,000 options were granted to 171 Permanent employees and 15,000 options were granted to 5 Independent Directors. During the year under review, no options were exercised and 4 employees holding 1510 options have resigned.

The details of the scheme as per Companies (Share Capital and debentures) Rules, 2014, SEBI (ESOP and ESPS) Guidelines 1999 and SEBI (Employee based benefits Scheme) Regulations, 2014 are given in the “Annexure-E” to this Annual Report.

**ACKNOWLEDGEMENTS**

Your Directors express their sincere appreciation for the assistance and co-operation received from the various Central and State Government Departments, Customers, Vendors and Lenders specifically Bank of Baroda, The Catholic Syrian Bank Ltd., Axis Bank Ltd., J M Financial Asset Reconstruction Company Limited, NKGSB Co-op. Bank Ltd. for extending financial support by way of sanctioning credit facilities and fresh term loans for the Company and to Tata Motors Ltd., Tata Capital Financial Services Ltd., Tata Motors Finance Solutions Limited for their continued help and support during a very challenging times of the Company. The directors also gratefully acknowledge the support given by and trust entrusted by all shareholders of the Company and directors also wish to place on record their deep sense of appreciation for unstinted commitment and committed services by all the employees of the Company.

**For and on Behalf of the Board**

**Prakash Nimbalkar**
**CHAIRMAN**
**DIN: 00109947**

**Pune, August 14 , 2019**

# Annexure – A
# Form AOC-I

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)
Statement containing salient features of the financial statement of subsidiaries/ associate companies/ Joint ventures

## Part "A": Subsidiaries

| 1 | Sl. No. | 1 | 2 | 3 |
|---|---|---|---|---|
| 2 | Name of the subsidiary | **Autoline Design Software Limited** | **Autoline Industrial Parks Limited** | **Koderat Investments Limited** |
| 3 | The date since when the subsidiary was acquired | 14/04/2007 | 31/08/2007 | 04/09/2008 |
| 4 | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | 2018-19 | 2018-19 | 2018-19 |
| 5 | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries | ₹ | ₹ | EURO (Exchange Rate 77.7024) As on March 29, 2019 |
| 6 | Share capital | 35537420 | 774616450 | 1000 |
| 7 | Reserves & surplus | (2271649) | 383,520,819 | (239197) |
| 8 | Total Assets | 103493490 | 1199322194 | 4575544 |
| 9 | Total Liabilities | 103493490 | 1199322193 | 4575544 |
| 10 | Investments | 70080000 | Nil | |
| 11 | Turnover | 14437936 | Nil | Nil |
| 12 | Profit before tax | (1916725) | (6243520) | (5243) |
| 13 | Provision for tax (Deferred Tax Asset) | 657206 | Nil | Nil |
| 14 | Profit after tax | (2573931) | (6243520) | (5243) |
| 15 | Proposed Dividend | Nil | Nil | Nil |
| 16 | % of shareholding | 100 | 44.67 | 100 |

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

## Part – "B": Associates and Joint Ventures

Statement pursuant to Section 129 (3) of the Companies Act, 2013
related to Associate Companies and Joint Ventures: Nil
Names of Associates and Joint Ventures which are yet to commence operations: Nil
Names of Associates and Joint Ventures which have been liquidated or sold during the year : Nil

**FOR AND ON BEHALF OF BOARD OF DIRECTORS**

**Prakash Nimbalkar**
Chairman
DIN: 00109947

**Shivaji Akhade**
Managing Director
DIN: 00006755

**Umesh Chavan**
Executive Director and CEO
DIN: 06908966

**Gokul Naik**
Chief Financial Officer

**Ashish Gupta**
Company Secretary

Pune, August 14, 2019

# Annexure – B

**Form No. MGT-9**

**EXTRACT OF ANNUAL RETURN**

**as on the financial year ended on March 31, 2019**

*[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]*

**I. REGISTRATION AND OTHER DETAILS:**

| Sr. no. | Particulars | Details |
|---|---|---|
| i. | CIN | L34300PN1996PLC104510 |
| ii. | Registration Date | 16/12/1996 |
| iii. | Name of the Company | AUTOLINE INDUSTRIES LIMITED |
| iv. | Category / Sub-Category of the Company | Company Limited by Shares / Indian non Government Company |
| v. | Address of the Registered office and contact details | Survey Nos. 313, 314, 320 to 323,Nanekarwadi, Chakan, Taluka Khed,District - Pune-410501<br>Tel. No. 02135 664865/6 Fax no.: 02135 664864<br>website: www.autoline.com<br>e-mail address: investorservices@autolineind.com |
| vi. | Whether listed company Yes / No | Yes |
| vii. | Name, Address and Contact details of Registrar and Transfer Agent, if any | Link Intime India Private Limited (Unit :Autoline Industries Limited) Block 202, 2nd Floor, Akshay Complex, Off Dhole patil Road, Near Ganesh Mandir, Pune- 411001<br>Tel : 020 - 26161629 / 2616 0084<br>Fax : 020 - 2616 3503 Email : pune@linkintime.co.in |

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:**

**All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-**

| Sr. No. | Name and Description of main products /services | NIC Code of the Product/service | % to total turnover of the company |
|---|---|---|---|
| 1. | Sheet metal components, Assemblies and Sub - Assemblies | 25910 | 81.34% |

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:**

| Sr. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING / SUBSIDIARY / ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | AUTOLINE INDUSTRIAL PARKS LIMITED<br>Regd. Office - S. No. 313, 314, 320 to 323, Nanekarwadi, Chakan, Pune 410501 | U45209PN2007PLC130639 | Subsidiary | 44.67 | 2(87) (i) |
| 2 | AUTOLINE DESIGN SOFTWARE LIMITED<br>Regd. Office - 1st Floor, E 12-17 (8), MIDC Bhosari, Pune 411026 | U72200PN2004PLC148734 | Subsidiary | 100 | 2(87) (ii) |
| 3 | KODERAT INVESTMENTS LTD<br>Griva Digeni 115, Trident Centre, 3101, Limassol, Cyprus | N.A. | Subsidiary | 100 | 2(87) (ii) |

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

***i) Category-wise Share Holding***

| Category of Shareholders | Number of Shares held at the beginning of the year (01.04.2018) | | | | No. of shares held at the end of the year (31.03.2019) | | | | Percentage Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| **A. Promoters** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| (a) Individual/HUF | 5795504 | 0 | 5795504 | 27.60 | 7028381 | 0 | 7028381 | 26.0045 | -1.59 |
| (b) Central government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (c) State Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (d) Bodies Corporate | 1000000 | 0 | 1000000 | 4.76 | 1000000 | 0 | 1000000 | 3.69992 | -1.06 |
| (e) Banks/FI | 0 | 0 | 0 | 0.00 | | 0 | 0 | 0 | 0.00 |
| (f) Any Other | 0 | 0 | 0 | 0.00 | | 0 | 0 | 0 | 0.00 |
| | | | | | | | | | |
| **Sub Total (A) (1)** | **6795504** | **0** | **6795504** | **32.36** | **8028381** | **0** | **8028381** | **29.70** | **-2.65** |

| Category of Shareholders | No. of Shares held at the beginning of the year (01.04.2018) | | | | No. of shares held at the end of the year (31.03.2019) | | | | Percentage Change during the Year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total shares | Demat | Physical | Total | % of Total shares | |
| **(2) Foreign** | | | | | | | | | |
| (a) NRIs- Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Other - Individuals | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (c) Bodies Corporate | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (d) banks/FI | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (e) Any Other | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Sub Total (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0.00** | **0.00** |
| **Total Shareholding of Promoter (A)=(A)(1)+(A)(2)** | **6795504** | **0** | **6795504** | **32.36** | **8028381** | **0** | **8028381** | **29.70** | **-2.65** |
| | | | | | | | | | |
| **B. Public Shareholding** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| (a) Mutual Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Banks/FI | 1000 | 0 | 1000 | 0.00 | 1000 | 0 | 1000 | 0.00 | 0.00 |
| (c) Central Government | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (d) State Government(s) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (e) Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (f) Alternate Investment Funds-IndiaNivesh Renaissance Fund | 0 | 0 | 0 | 0.00 | 4794520 | 0 | 4794520 | 17.74 | 17.74 |
| (f) Insurance Companies | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (g) FIIs | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0 | 0.00 |
| (i) Others (specify) | | | | | | | | | |
| IEPF | 719 | 0 | 719 | 0.00 | 719 | 0 | 719 | 0.00 | 0.00 |
| | | | | | | | | | |
| **Sub-Total (B) (1)** | **1719** | **0** | **1719** | **0.01** | 4796239 | 0 | 4796239 | 17.74 | **17.74** |
| **(2) Non-institutions** | | | | | | | | | |
| (a) Bodies Corporate | | | | | | | | | |
| (i) Indian | 2105317 | 0 | 2105317 | 10.03 | 1769507 | 0 | 1769507 | 6.55 | -3.48 |
| (ii) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | 0.00 |
| (b) Individuals/HUF | | | | | | | | | |
| (i) Individual Shareholders holding nominal share capital upto ₹ 1 Lakh | 4382248 | 6802 | 4389050 | 20.90 | 4396893 | 4302 | 4401195 | 16.28 | -4.62 |
| (ii) Individual Shareholders holding nominal share capital in excess of ₹ 1 Lakh | 2783242 | 0 | 2783242 | 13.25 | 3257801 | 0 | 3257801 | 12.05 | -1.20 |
| (c) Others (specify) | | | | | | | | | |
| Clearing Members | 313925 | 0 | 313925 | 1.49 | 145518 | 0 | 145518 | 0.54 | -0.96 |
| Hindu Undivided Family | 367607 | 0 | 367607 | 1.75 | 397956 | 0 | 397956 | 1.47 | -0.28 |
| Overseas Bodies Corporate | 2265432 | 0 | 2265432 | 10.79 | 2265432 | 0 | 2265432 | 8.38 | -2.41 |
| Foreign Companies | 35139 | 88323 | 123462 | 0.59 | 35139 | 88323 | 123462 | 0.46 | -0.13 |
| Foreign Nationals | 400 | 10763 | 11163 | 0.05 | | 10763 | 10763 | 0.04 | -0.01 |
| Non-resident Indians (Repat) | 1778971 | 3767 | 1782738 | 8.49 | 1759831 | 3767 | 1763598 | 6.53 | -1.96 |
| Non-resident Indians (Non Repat) | 61029 | 0 | 61029 | 0.29 | 62733 | 0 | 62733 | 0.23 | -0.06 |
| NBFCs registered with RBI | 0 | 0 | 0 | 0.00 | 5000 | 0 | 5000 | 0.02 | 0.02 |
| **Sub-Total (B) (2)** | **14093310** | **109655** | **14202965** | **67.63** | **14095810** | **107155** | **14202965** | **52.55** | **-15.08** |
| | | | | | | | | | |
| **Total public Shareholding (B)=(B)(1)+(B)(2)** | **14095029** | **109655** | **14204684** | **67.64** | **18892049** | **107155** | **18999204** | **70.29** | **2.65** |
| | | | | | | | | | |
| **C. Shares Held by Custodians for GDRs & ADRs** | **0** | **0** | **0** | | | **0** | **0** | **0** | **0** |
| | | | | | | | | | |
| **Grand total (A+B+C)** | **20890533** | **109655** | **21000188** | **100.00** | **26920430** | **107155** | **27027585** | **100.00** | |

**(ii) Shareholding of Promoters**

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year (01. 04. 2018) | | | Shareholding at the end of the year (31.03.2019) | | | Percentage Change in Shareholding during the Year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total share capital of the Company | % of shares pledged/encumbered to total shares | No. of Shares | % of Total share capital of the Company | % of shares pledged/encumbered to total shares | |
| 1 | Shivaji T Akhade | 2653063 | 12.63 | 0.28 | 3064022 | 11.34 | 0.22 | -1.30 |
| 2 | Sudhir V. Mungase | 2126513 | 10.13 | 0.28 | 2537472 | 9.39 | 0.22 | -0.74 |
| 3 | Lincwise Software Private Limited | 1000000 | 4.76 | 4.76 | 1000000 | 3.70 | 3.70 | -1.06 |
| 4 | Vilas V. Lande | 597258 | 2.84 | 0.28 | 1008217 | 3.73 | 0.22 | 0.89 |
| 5 | Rema Radhakrishnan | 308717 | 1.47 | 0 | 308717 | 1.14 | 0 | -0.33 |
| 6 | M. Radhakrishnan | 109953 | 0.52 | 0.28 | 109953 | 0.41 | 0.22 | -0.12 |

**(iii) Change in Promoters' Shareholding ( please specify, if there is no change)**

| Sr. No. | Particulars | | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|
| | | | No. of Shares | % of Total Shares of the Company | No. of Shares | % of Total Shares of the Company |
| | **Mr. Shivaji Akhade** | | | | | |
| A | **At the beginning of the year** | | 2653063 | 12.63 | | |
| B | **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)** | | | | | |
| 1 | Saturday, 29/12/2018 | Preferential issue | 410959 | | 3064022 | 14.09 |
| C | **At the end of the year** | | 3064022 | 11.34 | | |
| | | | | | | |
| | **Mr. Sudhir Mungase** | | | | | |
| A | **At the beginning of the year** | | 2126513 | 10.13 | | |
| B | **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)** | | | | | |
| 1 | Saturday, 31/12/2018 | Preferential issue | 401360 | 1.81 | 2527873 | 11.37 |
| 2 | Tuesday, 02/01/2019 | Preferential issue | 9599 | 0.04 | 2537472 | 11.41 |
| C | **At the end of the year** | | 2537472 | 9.39 | | |
| | **Mr. Vilas Lande** | | | | | |
| A | **At the beginning of the year** | | 597258 | 2.84 | | |
| B | **Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc)** | | | | | |
| 1 | Saturday, 28/12/2018 | Preferential issue | 410959 | 1.92 | 1008217 | 4.70 |
| C | **At the end of the year** | | 1008217 | 3.73 | | |

**(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):**

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year (01. 04.2018) | | Increase / Decrease in Share holding during the year | | | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total share capital of the Company | Date | Reason | No. of Shares | % of Total share capital of the Company | No. of Shares | % of Total share capital of the Company |
| 1 | INDIANIVESH RENAISSANCE FUND* | 0 | 0 | 29-03-19 | Allotment of Equity Shares upon Conversion of Share Warrants into Equity Shares of Rs. 10 Each/- | 4794520 | 17.74 | 4794520 | 17.74 |
| | | | | 31.03.2019 | | | | 4794520 | 17.74 |
| 2 | SHARJAH CEMENT AND INDUSTRIAL DEVELOPMENT COMPANY | 2265432 | 10.79 | | | 0 | 0.00 | 2265432 | 8.38 |
| | | | | 31.03.2019 | | | | 2265432 | 8.38 |
| 3 | BHARTIBEN BATAVIA | 1264654 | 6.02 | | | 0 | 0.00 | 1264654 | 4.68 |
| | | | | 31.03.2019 | | 0 | 0 | 1264654 | 4.68 |
| 4 | PODDAR BHUMI HOLDINGS LIMITED | 1111111 | | | | 0 | 0 | 1111111 | 4.11 |
| | | | | 31.03.2019 | | 1111111 | 5.29 | 1111111 | 4.11 |
| 5 | JHUNJHUNWALA RAKESH RADHESHYAM | 1020000 | 4.86 | | | 0 | 0 | 1020000 | 4.86 |
| | | | | 31.03.2019 | | 0 | 0 | 1020000 | 3.77 |
| 6 | JHUNJHUNWALA REKHA RAKESH | 731233 | 3.48 | | | 0 | 0 | 731233 | 4.56 |
| | | | | 31.03.2019 | | | | 731233 | 2.71 |
| 7 | PRAVINCHANDRA BATAVIA | 308500 | 1.47 | 06.4.2018 | Acquisition from Open Market | 6000 | 0.03 | 314500 | 1.50 |
| | | | | 13.04.2018 | Acquisition from Open Market | 14000 | 0.07 | 322500 | 1.54 |
| | | | | 27.04.2018 | Sale of Shares | 10000 | 0.05 | 312500 | 1.49 |
| | | | | 31.03.2019 | | | | 318500 | 1.18 |
| 8 | AMIT GOELA | 125000 | 0.60 | | | 0 | 0 | 125000 | 0.46 |
| | | | | 31.03.2019 | | | | 125000 | 0.46 |
| 9 | UTPAL SHETH | 125000 | 0.60 | | | 0 | 0 | 125000 | 0.46 |
| | | | | 31.03.2019 | | | | 125000 | 0.46 |
| 10 | DUKE EQUITY PARTNERS, INC | 88323 | 0.421 | | 0 | 0 | 0 | 88323 | 0.33 |
| | | | | 31.03.2019 | | | | 88323 | 0.33 |

**The Convertible Share Warrants issued to IndiaNivesh Renaissance Fund were converted to Equity Shares of ₹ 10/- Each & 47, 94, 520 Equity Shares were alloted on March 29, 2019.*
***Shareholding of Top 10 shareholders are based on shareholding position as on March 31, 2019*

**(v) Shareholding of Directors and Key Managerial Personnel:**

| Sl. No. | Name of Director/KMP | Shareholding at the beginning of the year (01.04.2018) | | Increase / Decrease in Share holding during the year | | | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of Total share capital of the Company | Date | Reason | No. of Shares | % of Total share capital of the Company | No. of Shares | % of Total share capital of the Company |
| 1 | Mr. Prakash Nimbalkar | 6700 | 0.03 | | | | | 6700 | 0.02 |
| | | | | | | | | 6700 | 0.02 |
| 2 | Mr. Shivaji Akhade | 2653063 | 12.63 | 29.12.2018 | Prefererential issue | 410959 | 14.04 | 3064022 | |
| | | | | 31.03.2019 | | | | 3064022 | 11.34 |
| 3 | Mr. Sudhir Mungase | 2126513 | 10.13 | 29.12.2018 | Prefererential issue | 401360 | 1.81 | 2527873 | 11.37 |
| | | | | 01.01.2019 | Prefererential issue | 9599 | 0.04 | 2537472 | 11.41 |
| | | | | 31.03.2019 | | | | 2537472 | 9.39 |
| 4 | Mr. Vijay Thanawala | 2525 | 0.01 | | | | | 2525 | 0.01 |
| | | | | 31.03.2019 | | | | 2525 | 0.01 |
| 5 | Mr. Amit Goela* | 125000 | 0.60 | | | | | 125000 | 0.46 |
| | | | | 31.03.2019 | | | | 125000 | 0.46 |

**** Mr. Amit Goela, Non- Executive Director of the Company resigned w.e.f. July 24, 2018***

**V. INDEBTEDNESS**

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

**(₹ in Lakhs)**

| Particulars | Secured Loans excluding Deposits | Unsecured Loans | Deposits | Total Indebtedness |
|---|---|---|---|---|
| **Indebtedness at the beginning of the financial year** | | | | |
| (i) Principal Amount | 19,339.75 | 5,056.50 | 500.00 | **24,896.25** |
| (ii) Interest due but not paid | 652.76 | - | - | **652.76** |
| (iii) Interest accrued but not due | | | | |
| **TOTAL {(i)+(ii)+(iii)}** | **19,992.51** | **5,056.50** | **500.00** | **25,549.01** |
| | | | | |
| **Change in Indebtedness during the Financial Year** | | | | |
| Addition | - | 780.79 | - | **780.79** |
| Reduction | 3,306.35 | 1,124.10 | 200.00 | **4,630.45** |
| **Net Change** | **(3,306.35)** | **(343.30)** | **(200.00)** | **(3,849.66)** |
| | | | | |
| **Indebtedness at the end of the financial year** | | | | |
| (i) Principal Amount | 16,000.19 | 4,713.20 | 300.00 | **21,013.39** |
| (ii) Interest due but not paid | 685.96 | - | - | **685.96** |
| (iii) Interest accrued but not due | | | | - |
| **TOTAL {(i)+(ii)+(iii)}** | **16,686.15** | **4,713.20** | **300.00** | **21,699.35** |

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**A. Remuneration to Managing Director, Whole-time Director and/or Manager:** (₹ In Lakhs)

| Sr No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total Amount |
|---|---|---|---|---|---|
| | | Shivaji Akhade* | Sudhir Mungase* | Umesh Chavan* | |
| 1 | **Gross Salary** | 60 | 24 | 60 | 144.00 |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 60 | 24 | 60 | 144.00 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | NIL | NIL | NIL | |
| | (c) Profits in lieu of salary u/s 17 (3) of the Income Tax Act, 1961 | NIL | NIL | NIL | |
| 2 | **Stock Option** | NIL | NIL | NIL | |
| 3 | **Sweat Equity** | NIL | NIL | NIL | |
| 4 | **Commission** | NIL | NIL | NIL | |
| | as % of profit | | | | |
| | Others (Specify) | | | | |
| 5 | **Others (Specify)** | NIL | NIL | NIL | |
| | **TOTAL** | **60.00** | **24.00** | **60.00** | **144.00** |
| | **Ceiling as per the Act** | 60.00 | 24.00 | 60.00 | |

**** Pursuant to the Proviso inserted by the Companies ( Amendment) Act, 2017 read with Section 197(1), all the applications made to the Central Government are abated and now only approvals of Istitutions, Secured Creditors and Shareholders are required.***

**B. REMUNERATION TO OTHER DIRECTORS:**

(₹ in Lakhs)

| Sr No | Particulars of Remuneration | Name of the Director | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | Prakash Nimbalkar | Vijay Thanavala | Amit Goela | Jayashree Fadnavis | |
| 1 | **Independent Directors** | | | | | |
| | Fee for attending board and Committee Meetings | 6.2 | 5.00 | | 2.25 | |
| | Commission | 0 | 0 | 0 | 0 | |
| | Others, (Specify) | 0 | 0 | 0 | 0 | |
| | **Total (1)** | 6.2 | 5 | 0 | 2.25 | 13.45 |
| 2 | **Other Non-Executive Directors** | | | | | |
| | Fee for attending board and Committee Meetings | 0 | 0 | 0 | 0 | |
| | Commission | 0 | 0 | 0 | 0 | |
| | Others, (Specify) | 0 | 0 | 0 | 0 | |
| | **Total (2)** | 0 | 0 | | 0 | 0 |
| | **Total (B)=(1+2)** | | | | | **13.45** |
| | **Total Managerial Remuneration** | **6.2** | **5.00** | **0** | **2.25** | **13.45** |
| | **Overall Ceiling as per the Act** | Not applicable as only sitting fees paid | | | | |

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

(₹ in Lakhs)

| Sr No | Particulars of Remuneration | CS Ashish Gupta | CA. Gokul Naik | Total Amount |
|---|---|---|---|---|
| 1 | **Gross Salary** | | | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961 | 19.40 | 45.65 | 65.05 |
| | (b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961 | Nil | Nil | |
| | (c) Profits in lieu of salary u/s 17 (3) of the Income Tax Act, 1961 | Nil | Nil | |
| 2 | **Stock Option** | Nil | Nil | Nil |
| 3 | **Sweat Equity** | Nil | Nil | Nil |
| 4 | **Commission** | Nil | Nil | Nil |
| | as % of profit | | | |
| | Others (Specify) | | | |
| 5 | **Others (Specify)** | Nil | Nil | Nil |
| | TOTAL | 19.40 | 45.65 | 65.05 |

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

There were no penalties/punishment/comounding of offences for the breach of any Sections of Companies Act against the Company or its Directors or other officers in default, if any during the year.

**ANNEXURE - C**

**Form No. MR-3**

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st March, 2019

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

To,
The Members,
**Autoline Industries Limited**
Survey Nos.313, 314, 320 to 323, Nanekarwadi, Chakan
Taluka Khed, District - Pune, 410501

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Autoline Industries Limited (hereinafter called the company) bearing CIN: L34300PN1996PLC104510 Secretarial Audit was conducted in a manner that provided us as reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Autoline Industries Limited's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March , 2019, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Autoline Industries Limited for the financial year ended on 31st March, 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made thereunder;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeover) Regulations, 2011;
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
I. The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
j. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.

vi. Since the Company is engaged in manufacture of Auto components and accessories thereof, there are no specific laws applicable to such sector. We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;
(ii) The Listing Agreements entered into by the Company with the BSE Limited and the National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

**(A) THE COMPANIES ACT, 2013 AND THE RULES MADE THEREUNDER:**

The Company has transferred shares in respect of which dividend has not been claimed for seven consecutive years or more in the name of Investor Education and Protection Fund pertaining to the Financial Year 2011-12 with a delay of 2 months & 22 days and to that extent the Company has not complied with the provisions of Section 124 (6) of the Companies Act, 2013 read with the Rules made thereunder.

**(B) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 ("LODR") :**

Mr. Amit Goela, Non-Executive Director tendered his resignation on 24th July, 2018 which was taken note in the Board Meeting dated 11th August, 2018 and the said resignation was reported to the stock exchanges on the same day. The Listed Entity has made delayed compliance with the provisions of the Regulation 30 (2) read with Regulation 30 (6) of the LODR as there was a delay in reporting of the resignation of Mr. Amit Goela to the Stock Exchanges.

**( C ) FOREIGN EXCHANGE MANAGEMENT ACT, 1999**

The Company has not filed Annual Performance Report of its wholly owned subsidiary Koderat Investments Limited, Cyprus for the financial years 2015-16, 2016-17 and 2017-18. Thus, to that extent it has not complied with Regulation 15 of the Foreign Exchange Management (Transfer or Issue of Any Foreign Security) Regulations, 2000.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records available in the said minutes there were no dissenting views expressed by any director in the meetings.

We further report that the systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines need further improvement considering the size and operations of the Company.

We further report that during the audit period:

1.The Company, after obtaining approval of the Members vide Special Resolution passed by way of Postal Ballot on 16th November, 2018 had:-

a) increase the Authorized Share Capital of the Company from the present ₹ 29,50,00,000/- (Rupees Twenty Nine Crores and Fifty Lakhs Only) consisting of 2,95,00,000 (Two Crores Ninety Five Lakhs) Equity Shares of ₹ 10/- (Rupees Ten only) each to ₹ 35,00,00,000 (Rupees Thirty Five Crores only) divided into 3,50,00,000 (Three Crores Fifty Lakhs only) Equity Shares of ₹ 10/- (Rupees Ten only) each;

b) amended Articles of Association to enable to issue stock options and/or share warrants;

c) offered 39,72,603 (Thirty Nine Lakhs Seventy Two Thousand Six Hundred and Three) Equity Shares having face value of ₹ 10/- (Rupees Ten only) each for cash, fully paid-up, on a preferential basis, at a price of ₹ 73/- (Rupees Seventy Three only) each (including premium of ₹ 63/- each to the following persons:-

| Sr. No. | Name | Total no of shares offered |
|---|---|---|
| 1. | Mr. Shivaji Akhade | 410,959 |
| 2. | Mr. Sudhir Mungase | 410,959 |
| 3. | Mr. Vilas Lande | 410,959 |
| 4. | Sharjah Cement & Industrial Development Co. | 2,054,795 |
| 5. | Mr. Pravinchandra batavia | 684,931 |
| | TOTAL | 39,72,603 |

With respect to the above-mentioned offer, the ollowing persons subscribed to the offer and accordingly shares were allotted, details of which are as under:

| Sr. No. | Name | Total no of shares allotted |
|---|---|---|
| 1. | Mr. Shivaji Akhade | 410,959 |
| 2. | Mr. Sudhir Mungase | 410,959 |
| 3. | Mr. Vilas Lande | 410,959 |
| | TOTAL | 12,32,877 |

d) made preferential allotment of Convertible Share Warrants on Preferential Basis to Promoters as well as to Persons other than Promoters carrying an option / entitlement to subscribe to equity shares of the face value of ₹ 10/- (Rupees Ten only) each for cash at a price of ₹ 73/- (Rupees Seventy Three only) per warrant as under:-

| Sr. No. | Name | Category | Total no of shares allotted |
|---|---|---|---|
| 1. | India Nivesh Renaissance Fund | Non-Promoter | 47,94,520 |
| 2. | Mr. Shivaji Akhade | Promoter | 410,959 |
| 3. | Mr. Sudhir Mungase | Promoter | 410,959 |
| 4. | Mr. Vilas Lande | Promoter | 410,959 |
| | TOTAL | Promoter | 60,27,397 |

For KANJ & Co. LLP
Company Secretaries

Sunil Nanal
Designated Partner
M. No: 5977
CP. No: 2809
Date: May 29, 2019
Place: Pune

The Members,
Autoline Industries Limited
Survey Nos.313, 314, 320 to 323, Nanekarwadi, Chakan
Taluka-Khed, District - Pune, 410501

Our report of even date provided in Form MR-3 to Autoline Industries Limited (the company) for the year ended on 31st March, 2019 is to be read along with this letter.

1. Maintenance of Secretarial records and complying with the provisions of the various laws as applicable including the laws specifically applicable to the company is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records and legal compliances based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records and the records of legal compliances. The verification was done on test basis to ensure that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

3. We are not required to verify the correctness and appropriateness of financial records and books of accounts of the company as it is part of financial audit as per the provisions of the Companies Act, 2013.

4. Wherever required, we have obtained the management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provision of corporate and other applicable laws, rules, regulations, secretarial standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.

6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For KANJ & Co. LLP.**
**Company Secretaries**

**Sunil G Nanal**
**Designated Partner**
FCS No. 5977

CP No. 2809
Place: Pune
Date: 29th May, 2019

**Annexure –D**
**Secretarial Audit Report of the Material Unlisted Subsidiary**
***(Pursuant to Regulation 24 A of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015)***

**Form No. MR-3**
**SECRETARIAL AUDIT REPORT**
FOR THE FINANCIAL YEAR ENDED 31st March, 2019
*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
**Autoline Industrial Parks Limited**
Survey Nos.313, 314, 320 to 323, Nanekarwadi, Chakan Taluka Khed, District - Pune, 410501

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Autoline Industrial Parks Limited (hereinafter called the Company) bearing CIN - U45209PN2007PLC130639. Secretarial Audit was conducted in a manner that provided us as reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of Autoline Industrial Park Limited's books, papers, minute books,forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has generally, during the audit period covering the financial year ended on 31st March, 2019 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance- mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Autoline Industrial Parks Limited** for the financial year ended on 31st March, 2019 according to the provisions of:

I. The Companies Act, 2013 (the Act) and the rules made there under;
ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder (Not Applicable);
iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') (Not Applicable):-

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable)
b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992; (Not Applicable)
c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; (Not Applicable)
d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; (Not Applicable)
e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable)
g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable) and
h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.
(ii) The Listing Agreements entered into by the Company with Stock Exchange(s), if applicable; (Not Applicable)

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above *except that:-*

1. *Mr. Pramod Datar resigned from the post of Chief Financial Officer of the Company with effect from 8th December, 2018. Section 203 (4) of the Companies Act, 2013 provides that 'If the office of any whole-time key managerial personnel is vacated, the resulting vacancy shall be filled-up by the Board at a meeting of the Board within a period of six months from the date of such vacancy'. The Company has not appointed a Chief Financial Officer since the resignation of Mr. Pramod Datar with effect from 8th December, 2018 and therefore to that extent is in non-compliance with Section 203 ofthe Companies Act, 2013.*

**We further report that:**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors except that the Director Identification Number ("DIN") of Mr. Pravinchandra Batavia has been 'disabled' by the Ministry of Corporate Affairs and to that extent, the Company has not complied with the provisions of Section 152 (3) of the Companies Act, 2013. There were no changes in the composition of the Board of Directors during the period under review.

Generally adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were generally sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings were carried out unanimously. As per the records available in the said minutes there were no dissenting views expressed by any director in the meetings.

I further report that the systems and processes in the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines are adequate considering the size and operations of the company.

We further report that during the audit period there were no specific events / actions having measure bearing on Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

**For KANJ & Co. LLP**
**Sunil G Nanal**
**Partner**
**FCS No. 5977**
**CP No. 2809**
Place: Pune
Date: 10th May, 2019

To,
The Members,
**Autoline Industrial Parks Limited**
Survey Nos.313, 314, 320 to 323, Nanekarwadi, Chakan Taluka Khed, District - Pune, 410501

Our report of even date provided in Form MR-3 to Autoline Industrial Parks Limited (the company) for the year ended on 31st March, 2019 is to be read along with this letter.

1. Maintenance of Secretarial records and complying with the provisions of the various laws as applicable including the laws specifically applicable to the company is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records and legal compliances based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain responsible assurance about the correctness of the contents of secretarial records and the records of legal compliances. The verification was done on test basis to ensure that correct facts are reflected in secretarial and other relevant records. We believe that the processes and practices, we follow provide a responsible basis for our opinion.

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6. The secretarial audit report is neither an assurance as to the future viability of the company nor the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For KANJ & Co. LLP**
**Sunil G Nanal**
**Partner**
**FCS No. 5977**
**CP No. 2809**
Place: Pune
Date: 10th May, 2019

# ANNEXURE – E

**(A) CONSERVATION OF ENERGY –**

**(I) The steps taken or impact on conservation of energy:**

Your Company is making continuous efforts towards optimum utilization of energy resources which have resulted in cost saving for the Company. Additionally some of the initiatives taken for optimum use of energy, by the Company are as under:

1. Earlier, the Company had 400 WATT Mercury Wipromac lamps. The Company has replaced all of them with new 75/100/200 WATT Energy Efficient LED Lights.
2. The company has installed energy efficient water pumps in all manufacturing facilities.
3. During the year under review, the Company has approximately achieved savings of Rs. 14.83 Lakhs by attaining unity in PF Factor. MSEDCL also provides discount for attaining the same. Also, this has resulted in saving of maintenance expenditure on Motors, Cables and other equipments.
4. In procurement of all its engineering tools,materials and machines, the Company procures such Tools & machines which have a high BEE (Bureau of Energy Efficiency) Energy Rating, generally 3, 4 & 5 Stars.
5. For Mercury Vapor lamps (250 WATT & 400 WATT) alternate wiring system installed and use of LED Lighting is resulting into saving in energy.
6. Curtains made up of plastic sheets are introduced for natural light as well as air Ventilation.

All employees are advised to use lights, fans, air conditioners, computer and its peripherals only when there is a need and strive to save Electricity by opening up windows and opt for natural light and ventilation.

Impact of above measures have resulted into reduction of energy consumption and has a consequent impact on the cost of production of goods. The company has significantly reduced consumption of electricity by maintaining unity in PF factor.

Consumption per unit of production:
Considering the number of components produced, consumption of per unit of production cannot be determined.

**(ii) The steps taken by the Company for utilizing alternate sources of energy:**

1. Installation of transparent sheets at rooftop of factory to get natural light as well air ventilators provided at rooftop of factory for better ventilation.

2. The Company's Offices are structured such that natural lighting is used the maximum as compared to commercial source of electricity.

3. The Company is considering the proposal of installation of solar power units on the terrace of Corporate office and Chakan 1 Unit.

4. The Company has installed efficient LED Lighting Fixtures in its Manufacturing unit(s) at Chakan and Corporate Office.

**(iii) The capital investment on energy conservation equipments:**

During the year under review the Company has not made investment on energy conservation equipment.

**(B) TECHNOLOGY ABSORPTION**

**(i) The efforts made towards technology absorption:**

During the period, your Company has made following efforts at its various plants:

1. Transformers has been replaced to ensure the quality requirement during Spot Welding of different dispatches.
2. Focus has been given for internal as well external logistics, to improve the in-house quality as well as elimination of dent and damage marks during the transportation.
3. The capacity of one HMT Press machine has been doubled by changing the air pressures and after checking out capacity of machine.
4. Testing & Validation systems designed and developed are continued to be used for various types of Parking Brakes, which are manufactured in-house.

**(ii) The benefits derived like product improvement, cost reduction, product development or import substitution:**

1. Improved quality and customer satisfaction.
2. Minimize operator/ workmen fatigue.
3. Minimal damages to the components.
4. Reduction in Costs due to abolishing of redundant processes.

**(iii) In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)**

The Company has not imported technology during the ast three years and therefore below details are not applicable.

(a) The details of technology imported;
(b) The year of import;
(c) Whether the technology has been fully absorbed;
(d) If not fully absorbed, areas where absorption has not taken place; and the reasons thereof;

**(iv) The expenditure incurred on Research and Development**

The Company has not incurred expenditure, capitalor recurring, in Research and Development during the year under review.

**( c ) FOREIGN EXCHANGE EARNINGS AND OUTGO**

The Foreign Exchange earned in terms of actual flows during the year and the Foreign Exchange outgo during the year in terms of actual outflows (both on Consolidated basis) is as under :

(₹ in Lakhs)

| Particulars | 2018 - 19 | 2017 - 18 |
|---|---|---|
| Foreign Exchange earned in terms of Actual Inflows | 587.05 | 556.75 |
| Foreign Exchange outgo in terms of Actual outflows | 104.44 | 158.68 |

For and on Behalf of the Board

Prakash Nimbalkar
CHAIRMAN
DIN: 00109947
Pune, August 14, 2019

## ANNEXURE – F

**Employee Stock Options Scheme 2008**

| | | | |
|---|---|---|---|
| (a) | Options granted on 12th November, 2010 | | 1,75,000 |
| (b) | Pricing Formula | | ₹ 25 per share |
| (c) | Options vested ( Upto 31st March, 2019) | | 175000 |
| (d) | Options exercised (Upto 31st March, 2019) | | 136085 |
| (e) | Total number of shares arising as a result of exercise of options | | 136085 |
| (f) | Options lapsed (as at 31st March 2019) | | 32255 |
| (g) | Variation of terms options | | No variation |
| (h) | Money realized by exercise of options | | 3402125 |
| (i) | Total number of options in force (as at 31st March 2019) | | 6660 ( For the year under review) |
| (j) | Employee wise details of options granted during the year | | |
| | 1 | Senior Management personnel | Nil |
| | 2 | Employees to whom more than 5% options granted during the year | Nil |
| | 3 | Employees to whom options more than 1% of issued capital granted during the year | Nil |
| (k) | Diluted EPS, pursuant to issue of shares on exercise of options | | (25.50) |
| (l) | 1 | Method of calculation of employee compensation cost | Calculation is based on intrinsic value method Intrinsic value per share is Rs. 234.45 per share. |
| | 2 | Difference between the above and employee compensation cost that shall have been recognized if it had used the fair value of the options | ₹ Nil, However amount of Employee compensation cost credited to profit & loss account arising as a result of lapse of options. |
| | 3 | Impact of this difference on Profits and on EPS of the Company | ₹ Nil |
| (m) | 1 | Weighted average exercise price | ₹ 25.00 |
| | 2 | Weighted average fair value of options based on Black Scholes methodology | ₹ 239.80 |
| (n) | Significant assumptions used to estimate fair value of options including weighted average | | |
| | 1 | Risk free interest rate | 7% |
| | 2 | Expected life | Average life taken as 1 year from date of Grant (Vest) |
| | 3 | Expected volatility | 45% |
| | 4 | Expected dividends | Not separately included, factored in volatility working |
| | 5 | Closing market price of share on a | ₹ 259.45 |
| | | date prior to date of Grant (Vest) | |

**For and on Behalf of the Board**

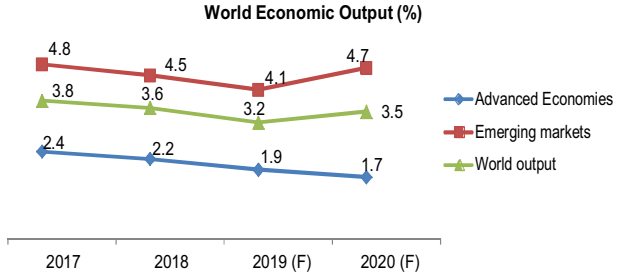
**Prakash Nimbalkar**
CHAIRMAN
DIN: 00109947

Pune, August 14, 2019

# Management Discussion and Analysis Report

## World Economy Overview

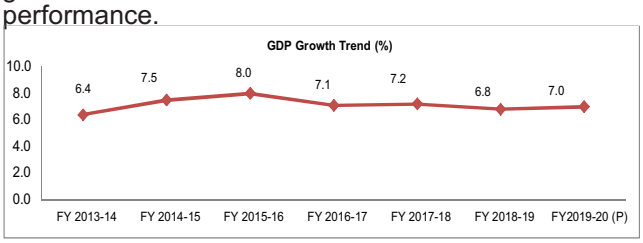
Trade tensions between United States (US) and China, weakening economic outlook and higher volatility in commodity market along with financial strain across economies resulted in deceleration of the global economic growth. As per IMF, the growth in world economic output is expected to decelerate to 3.2% in 2019. On the positive side, however, IMF expects world economic output to recover and grow to 3.5% in 2020. Emerging market is expected to record a growth of 4.7% in 2020 after registering a growth of 4.1% in 2019. The growth in emerging markets would majorly lead by China and India. Conducive policy stimulus aided by supportive demographics has led to stabilization in economic stress in emerging economies. Growth in advanced economies has been expected to decline to 1.9% in 2019 and 1.7% in 2020. A positive outlook in 2020 for global growth is projected on account of robust demand recovery and accommodative monetary and fiscal policy.




*Source: IMF's World Economic Outlook report- July 2019*

## Indian Economy Overview:

India is emerging as one of the fastest growing economies in the world. Government push in the form of its robust initiatives along with measures such as implementation of GST (Goods and Service tax), Make in India and other key reforms have propelled faster economic development. Such measures have helped India to move up by 23 places to 77th position in the World Bank's Ease of Doing Business Index 2018. The global economic slowdown and other domestic concerns such as credit constraint, reduction in private investment and its cascading effect on liquidity, low sentiments affected India's GDP growth rate to grow slower than expected. India's gross domestic product (GDP) growth is reported at 6.8% in FY 2018-19, as compared to 7.2% recorded in FY 2017-18. As per the IMF and economic survey report July 2019, Indian economy is projected to grow by 7.0% in FY 2019-20 backed by anticipated pickup in investments and acceleration in consumption. Also recently, RBI has been continuously revising its repo rate downwards and further liberalizing FDI policy to combat the current slowdown in growth. Such adequate fiscal and monetary measures would gradually revive the growth in India and would assist to achieve a level up performance.

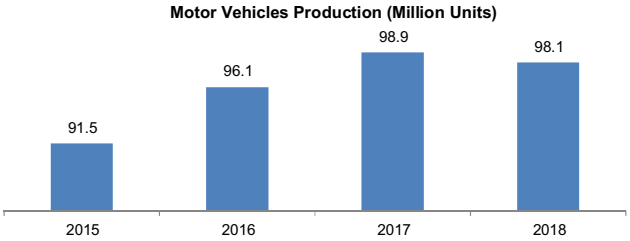



*Source: MOSPI report May 2019, Economy Survey Report July 2019*

The short term subsiding effects of demonetisation and GST combined with slowdown in business activities across the globe have also reflected in economic indicators like India's Index of Industrial Production (IIP), which registered a growth of 3.6% in FY 2018-19 as compared to that of 4.4% recorded in FY 2017-18. Retail inflation stood at 3.2% in June 2019 while Nikkei Purchasing Managers' Index (PMI) for manufacturing in India, reached to 52.1 in June 2019 reflecting the healthy economic growth in India. Robust push for technology, growth of social infrastructure, digitisation, reducing unemployment and other major issues faced by the economy have been addressed in the Union Budget FY 2019-20.With the wider adoption of programs such as "Start-up India" and "Stand up India" and reforms such as upgradation of water transport, sound infrastructural upgradation along with higher FDI inflow are expected to make Indian economy grow faster in future.

## Global Auto and Auto Ancillary Industry

The global automobile industry has evolved significantly over the past decade led by digital technology, change in customer sentiment and healthy economy. The industry is expected to have entered into a challenging phase in 2019, mainly because of adjustments to new auto emissions standards, shockwaves of Brexit and USMCA (United States- Mexico- Canada Agreement) deal and US-China trade. However, along with market iversification, digitisation and shifting industry landscape from the second half of FY 2019-20, the industry is expected to completely rebound by around 2023. As per ACEA (European Automobile Manufacturers' Association), the global vehicles sales volume declined from 98.9 million units in 2017 to 98.1 million units in 2018.

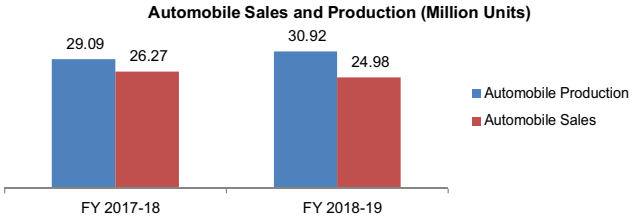



*Source: European Automobile Manufacturers' Association (ACEA) report*

Bloomberg New Energy Finance (BNEF) projects that by 2040 over 30% of the global passenger fleet would be electric. The increasing trend of shared mobility segment would contribute majorly in the growth of global Electric Vehicle (EV) industry. As per Inside EVs report, the global EV sales volume registered 12.50% growth to reach sales volume of 0.18 million units in May 2019 from 0.16 million units as recorded in May 2018.

## Indian Auto and Auto Ancillary Industry

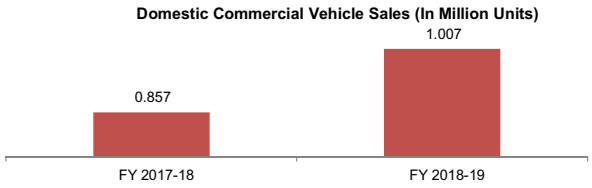
Indian automobile industry holds the 4th position in the world, along with being the world's 4th largest manufacturer of cars and 7th largest manufacturer of commercial vehicles in 2018. The industry has been witnessing sales downtrend largely due to liquidity crunch and weak retail sales. The Industry is also worried on adoption of BS VI norms proposed from April 2020 since BS-VI compliant vehicle will be more expensive. The Automobile sales declined from 26.27 million units in FY 2017-18 to 24.98 million during FY 2018-19. Although, the industry produced about 30.92 million vehicles in FY 2018-19 as against 29.09 million units in FY 2017-18, registering a growth of 6.26%. The industry also registered significant growth rate of 14.50% in exports in FY 2018-19. Growing OEM presence in the country and expanding manufacturing activities driven by government support would lead to the growth of automobile industry in India.




*Source: SIAM report on Automobile Industry for FY 2018-19*

### Commercial Vehicles (CV) Market:

CV market comprised for about 4% of total domestic automobile market. During FY 2018-19, the CV segment registered sales of 1.01 million units exhibiting an annual growth rate of 17.55%, as compared to 0.9 million units recorded in FY 2017-18. Medium & Heavy Commercial Vehicles (M&HCVs) segment's grew by 14.66% and Light Commercial Vehicles grew by 19.46% for the FY 2018-19. CV exports registered a growth rate of 3.17% during FY 2018-19.

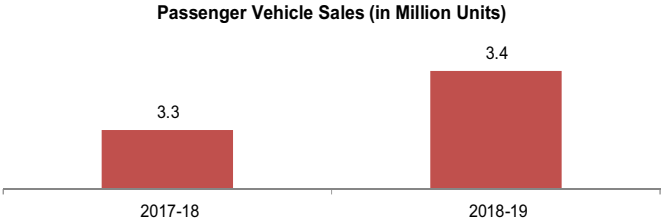



*Source: SIAM report on Automobile Industry for FY 2018-19*

High level activity in the overall infrastructure sector along with the revival of mining sector is further going to drive growth of the commercial vehicles in future.

### Passenger Vehicles (PV) Market:

PV market comprised for about 13% of total domestic automobile market. PV production increased from 4.020 million units to 4.026 million units during FY 2018-19 while sales increased by 2.70% from 3.289 million units to 3.774 million units in FY2018-19. The growth in FY 2018-19 was the lowest in the last 4 years as reported by SIAM. Tightened lending norms, coupled with an increase in insurance premiums, dampened buyer sentiment. Within the PV segment, the sales of Passenger Cars, Utility Vehicle & Vans grew by 2.05%, 2.08% and 13.10% respectively in FY 2018-19 over the previous year. While PV exports declined by 9.64% during FY 2018-19.




*Source: SIAM report on Automobile Industry for FY 2018-19*

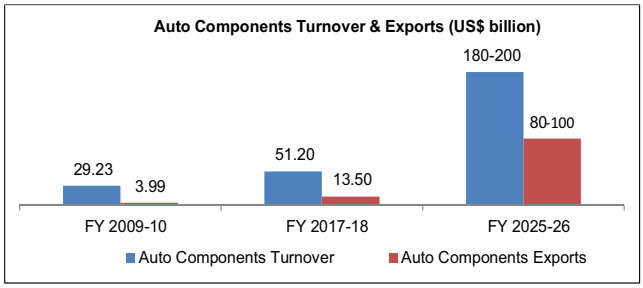
For FY2019-20, the entire PV market is expected to register moderate demand due to various factors. With the advancement of purchases before the enforcement of the BS-VI norm in FY 2020-21, the second half of FY 2019-20 is likely to witness better auto sales growth.

### Electric Vehicle Industry (EV):

The electric vehicles industry is at a nascent stage in India. It contributes less than 1% of the total vehicle sales, however it has a potential to contribute more than 5% in few years. In 2018, the entire Indian EV industry saw sales of 0.056 million units. As per SMEV report (Society of Manufacturers of Electric Vehicles), at present there are more than 4 lakhs electric two wheelers and few thousand electric cars on Indian roads. The mass conversion to electric vehicles may generate a US$ 300 billion domestic market for EV batteries in India by 2030. According to the report by Bloomberg New Energy Finance (BNEF), India would record much progress on electric two-wheelers, rickshaws and electric buses over the next 10 years and by 2040, EVs will constitute 40% of the total passenger vehicle fleet in the country. However, while transportation infrastructure continues to be augmented, EV-charging infrastructure (with less than 1000 charging stations in India) is yet to take off. The Indian automotive industry has seen significant transformation in the EV segment with respect to its sustainable growth and profitability.

### Auto Ancillary Industry:

The auto ancillary sector contributes a significant portion of GDP, by accounting 2.3% of GDP as in FY 2017-18. The auto ancillary industry has registered a CAGR of 7.26% over a period of FY 2009-10 to FY 2017-18 and had reached to US$ 51.20 billion in FY 2017-18. Auto component production registered a growth of 12-14% in FY 2018-19 backed by strong demand growth in domestic and international markets. The growth of global original equipment manufacturers (OEMs) sourcing from India is turning the country into a preferable designing and manufacturing base.




*Source: IBEF report on Automobile Components, May 2019*

Domestic OEM suppliers contributed about 55.97% of the total auto ancillary industry's turnover in FY 2017-18, followed by export market and after-sales market

contributing about 26.20% and 17.82% respectively. The auto ancillary industry's exports grew by a CAGR of 17% from US$ 3.99 billion to US$ 13.50 billion between the periods starting FY 2009-10 to FY 2017-18. Europe accounted most of the total auto ancillary industry's exports of about 34%, followed by North America and Asia which contributed 28% and 25% respectively. The Indian auto component industry is expected to achieve US$ 200 billion revenues by 2026 and auto ancillary exports are expected to touch US$ 80 billion by 2026.

In conjunction with the overall economic growth, the Government has implemented as well as also proposed various reforms and policies eyeing long term growth in domestic automobile industry. Increasing investment in road infrastructure, growth in the working population, competitive advantages facilitating emergence of outsourcing hub, technological shift with focus on R&D are supposed to drive the market of auto and auto ancillaries in India. With rapid rise in demand, driven by increase in middle class income and young population, Indian automobile industry (including component manufacturing) is expected to reach Rs.16.16-18.18 trillion (US$ 251.4-282.8 billion) by the year 2026. The sector is likely to see an upward trend in demand in the coming years with the improvement in economic environment and increase in investments.

Source: IBEF report on Automobile Components, May 2019

**Government Initiatives:**

The Government in order to ensure persistent growth over the next decade have articulated their objectives for the future of the industry. Major fiscal initiatives such as the following have been introduced :

**Automotive Mission Plan (AMP) 2016-26:** AMP 2026 has targeted a 4-fold growth in the automobiles sector in India over the next 10 years, which also include, auto ancillary & tractor industry. The mission also aims at growing the automobile sector's value to over 12% of the country's GDP and generating an additional 65 million jobs.Under the AMP plan, an amount of US$ 388 million will be spent under national Automotive Testing and R&D Infrastructure Project to create state-of-art R&D infrastructure.

**Pradhan Mantri Gram Parivahan Yojana (PMGPY)**: PMGPY envisages government investment on the automobile sector and its plans for infrastructure development in rural areas. Under the PMGPY scheme 10-12 seater vehicles would receive interest free loan of up to ₹ 6 lakhs with a term period of 6 months. This has helped in connecting with remote areas thereby promoting public transport and the usage of commercial vehicles in the rural areas.

**Corporate Average Fuel Efficiency**: The implementation of Corporate Average Fuel Efficiency norms requires the manufacturers to improve their products' fuel efficiency by 10% between 2017 and 2021 and 30% or more by 2022, that would gradually lead to less maintenance cost and would result as an increase in aftersales market.

**Electric Vehicles Promotion Policies:** The government has envisioned complete transition to electric vehicles by 2030 under NITI Aayog 2030. In February 2019, the Government approved the FAME-II scheme with a fund requirement of ₹10,000 crores (US$ 1.39 billion) for FY 2020-22. Also the GST rate for EV have been slashed from 12% to 5% and an additional tax benefit of ₹1.5 lakhs on the interest paid on the loans taken for the purchase of the electric vehicles (EVs) has been sanctioned in the latest Union Budget.

**Other Policy Support**: Other major policies introduced by the government include increased customs duty on ancillary parts imports, establishing special auto parks & virtual SEZs for auto ancillary, lower excise duty on specific parts of hybrid vehicles, Auto Policy 2002, Bharatmala Pariyojana etc. would also aid in the growth of automobile industry

**Future Market Trends:**

The industry is expected to witness significant changes in the coming years. Following future market trends are expected to bring complete evolution in the automobile industry:

**Tech Evolution**: The future mobility vehicles would be electrified, automated, shared, connected and updated yearly to make driving easier, safer, cheaper and more comfortable. In addition, with increasing acceptance of digital solutions, a new wave of emerging technologies would be on the cusp of affecting the industry at different levels such as mentioned below:

**Upcoming features of Technological Upgradation in different Business segments**

| | |
|---|---|
| Vehicles | •Driverless, Electricity driven and connected with smart sensors, real time vehicle tracking, geo fencing, driver analysis and remote diagnostics |
| Supply Chain and Operations | •Digitised trucking, upcoming logistics hubs, automated warehouses, robotics, augmented reality and IoT |
| Business Models | •Mobility as a service and vehicle sharing |

**Meeting Customer Expectations:** With disparate and varying spend capacity, high levels of awareness of products, rapidly evolving expectations and the demand for personalised products and services, customers are taking the centre stage in the automobile ecosystem in the country. In this scenario, development of organisational capabilities that being aligned to business lines and are dynamic in nature would help in understanding changing customer needs and deliver accordingly to meet these needs.

**Globalisation Effect**: The need to implement effective global and local strategies to manage risks and build their capability to drive strategies would be of paramount importance. India has been also emerging as a sourcing hub for engine components, with OEMs increasingly setting up engine manufacturing units in the country.

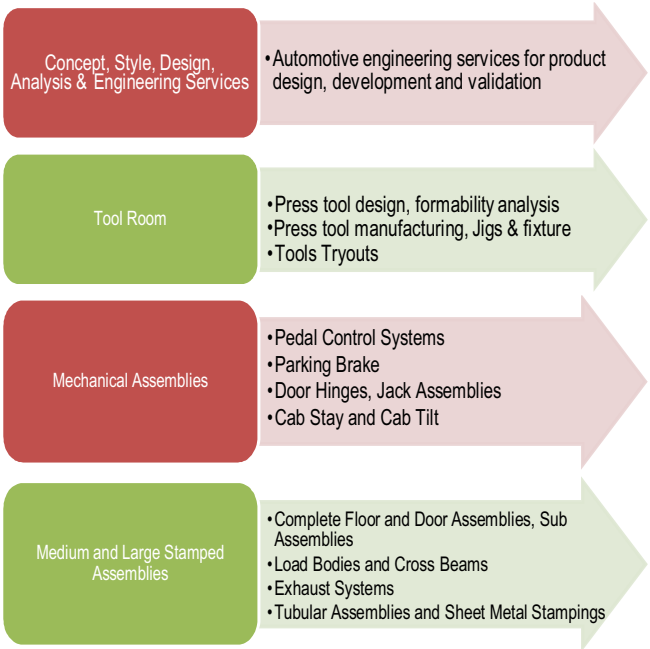
**Vendor Consolidation**: Vendor plays a crucial role for the growth of an automobile manufacturing company. There is an increasing trend of vendor consolidation by OEMs to develop strong relationships with their suppliers and to reduce complexity and alterations in vehicle cost composition. It would further help OEMs to engage in exclusive research and development (R&D) partnership with their most innovative suppliers to ensure an adequate level of product differentiation. Vendors are primarily judged based on their spending on research and development, stable balance sheet, attrition rate, product quality and product rejection rate.

**Company Overview :**

Autoline Industries Limited (herein referred as "Autoline" or "the Company") is engaged in manufacturing sheet metal components, assemblies and sub-assemblies for automobiles sector. Established on December 16, 1996, the Company is a prominent Pune based leading auto components manufacturer and supplier to Original Equipment Manufacturers(OEMs) and Automobile Companies with presence in both domestic and international markets. Autoline has 7 manufacturing facilities backed up with in-house design & engineering services and commercial tool room. The Company is catering to global OEM's supplying over 1500 products getting assembled into different passenger cars and commercial vehicles.

**Business Division Portfolio**:

The Company is manufacturing sheet metal components,sub-assemblies and assemblies, Foot Control Modules, parking brakes, hinges, cab stay and cab tilt, exhaust systems, tubular structures, fabrications, etc. for large OEMs in the Automobile Industry. Following are the major business divisions:




**Business Strengths:**

**Strong Client Base**: The Company's client portfolio consists of Tata Motors, General Motors, Volkswagen, Ashok Leyland, Ford Motors, Fiat, Mahindra, Cummins, Tata Hitachi and Daimler. Tata Motors continues to be its prime customer. The Company is working with reputed players in the industry and is expecting to increase its client portfolio further in future.

**Strong Product Portfolio**: The Company holds an expansive portfolio of over 1500 products and also continuously upgrades its quality and performance. It is engaged in manufacturing of a wide range of products including assemblies and subassemblies.

**Skilled Workforce**: The Company's team is comprised of highly experienced, skilled and qualified engineers. Best and customised quality products are being developed by the Company with the help of its highly skilled workforce that has enabled the Company to stay on the top among its other competitors.

**State of the Art Manufacturing Facilities**: The Company is majorly involved in designing and manufacturing of wide range of products. Also the Company owns second largest tool-room in the auto-hub of Pune and owns one of the most advanced robotic welding facilities. At present the Company operates through 7 manufacturing facilities spread across Pune, Karnataka, Uttarakhand and Chennai.

**Business Strategies:**

**Diversification Strategy**: The Company is meticulously working to expand its business by entering into the global market in auto as well as diversification to nonauto sector. The Company had entered into Memorandum of Understanding with Tae Sung, Korea on April 19, 2018 for getting technical assistance for low cost manufacturing of stamping die, prototype parts, pedal box, automobile camera etc. and to collaborate with Tae Sung for the development of products as well as local and overseas markets.

**Leveraging Existing Capabilities:** The Company has been continuously exploring various business opportunities in auto and non-auto sector. The Company has huge capabilities to service higher volumes either from existing clients or new clients without incurring any further capex. The Company's subsidiary Autoline Design Software Ltd. ("ADSL") has completed trial and error testing of its E-cycle project and verified it with different aspects so as to make the project technically and commercially strong, feasible and more viable. The Company has been looking for suitable partner for its e-cycle project.

**Fund raising and Cost Saving Strategy**: During the year, the Company raised Equity capital worth ₹ 4625 lakhs including ₹ 225 lakhs through convertible warrants,out of which, the promoters invested ₹1125 lakhs and private equity funds invested ₹ 3500 lakhs. The proceeds had been used for repayment of loans and financing of working capital requirements. The Company is also exploring debt restructuring to optimize the interest costs. The Company is focused on cost optimization by improving operational productivity, manpower rationalisation, effective inventory management, tight control over scrap generation etc.

**Consolidating Manufacturing Capacities**: The Company had undertaken the task to consolidate its current level of installed product manufacturing capacities. During the year under review, the Company has also consolidated its operation in Dharwad, Karnataka by shifting its rented manufacturing facility to its own manufacturing facility.

**Asset Monetisation:** The Company has entered into MoU with a buyer to sell the land of its Mahalunghe unit, Pune and the manufacturing facility and employees will be shifted to its other existing units. The transaction is expected to complete in FY 2019-20 and proceeds will be utilised for the repayment of outstanding loan amount.

**Business Outlook:**
The Company is expecting a turnaround that would lead to a positive outlook for the coming years. Autoline has been working on increasing its product base by prototyping its pilot products. Moreover, the Company is also anticipating higher growth in stamping tool manufacturing business and overseeing the possibilities to develop the new business and expand existing business with JBM Auto systems, Mahindra & Mahindra, Tata and several other automobile giants. The Company has also worked on incorporating advanced manufacturing technologies, adoption of the best methods and tools in manufacturing of its products and a strong focus on product innovation and improvisation. The Company intends to grasp all the future opportunities in Automobile Industry and lead the Sheet Metal Assembly business in future.

The automobile industry is currently facing a major transformation in the electric vehicles segment due to the strong socio-political impetus. The Company is majorly engaged in auto ancillary or parts business, where it provides parts and body stamping tools & services to commercial vehicle, passenger vehicle and electric vehicles segment. Hence such transformation into electric vehicle segment will open opportunities to Autoline's business in the future. With improved operations, consolidation of manufacturing units, raising low cost fund, debt reduction and other effective strategies and plans, the Company is confident of achieving positive cash flows in the coming years.

**Consolidated Financial Performance:**

The Company recorded consolidated operating revenue of ₹ 45,213.32 lakhs during FY 2018-19 as compared to ₹ 39,499.36 lakhs in FY 2017-18, exhibiting a growth rate of 14.48%. With efficient and effective cost savings and increased top line, the core EBIDTA (earnings before interest, depreciation and tax) stood at ₹ 989.28 lakhs in FY 2018-19 as compared to loss of ₹ 686.47 lakhs in FY 2017-18. The Company reported loss of ₹ 494.84 lakhs in FY 2018-19, as compared to ₹ 5,237.80 lakhs in FY 2017-18. During the year, Autoline recorded an exceptional gain worth ₹ 4,398.06 lakhs, which includes Industrial Promotion Subsidy (IPS) worth ₹ 4,460.57 lakhs as reduced by the payment made for TDS compounding fees worth ₹ 62.51 lakhs

The Company's net worth grew during the year to ₹16,969.00 lakhs as against ₹13,180.80 lakhs during the previous year, registering a growth of 29% from FY 2017-18. This is mainly due to equity finance raised to repay its debt and working capital purpose. While Cash and Cash Equivalents also reduced from ₹ 215.00 lakhs in FY 2017-18 to ₹ 47.00 lakhs in FY 2018-19.

**Details of significant changes in Key Consolidated Ratios, if any (i.e. change of 25% or more as compared to the immediately previous financial year)**

- The Debtor turnover ratio has improved to 10.11x in FY2018-19 from 7.99x in FY 2017-18 due to significant improvement in revenue stream.
- The Interest Coverage Ratio has improved to -0.30x from -0.42x, due to better cost efficiencies achieved and significant debt reduction activities during the year.
- The Debt –Equity ratio (excluding current maturities of debt in FY 2018-19) has accelerated from 1.84x in FY 2017-18 to 0.75x in FY 2018-19 largely on account of debt repayment by raising low cost equity finance.
- During the year, the Company has recorded lower losses at both operating and net profit level as compared to previous year led by increase in top line along with cost saving measures and major subsidy sanctioned during the year. Consequently, Operating Profit Margin turned positive and stood at 1.65% in FY2018-19 as compared to -0.77% in the previous year and Net Profit Margin recorded at 1.09% in FY2018-19 as compared to -13.26% in the previous year.
- Return on Net worth although negative at -3.28%, it has seen huge improvement by 92% year-on-year owing to better operational efficiency, raising of equity funds to reduce the debt level and VAT subsidy received during the year.

**Corporate Social Responsibility**

The Company has appointed a CSR Committee to monitor and maintain its CSR activities. Since the Company has been suffering losses in its previous few years and hence the provisions of Section 135 of the Companies Act, 2013 with respect to CSR activities are not applicable to the Company. However, the Company has taken various CSR Initiatives voluntarily such as tree plantation, donation of necessary things during cultural events, visit and helping to orphanages and needy ones etc.

**Risks and Mitigation Strategies**

**Liquidity Risk:**
The entire auto ancillary industry is currently facing liquidity crunch due to weak consumer demand, volatile markets, transition to BS VI norms, liquidity crisis among non-banking lenders and several other factors.

**Mitigation Strategy:**
Liquidity crunch is being faced by all the sectors and a major reform is expected from the government to address the issue. The company, as visible in the past, continuously works towards attracting various sources of funds to support its operations and to reduce debt levels. These include equity infusion,monetisation of non-core assets and consolidation of its manufacturing facilities to maintain its liquidity position.

**Economic Risk:**
Economic slowdown adversely impacted Indian economy as well as the automobile markets. The Company's revenue stream may get affected from certain unfavourable macroeconomic slowdown across the globe.

**Mitigation strategy:**
With efficient government stimuli, India is well set for strong growth in the coming years. The Company has wide array of products in its portfolio and the rising establishments of foreign and domestic OEMs in India augur well to diversify its client base. Also the Company is eyeing to enter into electric vehicle segment and further diversify its business to non-auto sector.

**Raw Material Risk:**
Raw material price fluctuations along with dependency on third party may have a significant effect on the costs, which might affect profit margins.

**Mitigation Strategy:**
The Company adopts and pursues various cost control measures that enables to optimise its cost efficiency. The Company passes through any increase in the price of raw materials, especially steel, so that there is a limited impact on its profitability.

**Competition Risk:**
One of the myriad challenges automobile industry faces is ever increasing and tough competition. Under such circumstances it might be difficult for the Company to achieve profound growth.

**Mitigation Strategy:**
The Company enjoys strong and long standing direct relationship with many global OEMs. It has continued its investment in newer products and better quality control in order to stay ahead of the value chain.

**Technology Obsolescence Risk:**
The automobile industry is entering a new era, driven by the increasing move toward electric and hybrid-powered vehicles and the development of autonomous technology. Certain automobile equipment and software are prone to obsolescence risk which may adversely impact productivity.

**Mitigation Strategy:**
The Company adapts its business models aligned with new trends and has adopted new ways to co-operate and collaborate with these technology players in order to thrive. The Company tackles obsolescence risk with proactive life-cycle management. This includes identifying the existing obsolescence risks and planning to facilitate easier maintenance of legacy equipment and access to spare parts.

**Regulatory Risk**:
Due to changes in international and domestic laws, tax regulations, technical standards and trade policies, the Company might face regulatory risk. Risk area particularly comprises of those related to more stringent vehicle safety and environmental norms.

**Mitigation Strategy:**
Autoline follows all the due policy and regulatory requirements**.** The Company constantly monitors the changing regulatory scenario and makes necessary modifications as per the requirement.

**Customer Concentration Risk:**
The performance of the Company is majorly dependent on its key customer Tata Motors. Any decline in demand of final products of the company's customer might adversely affect the Company's performance financially and operationally.

**Mitigation Strategy:**
The Company has been offering robust range of products and also has been proactively looking for new clients. Apart from major client, the Company is also planning to gradually increase its medium and small scale client base by offering customised products to its customers. It has been using different customer relationship enhancing strategies to retain existing clients and also to gain prospective new clients.

**Environment, Health and Safety (EHS)**

The Company's EHS management involves creating organized efforts & procedures for identifying workplace potential hazards which in turn assists in reducing accidents and exposure to harmful situations and substances. The Company provides periodic mandatory training to operators and staff on fire-fighting, safety & mock drill. It also includes training of personnel in accident prevention, accident response, emergency preparedness, and use of protective clothing and equipment. EHS management also include the use of end-to-end business processes and requirements that are designed to systematically achieve continuous improvement in EHS performance. EHS management include increased integration with other software systems such as ERP to better streamline it in order to achieve overall sustainability management.

**Quality**

In order to achieve best in class quality control processes and to manufacture absolute quality products, the Company focuses on vigorous efforts and adopts high end technological advancements. It eventually helps in gaining significant customer satisfaction. The Company's manufacturing facilities are highly automated. Also the safety protocols are being diligently enforced and quality standards are being strictly monitored. The Quality system upgradation is an ongoing process in the Company to bring and keep the same to the level of global standard. The Company achieves all the customers' quality requirements and Customer perceived Quality is produced at work station by adding "poka yoke" to avoid complaints.

The Company has obtained QMS certification- IATF 16949 (developed by The International Automotive Task Force (*IATF*) members) during the year 2018-19. In addition of above the Company adopts various other quality control measures such as quality awareness, training & involvement of all Shop floor team members in order to achieve quality targets, regular and preventive maintenance of dies and other machines to produce good quality parts, periodic review of suppliers quality performance and escalation etc.

**Internal Control Systems**

The Company's policies and procedures are well-framed so that they include the design, implementation and maintenance of proper internal financial controls considering the size and nature of business. The Company's internal team and an independent Internal Audit Firm regularly monitor all of its business operations and any deviations are immediately brought to the notice of the Management and Audit Committee for immediate correction and to suggest the standard operating and control process. The Company ensures the optimal utilization of resources and the accurate reporting of financial transactions and compliance with applicable laws and regulations.

The Audit Committee periodically reviews the significant audit findings, internal controls adequacy, accounting policies compliances, practices and standards as well as the statutory compliances. The Audit Committee reviews internal audit reports and the adequacy of internal controls from time to time. It aids in review and reporting of efficiency and effectiveness of different processes and operations. The Company has implemented Microsoft Dynamics AX 2009, Enterprise Wide Solution and Enterprise Resource Planning (ERP) at all its plants covering all its businesses, planning and accounting processes. The Company would be in a better position to increase the operational efficiency and cost effectiveness of overall operational controls with the help of ERP and other continuous improvements.

**Human Resources**

The Company provides firm atmosphere for development of different skills which enables it to recruit and retain quality professionals in all the fields. Autoline firmly believes that key to best business results is a superior talent pool. Employees are acknowledged as most valuable asset and human resource management at Autoline has been a continuous process, where different methods are being constantly adopted and applied for the achieving best performance. During the year under review the Company has taken various steps for the betterment of the employees and cohesive working atmosphere in the Company. Autoline's HR policies provide a work atmosphere that leads to employee satisfaction, unflagging motivation, and a high retention rate. The Company is devoted towards maintenance of employees' entire work life cycle, to ensure timely interventions that help build future leaders. Autoline provides training to its employees on a continuous basis for skill building, management skills, innovation, creativity and developing quality manpower.

Autoline is driving Performance Management System (PMS) to build Performance oriented culture across the Organisation. For attaining the best potential the Company has formed and implemented various Human resource policies such as Policy on Death Benevolent Fund, Rewards and Recognition Policy, star award policy, attendance Policy etc. The Company also sponsors/organizes programme and activities for betterment of its employees such as Annual Health Check-up, Sports events etc. in addition of availability of self-funded Mediclaim known as 'Autoline Employees Health Benefit Scheme', etc. As on March 31, 2019, the Company had a total strength of 1160 employees.

**Cautionary Statement**

The statements forming part of this Annual Report including Directors' Report and Management Discussion and Analysis report may contain certain forward looking statements within the meaning of the applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. Many factors could cause the actual results, performances or achievements of the Company to be materially different from any future results, performances or achievements that may be expressed or implied, since the Company's operations are influenced by many external and internal factors beyond the control of the Management. The Company cannot guarantee that these statements, assumptions and expectations are accurate or will be realized. The Company assumes no responsibility to publicly amend, modify or revise any forward looking statements, on the basis of any subsequent developments, information or events.

# CORPORATE GOVERNANCE REPORT

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE:

Corporate Governance is a system which ensures that every transaction and process in the business is transparent, ethical and adhere to letter and spirit of the law. Good Corporate Governance is a key driver of sustainable corporate growth and creating long term value for stakeholders. Your Company believes that effective Corporate Governance mechanism not only helps in building of reputation and efficient risk management, but also help in maximizing the Shareholder Value. Your Company is fully committed to adopt the best practices in Corporate Governance and Disclosures and it is our constant endeavor to adhere to best management practices & highest standards of integrity to safeguard the interest of stakeholders. During the year under review, Securities and Exchange Board of India (SEBI) has amended the existing SEBI (LODR) Regulations, 2015 on May 9, 2018 and some of which provisions became applicable from October1, 2018 and many from April 1, 2019, respectively. The Company is in compliance with the newly enacted Regulations.

The detailed report on complying with obligations of listed entity which has listed its specified securities as per Chapter IV of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is set out as under.

## 2. BOARD OF DIRECTORS:

### a. Composition of the Board of Directors:

Your Company's Board composition is in compliance with the requirements of Section 149 of the Companies Act, 2013 and the rules made thereunder along with Regulation 17 of the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015. Your Company's Board comprises of **Six** Directors as on March 31, 2019 having an optimum combination of executive and non-executive directors with one woman director. Fifty per cent of the board of directors comprises of non-executive directors. Mr. Prakash Nimbalkar, Independent Director chairs the Board of the Company. The Board of Directors is composed of three Executive Directors viz. Mr. Shivaji Akhade (DIN: 00006755), Managing Director, Mr. Umesh Chavan (DIN: 06908966), Executive Director and CEO, Mr. Sudhir Mungase (DIN: 00006754), Whole-time Director and three Independent Directors namely CA Vijay Thanawala (DIN: 00001974), Mr. Prakash Nimbalkar (DIN: 00109947) and Dr. Jayashree Fadnavis (DIN: 01690087). During the year under review, Mr. Amit Goela, (DIN: 01754804) Non- Executive Director has resigned on July 24, 2018. The Board places appreciation for the services rendered by Mr. Amit Goela during his tenure as a Non-Executive Director on the Board of the Company.

None of the Directors on the Board is a Member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of SEBI(Listing Obligations and Disclosure equirements) Regulations, 2015, across all the public limited companies in which they are Directors. Number of directorships of Independent Directors are within the limit of Regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The necessary disclosures regarding committee positions and directorships have been made by the Directors. The tenure of Independent Directors are in accordance with the Companies Act, 2013 and rules made thereunder in this regard from time to time.

### b. Attendance of each director at the meeting of the Board of Directors and the last Annual General Meeting during FY 2018-19:

| Name of the Director | No. of Board Meetings attended | Attendance at the last AGM |
|---|---|---|
| Mr. Prakash Nimbalkar | 6 | No |
| Mr. Shivaji Akhade | 7 | Yes |
| Mr. Sudhir Mungase | 7 | No |
| Mr. Umesh Chavan | 8 | Yes |
| Mr. Amit Goela | 0 | No |
| CA Vijay Thanawala | 8 | Yes |
| Dr.Jayashree Fadnavis | 5 | Yes |

*Mr.Amit Goela, Non-Executive Director of the Company resigned from his directorship w.e.f. July 24, 2018.

### c. Number of other Board of Directors or Committees in which a director is a member or chairperson as on March 31, 2019 are as follows:

| Name of the Director | No. of Directorships held * | No. of committee Memberships held** | No. of committee Chairmanship held** |
|---|---|---|---|
| Mr. Prakash Nimbalkar | 1 | 2 | 1 |
| Mr. Shivaji Akhade | 2 | 2 | 0 |
| Mr. Sudhir Mungase | 2 | 0 | 0 |
| Mr. Umesh Chavan | 1 | 0 | 0 |
| CA Vijay Thanawala | 1 | 3 | 2 |
| Dr. Jayashree Fadnavis | 0 | 1 | 0 |

*This number excludes the directorships held in Private Limited Companies, Foreign Companie and Companies registered under Section 8 of the Companies Act, 2013.

**In accordance with Regulation 26 (1) (b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Memberships and Chairmanships of only Audit Committee and Stakeholders Relationship Committee in all Public Limited Companies have been considered.

*** None of the directors are holding directorship in other listed entity and hence disclosure of names of Listed entity and nature of directorship in accordance with SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 is not applicable.

**d. Number of meetings of the Board of Directors held and dates on which held:**

During the financial year 2018-19, **Eight (8)** Board meetings were held, on May 30, 2018, August 11, 2018, September 21, 2018 (Adjourned and held on September 24, 2018), October 5, 2018, November 13, 2018, December 22, 2018, December 29, 2018 and February 9, 2019. The maximum time gap between any two sequential meetings was not more than 120 days.

During the year, a separate meeting of Independent directors was held on February 9, 2019 for reviewing and assessing the matters specified as per Regulation 25(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

The Board of Directors periodically reviewed compliance reports pertaining to all laws applicable to the Company, as well as steps taken by the Company to rectify instances of non-compliances. The Board of Directors were satisfied that plans are in place for orderly succession for appointment to the board of directors and senior management.

During the year under preview, the information specified in Part of Schedule of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board of Directors.

In advance of each meeting, all relevant information of various matters relating to the working of the Company, especially those that requires deliberations at the highest level is presented before the Board. Directors have separate and full access to senior management at all times. In addition to items which are required to be placed before the Board for its noting or approval, information is provided on various significant items. The relevant information is regularly made available to the Board.

To enable the Board, to discharge its responsibilities effectively, the members of the Board are given brief update at every Board meeting on the overall performance of the Company and on each of the Agenda items of Board meeting. The Draft minutes of each Board meeting were circulated to all the directors within 15 days from the date of conclusion of meeting for their comments.

**e. Disclosure of relationships between the directors inter-se**:

There is no inter se relationship between the Directors except that Mr.Sudhir Mungase (DIN: 00006754), Whole-time Director of the Company is brother-in-law of Mr. Shivaji Akhade (DIN: 00006755), Managing Director of the Company.

**f. Number of shares and Convertible instruments held by Non-executive Directors as on March 31, 2019:**

| Name of the Director | DIN | No.of Shares | Convertible Instruments |
|---|---|---|---|
| Mr. Prakash Nimbalkar | 00109947 | 6700 | 0 |
| Mr. Amit Goela | 01754804 | 125000 | 0 |
| CA Vijay Thanawala | 00001974 | 2525 | 0 |
| Dr. Jayashree Fadnavis | 01690087 | 0 | 0 |

**g. Web link for details of familiarisation programmes imparted to independent directors is disclosed:**

The company has arranged familiarisation programmes for the independent director, details of which are available on the website of the company, the link for the same is http://www.autolineind.com/code-of-conduct-policies

**h. Core Skill/Expertise/Competencies**

In accordance with Regulation 34 (c) read with Para C of the Schedule V of the SEBI (Listing Obligation and Disclosure Requirement) Amendment Regulations, 2018 the Board of Directors have identified the Skills, Expertise & Competencies required in context of the company's business and the sector in which it oper- ates to function effectively and those actually available with the board. Accordingly, the below table represents the Key Skills/ Expertise & Competencies considered desirable for the Board of the Company.

| Sr. No. | Arenas of Desired Skills, Expertise & Competencies | Knowledge, Skills & Expertise desired |
|---|---|---|
| 1 | Knowledge of Automobile and Auto Ancillary Industry | A thorough understanding of the Global as well as Indian Automobile Industry and organisations dealing in designing, molding and sheet metal pressing. |
| 2 | Knowledge and understanding of FDI policy and JV- overseas and domestic | Sound knowledge and an understanding of matters related to RBI policy with respect to FDI and overseas investment, JV transactions as one of the company's subsidiary is a JV with foreign investors and the Company has FDI and overseas exposure. |
| 3 | Finance &Taxation | Understanding of Financial Statements, transactions, internal financial controlling processes, financial management and taxation laws. |
| 4 | Corporate Laws and Governance | Understanding and knowledge of Corporate Laws and other applicable Legislations. |
| 6 | Audit & Risk Assessment | A thorough understanding of Audit and its related procedures, Risk Management and strategies related to the same. |
| 7 | Management Capabilities | Core competencies in reference to Management capabilities include Efficient Planning and Control of Production and Operations, Overall Managerial skills and leadership qualities. |

**I.** Based on the disclosures received from all Independent directors and also in the opinion of the Board, the Board confirms that the independent directors fulfill the conditions specified in the Companies Act, 2013, Listing Regulations and are independent of the management.

**3. AUDIT COMMITTEE :**

**a. Brief Description of terms of reference:**

The Audit Committee of the Board of Directors of the Company provides assurance to the Board on the adequacy of the internal control systems and financial disclosures. Its main aim is to monitor and to provide effective supervision of the management's financial reporting process with a view to ensure accurate, timely, and proper disclosures and transparency integrity and quality of financial reporting.

The terms of reference of the Audit Committee are wide enough to cover the matters specified for Audit Committee under Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as in Section 177 of the Companies Act, 2013 which inter-alia includes:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:

a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013
b) Changes, if any, in accounting policies and practices and reasons for the same.
c) Major accounting entries involving estimates based on the exercise of judgment by management
d) Significant adjustments made in the financial statements arising out of audit findings
e) Compliance with listing and other legal requirements relating to financial statements
f) Disclosure of any related party transactions
g) Qualifications in the draft audit report

5.Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6.Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7.Review and monitor the auditor's independence and performance and effectiveness of audit process;
8.Approval or any subsequent modification of transactions of the Company with related parties;
9.Scrutiny of inter-corporate loans and investments;
10.Valuation of undertakings or assets of the Company, wherever it is necessary;
11.Evaluation of internal financial controls and risk management systems;
12.Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13.Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14.Discussion with internal auditors of any significant findings and follow up there on;
15.Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16.Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17.To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18.To review the functioning of the Whistle Blower mechanism;
19.Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20.Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

**b. Composition, Name of Members and Chairperson**:

The Audit committee has been reconstituted on May 24, 2014. The present Audit Committee comprises of three members, two are non-executive independent directors and one is executive director. The composition of which is as under:
i.CA. Vijay Thanawala (Non-Executive Independent Director)
ii.Mr. Prakash Nimbalkar (Non-Executive Independent Director)
iii.Mr. Shivaji Akhade (Managing Director)

CA Vijay Thanawala is the Chairman of the Audit Committee. All members of the Audit Committee have ability to read and understand the financial statement and they are financially literate. CA Vijay Thanawala and Mr. Prakash Nimbalkar have accounting or related financial management expertise. CS Ashish Gupta, Company Secretary of the Company is acting as Secretary to the Committee.The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**c : Meetings and attendance during the year:**

During the year under review, **Five (5)** Audit Committee meetings were held, on May 19, 2018, May 29, 2018, August 10, 2018, November 12, 2018 and February 8, 2019.

Attendance at the Audit Committee meetings in the Financial Year 2018-19:

| Name of the Director | No. of meetings held | No. of meetings attended |
|---|---|---|
| CA. Vijay Thanawala | 5 | 5 |
| Mr. Prakash Nimbalkar | 5 | 5 |
| Mr. Shivaji Akhade | 5 | 5 |

**4. NOMINATION AND REMUNERATION COMMITTEE:**

**a. Brief description of terms of reference:**

The terms of reference of the Nomination & Remuneration Committee are wide enough to cover the matters specified for Committee under Section 178 of the Companies Act, 2013 and inter-alia includes:

a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
b. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal.
c. Formulation of criteria for evaluation of Independent Directors and the Board.
d. To evaluate performance of each director and performance of the Board as a whole.
e. To recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
f. To review and determine fixed component and performance linked incentives for Directors along with the performance criteria.
g. To determine policy on service contracts, notice period, severance fee for directors and senior management.
h. Devising a policy on Board diversity.
I. To carry out any other function as is mandated by the Board from time to time and/ or enforced by any statutory notification, amendment or modification, as may be applicable.
j. To perform such other functions as may be necessary.

**b.Composition, Name of Members and Chairperson:**

The Company has constituted the Nomination & Remuneration Committee in accordance with the provisions of Section 178 of the Companies Act, 2013. Due to the resignation of Mr. Amit Goela on July 24, 2018 a member of the committee, the Nomination and Remuneration Committee has been reconstituted and Dr. Jayashree Fadnavis, (Non-Executive Independent Director) was appointed as a member of the Nomination and Remuneration Committee.

The composition of Nomination & Remuneration Committee is as under
i. CA. Vijay Thanawala (Non-Executive Independent Director)
ii. Mr. Prakash Nimbalkar (Non-Executive Independent Director)
iii. Dr. Jayashree Fadnavis (Non-Executive Independent Director)

CA Vijay Thanawala has been appointed as the Chairman of the Committee w.e.f. May 24, 2014. CS Ashish Gupta, Company Secretary of the Company, is acting as Secretary to the Committee. The Committee's composition meets with the requirements of the Section 178 of the Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**c. Meeting and attendance during the year:**

During the year under review, The Nomination and Remuneration Committee met **Two (2)** times during the year on August 11, 2018 and February 8, 2019.

Attendance at the Nomination & Remuneration Committee meetings for Financial Year 2018-19:

| Name of the Director | No. of meetings held | No. of meetings attended |
|---|---|---|
| CA. Vijay Thanawala | 2 | 2 |
| Mr. Prakash Nimbalkar | 2 | 2 |
| Mr. Amit Goela | 2 | 0 |
| Dr. Jayashree Fadnavis | 2 | 1 |

*Mr. Amit Goela, Non- Executive Director and member of the committee resigned on July 24, 2018. Post resignation, the Nomination and Remuneration Committee has been reconstituted and Dr. Jayashree Fadnavis, (Non-Executive Independent Director) was appointed as a member of the Nomination and Remuneration Committee.

**d. Performance evaluation criteria for independent directors (ID):** Performance evaluation of Independent Directors was done by entire Board of Directors. The director who was subject to evaluation had not participated in the evaluation process. Performance evaluation criteria for independent directors are as follows:

**A. Evaluation based on professional conduct**

1. Whether the Independent Directors upholds ethical standards of integrity and probity?
2. Whether ID acts objectively and constructively while exercising their duties?
3. Whether ID exercises his/her responsibilities in a bona fide manner in the interest of the Company?
4. Whether ID devotes sufficient time and attention to his/her professional obligations for informed and balanced decision making?
5. Whether ID not allow any extraneous considerations that will vitiate his/her exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making?

6. Whether ID does not abuse his/her positions to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person?
7.Whether ID refrains from any action that would lead to loss of his/her independence?
8. Where circumstances arise which make an independent director lose his/her independence, whether the independent director has immediately informed the Board accordingly?
9.Whether ID assists the Company in implementing the best corporate governance practices?

**B. Evaluation based on Role and functions:**

1. Whether ID helps in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct?
2. Whether ID brings an objective view in the evaluation of the performance of Board and management?
3. Whether ID scrutinizes the performance of management in meeting agreed goals and objectives and monitor the reporting of performance?
4. Whether ID satisfies himself/herself on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible?
5. Whether ID has taken actions to safeguard the interests of all stakeholders, particularly the minority shareholders?
6. Whether IDs balances the conflicting interest of the stakeholders?
7. Whether ID during the Board/ Committee meetings along with other members determines appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management?
8. Whether ID moderates and arbitrates in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest?

**C. Evaluation based on Duties:**
1. Whether ID undertakes appropriate induction and regularly update and refresh his/her skills, knowledge and familiarity with the Company?
2. Whether ID seeks appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts?
3. Whether IDs strive to attend all meetings of the Board of Directors and of the Committees of which he/she is a member?
4. Whether ID participates constructively and actively in the Committees of the Board in which he/she is chairperson or member?
5. Whether ID strives to attend the general meetings of the Company?
6. Where ID has concerns about the running of the Company or a proposed action, whether he/she ensures that these are addressed by the Board and to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting?
7. Whether ID does not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board?
8. Whether ID gives sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure himself/herself that the same are in the interest of the Company?
9. Whether ID ascertains and ensures that the Company has an adequate and functional vigil mechanism and also ensures that the interests of a person who uses such mechanism are not prejudicially affected on account of such use?
10. Whether ID reports concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct?
11. Whether ID acts within his/her authority, assist in protecting the legitimate interests of the Company, shareholders and its employees?
12. Whether ID does not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law?

**5. REMUNERATION OF DIRECTORS**

**a. All Pecuniary relationship or transaction of the Non-Executive Directors vis-à-vis the Company:**

During the year under review, none of the Non – Executive Directors of the Company had any pecuniary relationships and/or transactions with the Company except the shareholding as mentioned hereinabove.

**b. Criteria of making payments to non-executive directors:**

Non-Executive Directors of your Company receive sitting fees of Rs. 30,000/- for each meeting of Board and Executive Committee, Rs. 25,000/- for each meeting of Audit Committee and Rs. 15,000/- for each meeting of Nomination & Remuneration Committee, Stakeholders Relationship Committee, Compensation Committee and any other committee meeting thereof attended by them. Apart from sitting fees non-executive directors do not receive any remuneration from the Company.

**c. Disclosures with respect to remuneration:**

The details of remuneration paid to Directors of the Company during the financial year 201-19 are given below:

| | Particulars | Mr. Shivaji Akhade | Mr. Sudhir Mungase | Mr. Umesh Chavan |
|---|---|---|---|---|
| | | | | |
| i) | **Gross Salary** | 60.00 | 24.00 | 60.00 |
| | (a) Salary | 60.00 | 24.00 | 56.70 |
| | (b) Bonus | 0 | 0 | 43.30 |
| | (c) Stock Options | 0 | 0 | 0 |
| | (d) Pension | 0 | 0 | 0 |
| ii) | Performance Linked incentives | 0 | 0 | 0 |
| | **Total** | **60.00** | **24.00** | **60.00** |
| | | | | |
| iii) | Service Contracts | 5 Years w.e.f. October 1, 2016 | 5 Years w.e.f. October 1, 2016 | 5 Years w.e.f. June 25, 2014 |
| | Notice Period | 6 months | 6 months | 6 months |
| | Severance Fees | Nil | Nil | Nil |
| | | | | |
| iv) | Stock option details | Nil | Nil | Nil |

*Non-Executive directors did not receive any remuneration other than sitting fees which is disclosed in Annexure-B of Directors Report forming part of this Annual Report

## 6.STAKEHOLDERS' RELATIONSHIP COMMITTEE:

### a. Brief description of terms of reference:

The committee specifically looks into the mechanism of redressal of grievances of share holders, debenture holders and other security holders. At present, the Company has not issued any debentures and other securities except equity shares. In addition, the Committee also looks into matters that can facilitate better investor services and relations.

The terms of reference of Stakeholders' Relationship Committee are wide enough to cover the matters specified for Committee under the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and inter alia includes:

1. To oversee and review all matters connected with the transfer of the Company's securities
2. To approve issue of the Company's duplicate share/ debenture certificates.
3. To consider and resolve the grievances of shareholders of the Company with respect to transfer of shares, non-receipt of annual Report, non-receipt of declared dividend, etc.
4. To provide guidance and make recommendations to improve service levels for the investors.
5.To perform such other functions as may be necessary.

### b. Composition, Name of Members and Chairperson:

The Company constituted a Stakeholders Relationship Committee in its Board Meeting held on May 24, 2014 in accordance with section 178 of the Companies Act, 2013.

The Composition of Stakeholders Relationshi Committee is as under:
I. Mr.Prakash Nimbalkar (Non-Executive Independent Director)
ii. CA Vijay Thanawala (Non-Executive Independent Director)
iii. Mr. Shivaji Akhade (Managing Director)
iv. Dr. Jayashree Fadnavis (Non-Executive Independent Director)

Mr.Prakash Nimbalkar is the Chairman of the Committee. CS Ashish Gupta, Company Secretary of the Company, is acting as Secretary to the Committee.

During the year under review, the Stakeholders' Relationship Committee met **Four (4)** times on May 30, 2018, August 11, 2018, November 13, 2018 and February 9, 2019.

Attendance at the Stakeholders' Relationship Committee meeting during the Financial Year 2018-19:

| Name of the Director | No. of meetings held | No. of meetings attended |
|---|---|---|
| Mr. Prakash Nimbalkar | 4 | 4 |
| CA Vijay Thanawala | 4 | 4 |
| Mr . Shivaji Akhade | 4 | 4 |
| Dr. Jayashree Fadnavis | 4 | 4 |

### c. Name and Designation of the Compliance Officer:

CS Ashish Gupta, Company Secretary of the Company is the Compliance Officer of the Company.

### d. Number of shareholders' complaints received, number of complaints not solved to thesatisfaction of Shareholders and number of pending complaints in FY 2018-19 are as below:

| | |
|---|---|
| Complaints received | 0 |
| Complaints not solved to the satisfaction of Shareholders | 0 |
| Pending complaints | 0 |
| **Total** | 0 |

## 7.CORPORATE SOCIAL RESPONSIBILITY COMMITTEE :

The Corporate Social Responsibility Committee comprises three members out of whom one is Independent Director viz. Mr. Prakash Nimbalkar (Chairman), Mr. Shivaji Akhade, Managing Director (Member) & Mr. Umesh Chavan (Member).

The Committee's constitution meets with the requirements of Section 135 of the Companies Act, 2013 during the financial year 2018-19.

The terms of reference of the Corporate Social Responsibility Committee are wide enough to cover the matters specified for Committee under Section 135 of the Companies Act, 2013 and inter-alia includes:

a. To formulate and recommend to the Board a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company in compliance with the provisions of the Companies Act, 2013 and rules made thereunder.
b. To recommend the amount of expenditure to be incurred on the Corporate Social Responsibility activities.
c. To monitor the Corporate Social Responsibility Policy of the Company.

d. To review the performance of the Company in the area of Corporate Social Responsibility.
e. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

Since there were no profits during previous three financial years the Company did not incur expenditure on CSR activities, no meetings of the CSR Committee were held during the financial year 2018-19.

**8. EXECUTIVE COMMITTEE ::**

The Executive Committee of the Board of Directors was constituted w.e.f. September 1, 2009. The Executive Committee consists of Mr. Prakash Nimbalkar, Mr. Shivaji Akhade, Mr. Sudhir Mungase and Mr. Umesh Chavan. Mr. Prakash Nimbalkar is the Chairman of the Executive Committee.

Executive Committee of the Board has been delegated certain powers and duties by the Board of Directors to oversee certain functions including but not limited to the following functions broadly:

a) To borrow & avail various credit facilities, loans from banks, financial institutions etc. up to ₹ 400 Crores.
b) To invest the funds of the Company up to ₹ 400 Crores.
c) To grant loans or give guarantee or provide security in respect of loans up to ₹ 400 Crores
d) To recommend Board to take various decisions on financial commitments, roles etc.
e) To discuss on the financials and long term planning, strategic planning relating to business and it affairs of the Company.
f) To monitor and control over all units and subsidiary companies operations.
g) Establishing control & supervision on all departments like Production, Sales, Purchase, HR IT, Accounts and finance etc.
h) Discussions and decisions on purchase/sale of capital assets etc.
I) Discussions relating to acquisitions/ sale of units / undertakings, negotiation with parties etc.
j) Business Developments and decisions to be taken in this respect.
k) Any other matter which the Board may from time to time deem fit.

During the year under review, the Committee met **Eight (8)** times on April 27, 2018, June 29, 2018, July 30, 2018,October 29, 2018, December 6, 2018, January 12, 2019, February 2, 2019, and March 16, 2019.

Attendance at the Executive Committee meeting:

| Name of the Director | No. of meetings held | No. of meetings attended |
|---|---|---|
| Mr. Prakash Nimbalkar | 8 | 8 |
| Mr. Shivaji Akhade | 8 | 7 |
| Mr. Sudhir Mungase | 8 | 6 |
| Mr. Umesh Chavan | 8 | 8 |

**9. COMPENSATION COMMITTEE :**

The Committee has been constituted to administer and monitor Autoline ESOS Scheme 2008. The Committee consists of three members out of which two are Independent Directors viz. Mr. Prakash Nimbalkar, CA. Vijay Thanawala and one Executive Director, Mr. Shivaji Akhade. Mr. Prakash Nimbalkar is the Chairman of the Committee. No meetings of the Compensation Committee were held during the financial year 2018-19.
Each option represents a right but not obligation to apply for 1 fully paid equity share of Rs. 10/- each at the exercise price of Rs. 25/-. The options granted vest over 3 years from the date of grant. As per Autoline ESOS 2008, the Compensation Committee Meeting granted 160000 options to 171 employees and 15000 options to 5 Non-Executive and Independent Directors on November 12, 2010. As on March 31, 2019, Cumulative number of options which have lapsed due to separations is 32255. These options are available for re-issue. Disclosure as required by SEBI guidelines on ESOS is annexed to the Directors' report.
Further the ESOP Scheme is lapsed due to efflux of time on April 12, 2019 and total lapsed options are 38915.

**10. RISK MANAGEMENT COMMITTEE :**

As per Clause 49 of erstwhile Listing agreement the Company constituted Risk Management Committee on February 3, 2015. The Committee is responsible to lay down procedures to inform Board members about risk assessment and mitigation procedures. The Committee consists of six members out of which four are directors viz. Mr. Prakash Nimbalkar, Mr. Shivaji Akhade, Mr. Umesh Chavan, Mr. Sudhir Mungase and one senior executive' viz. CA. Gokul Naik, Mr. Prakash Nimbalkar is the Chairman of the Committee.
The Committee has laid down procedures to inform the Board members about the risk assessment and mitigation procedures. These procedures are periodically reviewed to ensure that executive management controls risk through means of a properly defined framework.

**11. GENERAL BODY MEETINGS :**

a.Details of Location, time, venue and special resolutions passed in the last three Annual General Meetings (AGMs) and Extra-ordinary General Meetings (EGMs) held in FY 2018-19 are given as under:

| Financial Year, Day & date | Time | Venue | No. of Special Resolution(s) passed |
|---|---|---|---|
| 2017-18, 22nd AGM, Friday, September 28, 2018 | 2:30 p.m. | S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed, Dist. Pune-410501 | 1. To re-appoint Dr. Jayashree Fadnavis (DIN:01690087) as an Independent Director.<br>2. To approve continuation of the current term of Mr. Prakash Nimbalkar (DIN: 00109947), Independent Director.<br>3. To approve the limits for the Loans and Investments by the Company in terms of the provisions of Section 186 of the Companies Act, 2013.<br>4. To approve sale, transfer or disposal of assets held by material subsidiary of the Company. |
| 2016-17, 21st AGM, Thursday, September 28, 2017 | 2:30 p.m. | S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed, Dist. Pune-410501 | 1. To approve the remuneration of Mr. Shivaji Akhade (DIN: 00006755), Managing Director of the Company.<br>2. To approve the remuneration of Mr. Sudhir Mungase (DIN: 00006754), Whole time Director of the Company.<br>3. To offer, issue and allot equity shares on preferential basis pursuant to Sections 42 and 62 of the Companies Act, 2013. |
| 2015-16, 20th AGM, Tuesday, September 24, 2016 | 2:30 p.m. | S. Nos. 291 to 295 Nanekarwadi, Chakan, Tal. Khed, Dist. Pune-410501 | 1. To re-appoint Mr. Shivaji Akhade (DIN: 00006755) as a Managing Director of the Company.<br>2. To re-appoint Mr. Sudhir Mungase (DIN: 00006754) as a whole-time Director of the Company. |

All resolutions as set out in the respective notices were duly passed by the shareholders.

**b. Special Resolutions passed through Postal Ballot:** During the year 2018-19, the Company has passed following special resolutions through postal ballot:

| Sr. No. | Matter of the Special Resolution | Percentage of Votes in Favour | Percentage of Votes in Against |
|---|---|---|---|
| 1. | To increase the Authorised Share Capital and consequent alteration of the Capital Clause in the Memorandum of Association of the Company | 100% | 0 |
| 2. | To amend Articles of Association to enable to issue stock options and/or share warrants | 99.9993% | 0.0007 |
| 3. | To Offer, Issue and Allot Equity Shares on Preferential Basis | 99.9993% | 0.0007 |
| 4. | To Offer, Issue and Allot Convertible Share Warrants on Preferential Basis to the Person other than Promoters | 99.9993% | 0.0007 |
| 5. | To Offer, Issue and Allot Convertible Share Warrants on Preferential Basis to the Promoters | 100% | 0 |

**c.Procedure followed and Person conducted the postal ballot exercise**

Pursuant to the provisions of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and clause 16 of Secretarial Standards on General Meeting issued by the Council of the Institute of Company Secretaries of India ("Secretarial Standard - 2"), the Company had conducted the process of Postal Ballot including e-voting for seeking the consent of Shareholders, on the resolutions stated in the Notice of the Postal Ballot dated October 5, 2018 read with explanatory statement attached thereto.

The Company had offered e-voting facility through Central Depository Services (India) Limited (CDSL) to all the Members of the Company in compliance with the aforesaid provisions of the Companies Act, 2013 and Regulation 44 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 to enable them to cast their vote electronically.

The Board of Directors had appointed Mr. Sunil Nanal, Partner, KANJ &Co. LLP, Practicing Company Secretaries, Pune as the Scrutinizer for Postal Ballot. The Scrutinizer has carried out the scrutiny of all the votes received through electronic as well as Postal Ballot Form up to the close of working hours on November 16, 2018 and submitted his Report on November 17, 2018. Thereafter, the result of the postal Ballot was declared by the Executive Director at the Registered Office of the Company on November 17, 2018. Resolutions as set out in the notice of Postal Ballot were duly passed by the shareholders.

The result declared along with Scrutinizers' Report was displayed on the Notice Board at the Registered Office of the Company and also posted on the website of the Company i.e. www.autolineind.com and on the website of CDSL. The result was intimated to the Stock Exchange(s) where the shares of the Company are listed.

**d. Special Resolution proposed to be conducted through postal Ballot:** At present there are no Special Resolutions proposed to be conducted through postal ballot.

**12. Means of Communication:**

**Financial results:** The Company normally publishes its quarterly and/or yearly financial results in the leading national newspaper namely The Financial Express. In addition the same are published in local language (Marathi) newspapers namely Daily Loksatta.

**Website:** The Company's website (www.autolineind.com) contains a separate dedicated section 'Investor Relations' where shareholders' information is available. The Company's Annual Report is also available in a user-friendly and downloadable form. Business updates and official news releases are also available on the website of the company.

**Annual Report:** The Annual Report containing, inter alia, Audited Financial Statements (Standalone and Consolidated), Director's Report including Management's Discussion and Analysis (MD&A) Report, Auditor's Report and other important information is circulated to members and others entitled thereto and is also available on Company's website: www.autolineind.com.

**NSE Electronic Application Processing System (NEAPS):** The NEAPS is a web-based application designed by NSE for corporates. All periodical compliance filings like shareholding pattern, corporate governance report, media releases, among others are filed electronically on NEAPS.

**BSE Corporate Compliance & Listing Centre (the 'Listing Centre'):** BSE's Listing Centre is a web-based application designed for corporates. All periodical compliance filings like shareholding pattern, corporate

governance report, media releases, among others are also filed electronically on the Listing Centre.

**SEBI Complaints Redress System (SCORES):**

The investor complaints are processed in a centralized web-based complaints redress system. The salient features of this system are: Centralized database of all complaints, online upload of Action Taken Reports (ATRs) concerned companies and online viewing by investors of actions taken on the complaint and its current status.

**1.General Shareholders information:**

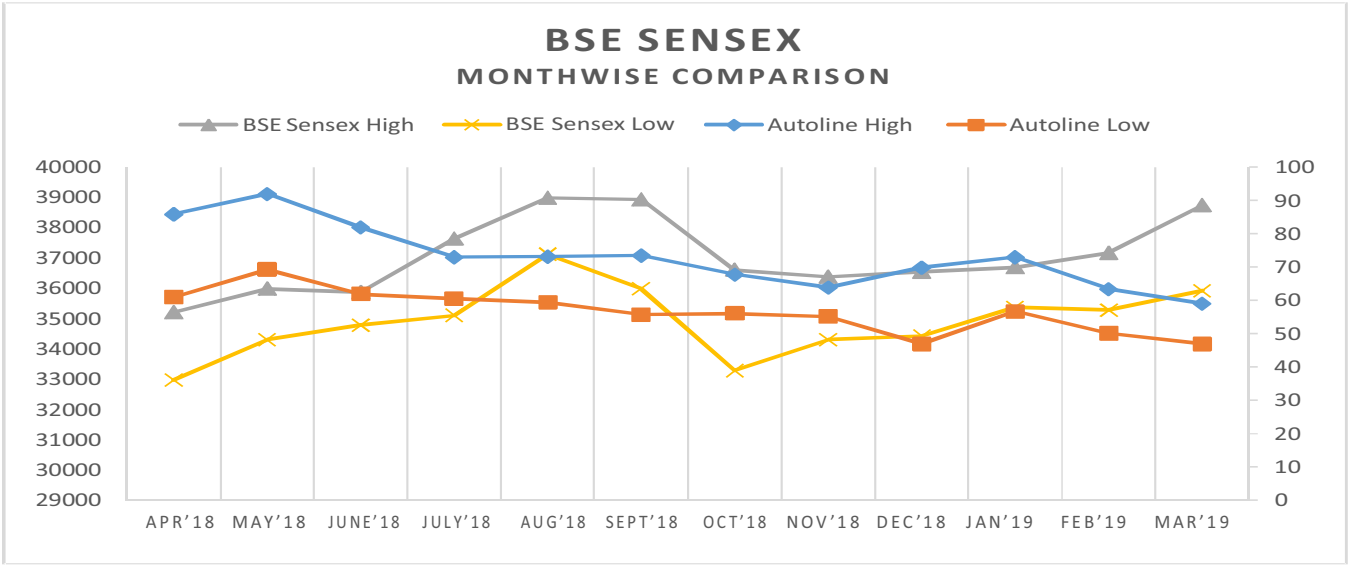
**Company Registration Details:**

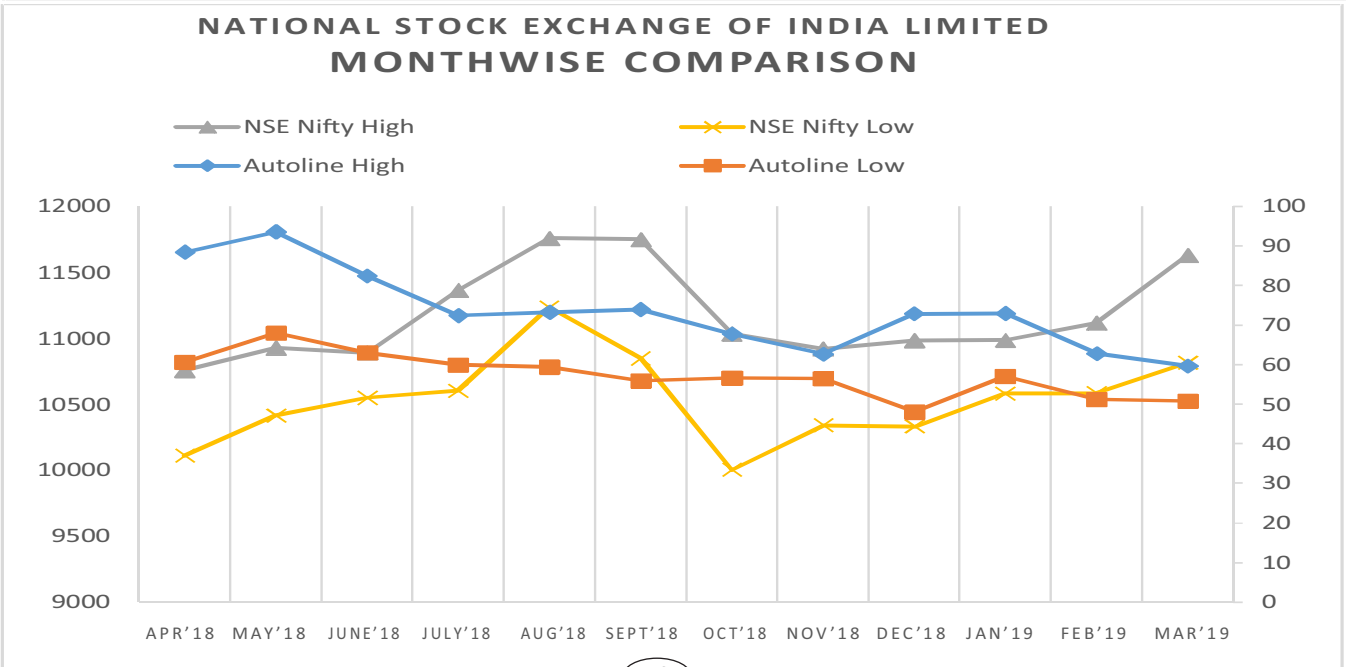
The Company is registered in the State of Maharashtra, India. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is **L34300PN1996PLC104510.**

| Sr. No. | Particulars | Information |
|---|---|---|
| 1. | **Annual general meeting** | |
| | Day, Date and Time | Saturday, September 28,2019 at 2:30 p.m. |
| | Venue | Survey Nos . 291 to 295, Nanekarwadi, Taluka -Khed, Dist. Pune 41 5301 - |
| 2. | **Financial calendar** | |
| | Financial year | April 1, 2019 to March 31, 2020 |
| | Financial reporting | Tentative: |
| | First quarter results | Second week of August, 2019 |
| | Quarterly / Half-yearly results | Second week of November, 2019 |
| | Third quarter results | Second week of February, 2020 |
| | Fourth quarter and Annual Audited results | Fourth week of May, 2020 |
| 3. | **Dates of book closure** | N.A. |
| 4. | **Dividend payment date** | N.A. |
| 5. | **Listing on Stock Exchanges and confirmation about payment of annual listing fee** | BSE Limited (BSE)<br>Phiroze, Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001, India.<br><br>Annual Listing Fees for FY 2018-19 was duly paid. |
| | | National Stock Exchange of India Limited (NSE),<br>Exchange Plaza,C-1, Block G, BandraKurla Complex, Bandra (E), Mumbai-400 051, India.<br><br>Annual Listing Fees for FY 2018-19 was duly paid. |
| 6. | **Stock code - Scrip code** | BSE: 532797<br>Trading Symbol NSE: AUTOIND |
| 7. | **ISIN for Equity shares** | INE718H01014 |
| 8. | **Market price data and share price performance in comparison to broad based indices:** | Monthly high and low quotations of shares traded on Stock Exchanges for the period from April 1, 2018 to March 31, 2019 |

| Month | BSE Ltd | | | | National Stock Exchange of India Ltd | | | |
|---|---|---|---|---|---|---|---|---|
| | Autoline | | Sensex | | Autoline | | Nifty | |
| | High | Low | High | Low | High | Low | High | Low |
| Apr'18 | 85.90 | 61.00 | 35213.30 | 32972.56 | 88.5 | 60.75 | 10759.00 | 10111.30 |
| May'18 | 92.00 | 69.35 | 35993.53 | 34302.89 | 93.60 | 68.05 | 10929.20 | 10417.80 |
| June'18 | 82.00 | 62.00 | 35877.41 | 34784.68 | 82.50 | 63.10 | 10893.25 | 10550.90 |
| July'18 | 73.00 | 60.55 | 37644.59 | 35106.57 | 72.45 | 60.00 | 11366.00 | 10604.65 |
| Aug'18 | 73.15 | 59.50 | 38989.65 | 37128.99 | 73.30 | 59.50 | 11760.20 | 11234.95 |
| Sept'18 | 73.50 | 55.80 | 38934.35 | 35985.63 | 74.00 | 56.00 | 11751.80 | 10850.30 |
| Oct'18 | 67.80 | 56.15 | 36616.64 | 33291.58 | 67.80 | 56.60 | 11035.65 | 10004.55 |
| Nov'18 | 63.90 | 55.25 | 36389.22 | 34303.38 | 62.70 | 56.50 | 10922.45 | 10341.90 |
| Dec'18 | 69.85 | 47.00 | 36554.99 | 34426.29 | 72.95 | 48.05 | 10985.15 | 10333.85 |
| Jan'19 | 73.00 | 56.75 | 36701.03 | 35375.51 | 73.00 | 57.10 | 10987.45 | 10583.65 |
| Feb'19 | 63.40 | 50.20 | 37172.18 | 35287.16 | 62.85 | 51.20 | 11118.10 | 10585.65 |
| Mar'19 | 59.05 | 47.00 | 38748.54 | 35926.94 | 59.70 | 50.80 | 11630.35 | 10817.00 |

Share Price Performance in comparison to broad based indices - BSE Sensex and NSE Nifty as on March 31, 2019·



**9. Registrar and Share Transfer Agents :**

**Link Intime India Pvt. Ltd.**

Block 202, 2nd Floor, Akshay Complex, Off Dhole Patil Road, Near Ganesh Mandir, Pune- 411001, Phone: (020) - 26161629, 26160084 Fax: 020 26163503, Email address: pune@linkintime.co.in , pune@linktime.co.in
Web: www.linkintime.co.in.

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**10.Share transfer system :** The Company ensures all the activities in relation to both physical and electronic share transfer facility are maintained by **Link Intime India Pvt. Ltd.**The Company submitsa half yearly compliance certificateensuring above said compliance to the exchange as per Regulation 7(3) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 Transfers in physical form have to be lodged with **Link Intime India Pvt. Ltd.** at the above mentioned address. All shares received for transfer were registered and dispatched within fifteen (15) days of receipt, if the documents were correct and valid in all respects. The time taken to process dematerialization of shares is 10 days upon receipt of documents from Depository Participant. The Company obtains from a Company Secretary in practice half yearly certificate of compliance with share transfer formalities under Regulation 40 (9) of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 and files copy of the same with Stock Exchanges.

**11. Distribution of shareholding as on March 31, 2019.**

| No of equity shares held | No. of shareholders | % of shareholders | No of shares held | % of shareholding |
|---|---|---|---|---|
| 1-500 | 13050 | 86.16 | 1536627 | 5.69 |
| 501-1000 | 997 | 6.58 | 815542 | 3.02 |
| 1001-2000 | 531 | 3.51 | 822195 | 3.04 |
| 2001-3000 | 181 | 1.19 | 467397 | 1.73 |
| 3001-4000 | 90 | 0.59 | 324763 | 1.20 |
| 4001-5000 | 84 | 0.55 | 393316 | 1.46 |
| 5001-10000 | 119 | 0.79 | 872753 | 3.23 |
| 10001 and above | 95 | 0.63 | 21794992 | 80.64 |
| **Total** | **15147** | **100** | **27027585** | **100.00** |

**12. Shareholding as on March 31, 2019**

| Sr. No | Category | No. of shares held | % of holding |
|---|---|---|---|
| **(A)** | **Promoter & Promoter Group** | | |
| **1** | **Indian** | | |
| a | Individuals | 7028381 | 26.00 |
| b | Bodies Corporate | 1000000 | 3.70 |
| **2** | **Foreign** | **0** | **0** |
| | **Total shareholding of promoter and promoter group** | **8028381** | **29.70** |
| **(B)** | **Public** | | |
| **(I)** | **Institution** | | |
| a | Foreign Portfolio Investor | 0 | 0 |
| b | Foreign Institutions/ Banks | 1000 | 0.0048 |
| c | Alternate Investment Funds | 4794520 | 17.74 |
| | **Sub Total B (I)** | **4795520** | **17.74** |
| **(II)** | **Non Institutions** | | |
| a | Individual shareholders holding nominal share capital up to Rs. 2 lakhs | 4785191 | 17.70 |
| b | Individual shareholders holding nominal share capital in excess of Rs. 2 lakhs | 2873805 | 10.63 |
| c | NBFC's registered with RBI | 5000 | 0.02 |
| d | IEPF | 719 | 0.00 |
| c | Foreign Nationals | 10763 | 0.04 |
| d | Hindu Undivided Family | 397956 | 1.47 |
| e | Foreign Companies | 123462 | 0.46 |
| f | Non Resident Indians (Non Repat) | 62733 | 0.23 |
| g | Non Resident Indians (Repat) | 1763598 | 6.53 |
| h | Overseas Corporate Bodies | 2265432 | 8.38 |
| i | Clearing Member | 145518 | 0.54 |
| j | Bodies Corporate | 1769507 | 6.55 |
| | **Sub Total B (II)** | **14203684** | **52.55** |
| | **Total Public shareholding B = B (I) + B (II)** | **18999204** | **70.30** |
| **(C)** | **Shares held by Custodians against which depository receipts have been issued** | **0** | **0.00** |
| | **TOTAL = (A) + (B) + (C)** | **27027585** | **100.00** |

| | | |
|---|---|---|
| 13. | **Dematerialization of shares and liquidity** | As on March 31, 2019 total shares in Demat were 22125910 i.e. 81.86% of paid-up equity share capital of the Company.<br><br>*SEBI effective from April 1, 2019, barred physical transfer of shares of listed companies and mandated transfer only through Demat. However, investors are not barred from holding shares inphysical format. |
| 14. | **Outstanding GDR/warrants or convertible bonds, conversion dates and likely impact on equity:** | There are no outstanding GDR/warrants or convertible bonds. |
| 15. | **Commodity price risk or foreign exchange risk and hedging activities** | Nil. |
| 16. | **Plant / Unit locations:** | i. S. Nos. 291 to 295, Nanekarwadi, Taluka -Khed, Dist.-Pune- 410 501 (Chakan-I unit)<br>ii. S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka Khed, Pune - 410 501 (Chakan-II Unit).<br>iii. S. No. 613, Mahalunge, Chakan, Taluka- Khed, Dist - Pune- 410 501<br>iv. E-12-17 (7) & (8) , MIDC, Bhosari, Pune - 411 026<br>v. Plot Nos. 5, 6, and 8 Sector 11, IIE,TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand - 263 153.<br>vi . Plot No. 186A of Belur Industrial Area, Dharwad<br>vii . Survey No.53, 36/2, 36/3, situated at Moorthigana Dinna Village, Dasaripalli, Hosur Bagalur Road, Hosur Taluk, Tamil Nadu - 635109 |
| 17. | **Address for correspondence:** | Mr. Ashish Gupta<br>Company Secretary<br>Autoline Industries Limited<br>Survey Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan, Taluka - Khed, Dist- Pune: 410501,<br>Tel: +91 2135- 664857; Fax: +91 2135- 664853/64<br>Email:ashish.gupta@autolineind.com<br>Website: www.autolineind.com |
| 18. | **Investor Grievance Cell** | Email: investorservices@autolineind.com |

**14. Other Disclosures**

**a) Disclosures on materially significant related party transactions**

The Company has formulated a policy on materiality of related party transactions and on dealing with related party transactions. All the Related Party Transactions were approved by the Audit Committee and also by the Board, wherever necessary. The Audit Committee has also granted omnibus approval for related party transactions that were repetitive in nature by following all the requirements as laid down in the Companies Act, Rules made thereunder and Clause 23 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons and their subsidiaries, associates /relatives which may have a potential conflict with the interest of the Company at large.

Transactions entered into by the Company with the related parties during the year were periodically placed before the Audit Committee for review. The register of Contracts containing transactions, in which directors are interested, was placed before the Board regularly. The Company discloses to the Stock exchanges all material transactions with related parties quarterly along with the compliance report on corporate governance. Related party transactions are disclosed in the Notes to Accounts forming part of this Annual Report.

**b) Statutory Compliance, Penalties and Strictures**

The Company has complied with the various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India and any other statutory authority relating to capital markets except to the observations made in the Secretarial Audit Report. No penalties or strictures have been imposed by them on the Company.

**c) Vigil Mechanism**

The Company has a well-established Vigil (Whistle Blower) Mechanism in the form of a Whistle Blower Policy for its Directors, employees and stakeholders to freely communicate their concerns about illegal and unethical practices, actual or suspected fraud or violation of the company's code of conduct or ethics policy. The Mechanism is providing adequate safeguards against victimization of persons who use such mechanism and there is provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. In case of repeated frivolous complaints being filed by a Director or an employee, the Audit Committee may take suitable action against the concerned director or employee including reprimand. The details of establishment of vigil mechanism is displayed on the website http://www.autolineind.com/code-of-conduct-policies

**d) Details of Compliance with mandatory requirements and adoption of the non-mandatory requirements**

The Company has complied with all mandatory requirements and adopted non-mandatory requirements as mentioned in this Report, under SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

**e) Web link where policy for determining 'material' subsidiaries disclosed:**

The same is available at website
http://www.autolineind.com/code-of-conduct-policies

**f) Material Non-listed Indian Subsidiary Company**

The Company is having one material Non-listed Indian Subsidiary Company viz. Autoline Industrial Parks Limited. The Company have appointed CA Vijay Thanawala, Independent Director of the Company on the Board of Autoline Industrial Parks Limited.

The Audit Committee of the Company reviewed the financial statements, in particular investment made by Autoline Industrial Parks Limited.

During the year, the minutes of the Board meetings of the Autoline Industrial Parks Limited were placed at the Board meeting of the Company. The management of the Autoline Industrial Parks Limited had periodically brought to the attention of the Board of the Company, a statement of all significant transactions and arrangements entered into by the Autoline Industrial Parks Limited.

The Company has formulated a policy for determining material subsidiaries and said policy is disclosed on http://www.autolineind.com/code-of-conduct-policies

A Secretory Audit Repot of Autoline Industrial Parks Ltd. is annexed to this Annual Report.

**g) Web link where policy on dealing with related party transactions**

The Company policy on dealing with related party transactions is available on the website of the Company i.ehttp://www.autolineind.com/code-of-conduct-policies

**h) Disclosure of commodity price risks and commodity hedging activities**

The Company did not identifyany risk from commodity prices and commodity hedging activities.

**Details of utilization of funds raised through preferential allotment:**During the year under review, the Board of the Company allotted 47,94,520 Share Warrants at a price of ₹ 73/- each on preferential basis to IndiaNivesh Renaissance Fund, a private equity fund, in the month of December, 2018 upon receipt of upfront 50% of Issue price. The warrants converted into Equity shares in the month of March, 2019 upon receiving of the payment of remaining 50% of issue price. The Board allotted 12,32,877 Equity Shares having face value of ₹ 10/- each at a price of ₹ 73/- each (Including premium of ₹ 63/- each) to

the promoters of the Company upon receipt of full consideration amount and also allotted 12,32,877 Convertible Share Warrants at a price of ₹ 73/- each on preferential basis to the Promoters of the Company upon receiving of 25% upfront payment of issue price.The funds raised through theabove preferential allotment are utilized for the repayment of loans and working capital purpose as stated in the explanatory statement to the Postal Ballot notice.

**l) Certificate from Practicing Company Secretary:** The Company has received a certificate from Mr. Sunil Nanal, Practicing Company Secretary to the effect that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of the Company by the Ministry of Corporate Affairs or any other statutory authority. The same forms part of this report.

**j)** During the year, there are no instances where the Board had not accepted the recommendation of any committee of the board which is mandatorily required.

**k) Total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part: Statutory Auditors**

M/s A.R. Sulakhe & Co. Chartered Accountants (FRN 110540W) are the statutory auditors of the Company. Total fees paid by the Company and its subsidiaries, on a consolidated basis to the auditors is given below:

| Sr. No. | Name of the Company | Statutory Audit Fee | Other Fees | Reimbursement of expenses |
|---|---|---|---|---|
| 1 | Autoline Industries Limited | 3000000 | | 370010 |
| 2 | Autoline Insdutrial Parks Limited | 100000 | | |
| 3 | Autoline Design Software Limited | 48000 | 65000 | |

**l)** Complaints pertaining to Sexual Harassment:

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

a. Number of complaints filed in the Company during the financial year 2018-19– Nil
b. Number of complaints disposed of during the financial year 2018-19– Nil
c. Number of complaints pending in the Company at the end of the financial year 2018-19– Nil

**m)** The Company has not obtained credit rating, during the year 2018-19 for debt instruments or any fixed deposit programme or any scheme or proposal involving mobilization of funds whether in India or abroad.

**n) Web link where the terms and conditions of appointment of independent directors are disclosed:**

The terms and conditions of appointment of independent directors are incorporated in the letter of Appointment of accessed at web link:
http://www.autolineind.com/code-of-conduct-policies

**Web link where composition of various committees of Board of Directors:**

The composition of various committees of Board of Directors disclosed on
http://www.autolineind.com/committees/

**o) Code of Conduct**

The Board of Directors at its meeting held on August 4, 2006 has adopted Code of Business Conduct and Ethics for Directors and Senior Management and the Board further at its meeting held on February 3, 2015 adopted the fresh Code of Conduct. The duties of Independent directors are suitably incorporated in the Code of Conduct. Senior management have to disclose all material, financial and commercial transactions where they have personal interest that may have potential conflict with the interest of the Company. The said code has been communicated to the Directors and members of the senior management. Directors and senior Management have affirmed compliance with the code. A declaration to this effect signed by Managing Director is given in this Annual Report. The code has also been displayed on the Company's website - www.autolineind.com.

**p) Insider Trading**

Pursuant to the requirements of SEBI (Prohibition of Insider Trading) Regulations, 1992 as amended, the Company had adopted a 'Code of Conduct for prevention of Insider Trading' ('the Code') with effect from April 1, 2007.

Later, with coming into effect of the SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company further adopted a Code of Fair Disclosure on May 14, 2015 and amended the 'Code of Conduct for prevention of Insider Trading' ('the Code') in its meeting held on May 27, 2015.

Further, as per the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018, the Company has amended a Code of Fair Disclosure w. e. f. April 1, 2019 and the Code.

Both the codes are applicable to all Directors, such designated persons, employees and others who are expected to have access to unpublished price sensitive information relating to the Company. For the purposes of monitoring adherence to the Regulations Mr. Ashish Gupta, Company Secretary is designated as Compliance Officer.

**15.Non-Compliance of any requirement of Corporate Governance report**: During the year under review, the Company has complied with all the requirement of Corporate Governance report.

**16.Discretionary Requirements under Regulation 27(1) and Part E of Schedule II of SEBI (LODR) Regulations, 2015.**

**A. The Board:** The Office of the Chairman of the Board is held by a Non-Executive Director at the Company's expense and the Chairman is also allowed reimbursement of expenses incurred in performance of his duties.

**B. Shareholders' Rights:** A half-yearly declaration of financial performance including summary of the significant events in last six-months, as on date, is not sent to each household of shareholders. However, the Company's quarterly & financial results are published in English and Marathi newspapers having wide circulation in addition to dissemination the same in the websites of BSE, NSE and Company.

**C. Modified Opinion in Audit Report:** There is no modified opinion in Audit Report on the financial statements for the financial year 2018-19.

**D. Separate posts of Chairman, Managing Director and CEO**: The Company complies with this requirement as the posts of Chairman, Managing Director as well as of the CEO is held by three different Directors.

**E. Reporting of Internal Auditor**: The Internal auditor reports directly to the Audit Committee.

**17. Disclosures regarding compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of the sub regulation (2) of Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015:** During the year under review, Compliance with corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of the sub regulation (2) of Regulation 46 of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 has been made and disclosure of the same has been submitted to the Stock Exchanges.

**18.Disclosures with respect to Unclaimed Securities Suspense Account**

**Regulation 39 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 with respect to Unclaimed Shares.**

In compliance with erstwhile Clause 5A of the Listing Agreement, the Company has opened a demat account in the name of "Autoline Industries Limited-Unclaimed Securities Suspense Account" for the purpose of transferring the unclaimed shares. (Previously the account was maintained by R & T Agents, Link Intime India Pvt. Ltd.)

As and when any shareholder approaches the Company or the Registrar and Transfer Agent (RTA) to claim the said shares, the same shall be credited to the demat accountor physical certificates shall be delivered to the respective shareholder after due verification.

**Disclosure with respect to shares lying in suspense account:**

| Particulars | No. of Shareholders | No. of Shares |
|---|---|---|
| Aggregate number of shareholders and the outstanding shares in the Demat Suspense Account lying as on April 1, 2016 | 9 | 249 |
| Number of shareholders who approached issuer for transfer of shares from suspense account during the year | Nil | Nil |
| Number of shareholders to whom the shares were transferred from the suspense account during the period | Nil | Nil |
| Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31, 2018 | 9 | 249 |

The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

**CERTIFICATE BY PRACTISING COMPANY SECRETARY**

[Pursuant to Schedule V read with Regulation 34(3) of the SEBI Listing Regulations (as amended)]

To,
The Members,
Autoline Industries Limited
Pune

On the basis of examination of the declarations made by the Directors and other records of Autoline Industries Limited (hereinafter referred to as "the Company") having its Registered Office at S. No. 313, 314, 320 to 323, Nanekarwadi, Tal. Khed, Dist. Pune-410501, we certify that the none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India (SEBI)/Ministry of Corporate Affairs (MCA) or any such statutory authority, as per the requirements of Schedule V read with Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015.

For **KANJ & CO. LLP**
**Company Secretaries**

**Sunil Nanal**
**Designated Partner**
**FCS – 5977**
**CP No. – 2809**

Date: August 14, 2019
Place: Pune

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**DECLARATION BY THE CEO UNDER SCHEDULE – V PART- D OF THE SEBI (LISTING OBLIGATIONS ANDDISCLOSURE REQUIREMENTS) REGULATIONS, 2015, REGARDING ADHERENCE TO CODE OF CONDUCT**

In accordance with Schedule – V Part- D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm that all the Directors and the senior management personnel of the company have affirmed compliance to their respective Code of Conduct as applicable to them for the financial year ending March 31, 2019.

**For Autoline Industries Limited**

**Umesh Chavan**
**Executive Director & CEO**
**DIN: 06908966**

Pune, August 14, 2019

## CEO and CFO Certification

To
The Board of Directors
**Autoline Industries Limited**

We, Umesh Chavan, Executive Director & CEO and Gokul Naik, Chief Financial Officer, certify that:

A. We have reviewed the Financial Statements and Cash Flow Statement for the Financial Year ending March 31, 2019 of the Company and to the best of our knowledge and belief;
   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.

C. We accept responsibility for establishing and maintaining internal controls for financial reporting and:
   1. we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting.
   2. we have disclosed to the auditors and the audit committee, deficiencies in the design or operation of internal controls and necessary steps have been taken to rectify these deficiencies.

D. We have disclosed to the Auditors and the Audit committee:
   1. significant changes in internal control over financial reporting during the year;
   2. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements
   3. instances of significant fraud of which we are aware and the involvement therein of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For Autoline Industries Limited**

| **Umesh Chavan** | **Gokul Naik** |
|---|---|
| **Executive Director & CEO** | **Chief Financial Officer** |
| **DIN: 06908966** | |

Pune, May 30, 2019

## AUDITORS' CERTIFICATE

## REGARDING COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE

To,
The Members of
Autoline Industries Limited

We have examined the compliance of the conditions of Corporate Governance by Autoline Industries Limited, for the year ended March 31,2019 as stipulated in Regulations 17,17A,18,19,20,22,23,24,24A, 25,26,27 and clauses (b) to (g) and (i) of subregulation (2) of Regulation 46 and Para C,D and E of Schedule V of theSecurities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015").

The compliance of conditions of Corporate Governance is the responsibility of the Company's management. Our examination was carried out in accordance with the Guidance Note on Certification of Corporate Governance, issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company forensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing regulations, 2015.

We state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**FOR A.R. SULAKHE& CO**
**CHARTERED ACCOUNTANTS**
**FRN: 110540W**

**ANAND SULAKHE**
**PARTNER**
**MEMBERSHIP NO. 33451**

**Place: Pune**
**Date: May 30, 2019**

## INDEPENDENT AUDITORS' REPORT

To the Members of Autoline Industries Limited

Report on the Audit of the Standalone Ind AS Financial Statements

**Opinion**

We have audited the standalone Ind AS Financial Statements of Autoline Industries Limited which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit & Loss including Statement of Other Comprehensive Income, Cash Flow Statement and Statement of Changes in Equity for the year then ended and notes to the standalone Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS 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 March 31, 2019, and its loss, other comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards 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 Companies Act, 2013 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 audit opinion on the Standalone Ind AS financial statements.

**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.

**Description of Key Audit Matter**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Going Concern**<br><br>As of 31 March 2019, the Company's total liabilities did not exceed its total assets, however company is continuously incurring losses , Note No. 3.4 to the financial statements explain how the directors of the Company have formed a judgement that the going concern basis is appropriate in preparing the financial statements.<br><br>The directors of the Company made their assessment of going concern by preparing a cash flow forecast in which some key assumptions were applied. These key assumptions included forecasts of sales volumes, average selling prices, raw material costs, sale of land available with subsidiary company and the availability of banking and other financing facilities as well as financial support from the promoters.<br><br>We identified going concern as a key audit matter because a significant degree of management judgement is involved in making this assessment and in forecasting the future cash flows of the Company which are inherently uncertain and because the management judgement and inherent uncertainties could have significant impact on the basis of preparation of the financial statements and could be subject to management bias. | **Our audit procedures included:**<br><br>• Walking through the business planning process and assessing the design, implementation and operating effectiveness of management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts.<br><br>• Evaluating the key assumptions in the cash flow forecasts (including future revenue, gross profit, operating expenses and capital expenditure) with reference to historical production information, current performance, internal investment and production plans, and market and other external available information;<br><br>• Considering the accuracy and reliability of cash flow forecasts made by management in prior years by comparing them with the current year's results;<br><br>• Assessing the availability of banking and other financing facilities and arrangements by inspecting underlying documentation, which included banking facility agreements signed before and after the reporting period end, and assessing the impact of any covenants and other restrictive terms therein<br><br>• We also checked if any waivers were obtained from the financial institutions from which borrowings are made.<br><br>Based on our procedures we noted that the key assumptions used in the forecasts were within a reasonable range of our expectations. |

| | |
|---|---|
| Revenue Recognition<br><br>The Company's revenue is derived from the sale of sheet metal stampings, welded assemblies and modes for the automotive industry. The Company recognizes revenue when the control is transferred to the customer.<br><br>The terms set out in the Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold.<br>We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Company and is, therefore, subject to an inherent risk of misstatement to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Company. | **Our audit procedures to assess the recognition of revenue included the following**:<br><br>• evaluating the design, implementation and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue recognition;<br><br>• performed substantive test of details over revenue recognized throughout the period by selecting a sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;<br><br>• Tested sample transactions around the period end to ensure that they were recorded in the correct period; and tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any. |
| **Evaluation of uncertain tax positions**<br><br>The Company operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.<br>Refer Note 40 to the standalone financial statements. | **Our audit procedures include the following substantive procedures:**<br>• Obtained understanding of key uncertain tax positions; and<br>• We -<br>➢ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;<br>➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and<br>➢ Assessed management's estimate of the possible outcome of the disputed cases. |

**Other Information**

The Company's Board of Directors is responsible for the other information. The other information comprises the Board's report including annexure to Board's report, but does not include the Standalone Ind AS Financial Statements and our auditor's report thereon.

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

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

**Management's Responsibility for the Standalone Ind AS Financial Statements**

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

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

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

**Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Standalone Ind AS 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 Standalone Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the standalone Ind AS 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 system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 standalone Ind AS financial statements, including the disclosures, and whether the standalone Ind AS 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.

**Report on Other Legal and Regulatory Requirements**

1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India, in terms of section 143 (11) of the Companies Act, 2013, we give in the **'Annexure - A'** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2) As required by section 143 (3) of the Act, based on our audit 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 accounts 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 & Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account

   d) In our opinion and to the best of our information and according to the explanation given to us, the aforesaid standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended

   e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company with reference to these standalone Ind AS financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" to this report;

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

      i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements – Refer Note 40 to the standalone Ind AS financial statements;

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

      iii. Dividend pertaining to Financial Year 2011-12 was transferred to Investor Education and Protection Fund with a delay of 2 months and 22 days and to that extent the Company has not complied with the provisions of Section 124 (6) of the Companies Act, 2013 read with the Rules made there under.

3. In our opinion, the managerial remuneration for the year ended 31 March 2019 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act; The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented by us

**FOR A. R. SULAKHE & CO.**
**CHARTERED ACCOUNTANTS**
**FRN: - 110540W**

**Anand Sulakhe**
**PARTNER**
**M.No.: 33451**

**Place: Pune**
**Date: May 30, 2019**

**Annexure A referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone Ind AS financial statements for the year ended March 31, 2019, we report that:**

i. a) The company has maintained proper records showing full particulars, including quantitative details and situations of its fixed assets.

b) According to the information and explanation given to us, the company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in phased manner over a period of three years in accordance with this programme, certain fixed assets were verified during the year. In our opinion, this periodicity of physical verification is reasonable having regards to the size of the Company and the nature of its business and no material discrepancies have been noticed on such physical verification.

c) According to the information and explanation given to us and on the basis of our examination of the records of the company, except for the following two cases, the title deeds were held in the name of the company

(Rs. In lakhs)

| Sr. No. | Particulars | Whether Leasehold or Freehold | Gross Block as On Balance Sheet Date | Net Block as On Balance sheet Date | Remarks |
|---|---|---|---|---|---|
| 1. | Khasra no. 423, SIDCUL, Plot no.5 Uttarakhand | Leasehold | 22.86 | 22.86 | Lease Deed is held in the name of M/s Nirmiti Auto components Pvt. Ltd. which was amalgamated with the company. |
| 2. | Mhalunge 392/1/B & 613 | Freehold | 230.98 | 230.98 | As per local authority records of 7/12 extracts name of M/s Autoline Industrial Parks Ltd. was appearing |

ii. a) The inventories have been physically verified by the management during the year except inventories lying with the third parties and goods in transit. In respect of inventories lying with the third parties, these have been substantially confirmed by them and with respect to goods in transit, subsequent goods receipts have been verified by management. In our opinion, frequency of physical verification of inventory followed by the management was reasonable in relation to the size of the company and the nature of its business. The discrepancies noticed on physical verification of the inventories have been properly dealt with in the books of account;

iii. The company had granted loan to two companies covered in the register maintained under section 189 of the companies Act, 2013 amounting to Rs. 1,73,00,000/-

a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the party listed in the register maintained under section 189 of the Act were not, prima facie, prejudicial to the interest of the company.

b) Since loan is repayable on demand clause (b) and (c) are not commented by us.

iv. In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investment and guarantee made.

v. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.

vi. As per information and explanation given to us, the Central Government has not prescribed maintenance of cost records as required under sub section (1) of Section 148 of the Companies Act, 2013. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.

*vii.* a) According to the records, the Company is regular in depositing undisputed statutory dues in respect of duty of customs, income-tax, *however undisputed statutory dues including employees' state insurance, provident fund, duty of excise, sales-tax, service tax, value added tax, Goods & service tax, cess, local body tax and other statutory dues have not been regularly deposited with the appropriate authorities and there have been delays in depositing the same.*
According to the information and explanations given to us and according to the books and records as produced before us and examined by us, *following undisputed statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable*.

| *Sr. No.* | *Name of statutory dues* | *Nature of dues* | *Amount (in Rs.)* | *Period to which it relates* | *Whether paid before balance sheet signing* |
|---|---|---|---|---|---|
| *1* | *Central Excise Act, 1944* | *Excise Duty* | *19,02,837/-* | *April 2017 and May 2017* | *No* |
| *2* | *Goods and Service Tax* | *Goods and Service Tax* | *1,75,51,361* | *July 2018 and August 2018* | *No* |

b) According to the information and explanation given to us and on the basis of our examination of books of accounts, there are no cases of dues of income tax, goods & service tax, sales tax, duty of customs, duty of excise, value added tax and cess as at 31st March 2019 which have not been deposited on account of disputes except for the following: -

| Name of the Statute | Nature of Dues | Forum where Dispute is pending | Period to which the amount relates | Tax Amount involved (Rs.) |
|---|---|---|---|---|
| The Maharashtra Value Added Tax Act, 2002 / Central Sales Tax Act, 1956 | VAT / CST | Maharashtra Sales Tax Tribunal | F.Y. 2006-07<br>F.Y. 2007-08<br>F.Y.2009-10 | 48,24,518/-*<br>45,57,739/-*<br>9,39,269/-* |
| The Maharashtra Value Added Tax Act, 2002 / Central Sales Tax Act, 1956 | VAT / CST | The Joint Commissioner of Sales Tax (Appeals) | F.Y. 2000-01<br>F.Y. 2001-02 | 24,44,440/-<br>4,42,721/- |
| The Maharashtra Value Added Tax Act, 2002 / Central Sales Tax Act, 1956 | VAT / CST | Dy. Commissioner of Sales Tax | F.Y. 2012-13<br>F.Y. 2012-13 | 8,06,06,161/-<br>60,71,136/- |
| The Maharashtra Value Added Tax Act, 2002 | VAT | The Jt. Commissioner of Commercial Taxes | F.Y. 2013-14 | 3,34,44,323/- * |
| Central Sales Tax Act, 1956 | CST | The Jt. Commissioner of Commercial Taxes | F.Y. 2007-08 | 41,91,200/- * |
| Central Sales Tax Act, 1956 | CST | The Jt. Commissioner of Commercial Taxes | F.Y. 2013-14 | 2,25,43,450/-* |
| The Maharashtra Value Added Tax Act, 2002 | WCT | The Jt. Commissioner of Commercial Taxes | F.Y. 2013-14 | 87,33,143/- * |
| The Uttarakhand Value Added Tax Act 2005 | VAT / CST | The Jt. Commissioner of Commercial Taxes | F.Y. 2013 – 14 | 46,59,711/- * |

* Amounts paid under protest have been reduced from the amount of demand in arriving at the aforesaid disclosure

viii. According to the information and explanations given to us, and based on documents and records verified by us in our opinion, *the company has defaulted in repayments of loans to Banks and Financial Institutions. The details of default as on March 31, 2019 are as follows: -*

₹ *in Lakhs*

| *Sr. No.* | *Particulars* | *Amount of Default as on 31.03.2019* | | *Period of default* |
|---|---|---|---|---|
| ***A*** | ***Banks*** | *Principal* | *Interest* | |
| *1* | *Axis Bank Ltd* | *-* | *10.31* | *Less than 3 months* |
| *2* | *The Catholic Syrian Bank Ltd* | *10.00* | *5.51* | *Less than 3 months* |
| *3* | *Bank of Baroda* | *-* | *33.29* | *Less than 3 months* |
| ***B*** | ***Financial Institutions*** | | | |
| *1* | *J M Financial A R C Pvt. Ltd.* | *105.63* | *99.01* | *Less than 3 months* |
| | *J M Financial A R C Pvt. Ltd.* | *940.83* | *514.19* | *More than 3 months* |
| *2* | *Tata Motors Finance Solution Ltd ** | *-* | *15.80* | *Less than 3 months* |
| *3* | *Tata Capital Financial Services Ltd ** | *-* | *0.59* | *Less than 3 months* |

* Amount of Interest payable is Net of tax deducted at source

ix. During the year, the company did not raise money by way of initial public offer or further public offer (including debt instrument). However, company raised money by way of term loans during the year which were applied for the purpose for which they were raised.

x. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

xi. According to information and explanation given to us and based on our examination of the records, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act for the year under consideration.

xii. In our opinion and according to the information and explanations given to us, the company is not a nidhi company. Accordingly, paragraph 3(xii) of the order is not applicable.

xiii. According to the information and explanations given to us and based on our examinations of the records of the company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable Indian accounting standards.

xiv. According to the information and explanations given to us and based on our examinations of the records of the company, the company had made preferential allotment of shares during the year

under review and the requirements of section 42 of the Companies Act, 2013 have been complied with and the amount raised has been used for the purposes for which the funds were raised.

xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the order is not applicable.

xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR A R SULAKHE & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Reg. No. 110540W**

**Anand Sulakhe**
**PARTNER**
**M.No.: 33451**

**Place: Pune**
**Date: May 30, 2019**

**Annexure B referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the standalone Ind AS financial statements**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **AUTOLINE INDUSTRIES LIMITED** ("the Company") as of March 31, 2019 in conjunction with our audit of the standalone Ind AS financial statements of the company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the "Institute of Chartered Accountants of India"(ICAI).These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

**Meaning of Internal Financial Controls over Financial Reporting**

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

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, however, company is required to strengthen its financial controls for obtaining balance confirmations from trade receivables and payables based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"(ICAI).

**FOR A R SULAKHE & CO.**
**CHARTERED ACCOUNTANTS**
**Firm Reg. No. 110540W**

**Anand Sulakhe**
**PARTNER**
**M.No.: 33451**

**Place: Pune**
**Date: May 30, 2019**

# BALANCE SHEET AS AT MARCH 31, 2019

| | Particulars | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | | | ₹ | ₹ |
| | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 4 | 1,633,377,203 | 1,820,447,679 |
| | (b) Capital work in progress | 4 | 9,737,500 | 34,711,750 |
| | (c) Other Intangible assets | 4 | 8,106,414 | 23,660,950 |
| | (d) Investment in subsidiaries | 5 | 736,932,270 | 736,932,270 |
| | (e) Financial Assets | | | |
| | (i) Investments | 5a | 1,000,000 | 1,000,000 |
| | (ii) Other financial assets | 6 | 12,696,143 | 11,824,253 |
| | (f) Income tax assets (net) | 7 | 104,122,069 | 91,517,564 |
| | (g) Deferred tax assets (MAT Credit) | 8 | 133,887,053 | 133,887,053 |
| | (h) Other Non-current assets | 9 | 88,423,102 | 99,562,561 |
| | **Total non-current assets** | | **2,728,281,754** | **2,953,544,080** |
| 2 | **Current assets** | | | |
| | (a) Inventories | 10 | 609,859,936 | 623,856,268 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 11 | 414,616,716 | 425,364,183 |
| | (ii) Cash and cash equivalents | 12 | 4,371,753 | 20,566,815 |
| | (iii) Bank balances other than (ii) above | 13 | 38,657,805 | 36,728,147 |
| | (iv) Loans and advances | 14 | 12,864,803 | 1,723,002 |
| | (v) Other Financial assets | 15 | 6,059,200 | 4,510,200 |
| | (c) Other current assets | 16 | 490,603,892 | 51,120,332 |
| | (d) Assets held for Sale | 16a | 62,135,984 | - |
| | **Total current assets** | | **1,639,170,089** | **1,163,868,948** |
| | | | | |
| | **Total Assets** | | **4,367,451,843** | **4,117,413,028** |
| | **EQUITY AND LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | (a) Equity Share capital | 17 | 270,275,850 | 210,001,880 |
| | (b) Other Equity | 18 | 631,836,237 | 270,418,626 |
| | **Total Equity** | | **902,112,087** | **480,420,506** |
| | **Liabilities** | | | |
| 2 | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 19 | 880,310,704 | 1,474,116,079 |
| | (ii) Other financial liabilities | 20 | - | 104,116,793 |
| | (b) Provisions | 21 | 6,951,098 | 6,068,470 |
| | (c) Deferred tax liabilities (net) | | - | - |
| | **Total non-current liabilites** | | **887,261,802** | **1,584,301,342** |
| 3 | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 22 | 335,594,242 | 460,237,457 |
| | (ii) Trade payables | 23 | 521,825,283 | 518,456,530 |
| | (iii) Other financial liabilities | 24 | 1,338,744,995 | 934,930,211 |
| | (b) Other current liabilities | 25 | 353,713,986 | 116,219,804 |
| | (c) Provisions | 26 | 28,199,449 | 22,847,179 |
| | **Total current liabilities** | | 2,578,077,954 | 2,052,691,181 |
| | **Total Liabilities** | | **3,465,339,756** | **3,636,992,522** |
| | | | | |
| | **Total Equity & Liabilities** | | **4,367,451,843** | **4,117,413,028** |

See accompanying notes to financial statements

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

| | Particulars | Note No. | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|---|
| | | | ₹ | ₹ |
| 1 | Revenue from operations (including exicise duty) | 27 | 4,520,949,167 | 3,949,077,399 |
| 2 | Other income | 28 | 22,130,486 | 102,359,370 |
| 3 | **Total revenue (1+2)** | | **4,543,079,653** | **4,051,436,768** |
| 4 | **Expenses** | | | |
| | (a) Cost of materials consumed | 29.a | 3,161,956,247 | 2,711,969,838 |
| | (b) (Increase)/ Decrease in inventories of finished goods and work-in-progress | 29.b | 35,945,903 | (56,697,979) |
| | (c) Employee benefits expenses | 30 | 336,197,090 | 341,162,505 |
| | (d) Finance costs | 31 | 374,130,380 | 366,720,536 |
| | (e) Depreciation and amortisation expenses | 32 | 212,217,737 | 222,488,046 |
| | (f) Other expenses | 33 | 902,688,785 | 875,037,574 |
| | (g) Excise Duty on Sales | 27 | - | 104,043,637 |
| | **Total expenses** | | **5,023,136,142** | **4,564,724,157** |
| 5 | **Profit / (Loss) before exceptional items and tax (3 - 4)** | | (480,056,489) | (513,287,389) |
| 6 | Exceptional items | 34 | (439,805,120) | - |
| 7 | **Profit / (Loss) before tax (5 + 6)** | | (40,251,369) | (513,287,389) |
| 8 | **Income Tax expense:** | | **-** | **-** |
| 9 | **Profit / (Loss) for the year (7 - 8)** | | (40,251,369) | (513,287,389) |
| 10 | **Other Comprehensive Income (OCI)** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Remeasurements of post-employment benefit obligations-(loss)/gains | | 1,590,290 | (192,898) |
| | Income Tax relating to this item | | - | - |
| | **Other Comprehensive Income for the year, net of tax** | | 1,590,290 | (192,898) |
| 11 | **Total Comprehensive Income / (Loss) for the period (9+10)** | | (38,661,079) | (513,480,287) |
| 12 | **Earnings/(Loss) per share (Face value of₹ 10/- each):** | | | |
| | (a) Basic | | (1.89) | (28.46) |
| | (b) Diluted | | (1.88) | (28.45) |

See accompanying notes to financial statements

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **A. Cash Flow from Operating Activities** | | |
| Profit / (Loss) before tax | (40,251,369) | (513,287,389) |
| Adjustment for : | | |
| Depreciation | 212,217,737 | 222,488,046 |
| Employee Stock Options | (2,147,327) | - |
| Interest Paid & Finance Cost | 374,130,380 | 366,720,536 |
| Profit on Sale of Property, Plant & Equipment | (6,548,824) | (88,176,643) |
| Dividend Income | (95,000) | (60,000) |
| Interest Income on Deposits | (8,689,363) | (3,020,283) |
| Interest Income on Advance to Subsidiaries | (12,295) | (6,406,300) |
| Exceptional items | (439,805,120) | - |
| **Operating Profit before Working Capital Changes** | 88,798,820 | (21,742,032) |
| **Adjustment for changes in operating assets** | | |
| (Increase) / Decrease in Inventories | 13,996,332 | (47,771,209) |
| (Increase) / Decrease in Trade Receivable | 10,747,467 | 83,248,858 |
| (Increase) / Decrease in Loans and Advances Current | 1,317,048 | (963,502) |
| (Increase) / Decrease in Other Financial Assets Current | (1,549,000) | (1,329,774) |
| (Increase) / Decrease in Other Current Assets | 6,573,440 | 48,293,317 |
| (Increase) / Decrease in Other Non Current Assets | 11,139,460 | (16,583,822) |
| (Increase) / Decrease in Other Financial Assets Non-Current | (871,890) | (69,685) |
| **Adjustment for changes in operating liabilities** | | |
| Increase / (Decrease) in Trade Payables | 3,368,752 | (429,808,352) |
| Increase / (Decrease) in Other Financial Liabilities Current | 397,562,904 | 366,161,637 |
| Increase / (Decrease) in Other Current Liabilities | 237,494,182 | (119,207,791) |
| Increase / (Decrease) in Provision Current | 6,942,560 | 4,485,428 |
| Increase / (Decrease) in Other Financial Liabilities Non-Current | (104,116,793) | 70,044,293 |
| Increase / (Decrease) in Provision Non-Current | 882,628 | (510,456) |
| **Cash Generated from Operations** | 672,285,909 | (65,753,090) |
| Income tax paid (net of refunds if any) | (12,604,505) | (23,666,659) |
| **Net Cash from Operating Activities** | 659,681,404 | (89,419,749) |
| **B. Cash Flow from Investing Activities** | | |
| Acquisition of Property, plant and equipment | (78,218,021) | (10,123,450) |
| Proceeds from Sale of Property, plant and equipment | 13,038,136 | 103,960,515 |
| Acquisition of Capital work in progress (Net) | 24,974,250 | (34,711,750) |
| Acquisition of Other Intangible assets (Net) | - | (569,264) |
| Fixed Deposit with Banks having maturing over twelve months | (1,929,657) | 1,974,159 |
| Investments | - | (63,484,860) |
| Dividend Income | 95,000 | 60,000 |
| Interest Income on deposits | 8,689,363 | 3,020,283 |
| Interest Income on advance to subsidiaries | 12,295 | 6,406,300 |
| **Net Cash from Investing Activities** | (33,338,635) | 6,531,933 |
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from Borrowings Current (Net) | (110,645,949) | 108,356,206 |
| Proceeds from Borrowings Non-Current (Net) | (593,805,374) | (95,950,094) |
| Advances taken / recovered from subsidiaries | 65,092,826 | 168,384,539 |
| Advances given / repayment to subsidiaries | (91,548,941) | (113,749,303) |
| Interest Paid & Finance Cost | (374,130,380) | (366,720,536) |
| Proceeds from Issue of Equity Shares | 60,273,970 | 49,691,340 |
| Premium on Issue of Equity shares | 379,726,011 | 352,808,514 |
| Proceeds from Issue of share warrants | 22,500,006 | - |
| **Net Cash from Financing Activities** | (642,537,831) | 102,820,666 |
| Net Increase / Decrease in Cash & Cash Equivalent | (16,195,062) | 19,932,849 |
| Cash and cash equivalents at the beginning of the year | 20,566,815 | 633,966 |
| Cash and cash equivalents at the end of the year | 4,371,753 | 20,566,815 |
| Net Increase / Decrease in Cash & Cash Equivalent | (16,195,062) | 19,932,849 |

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director and CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

# STATEMENT OF CHANGES IN EQUITY

**A. Equity share capital**

| Particulars | Amount |
|---|---|
| | ₹ |
| Balance as at April 01, 2017 | 160,310,540 |
| Changes in equity share capital during the year | 49,691,340 |
| **Balance as at March 31, 2018** | **210,001,880** |
| | |
| | |
| Balance as at April 01, 2018 | 210,001,880 |
| Changes in equity share capital during the year | 60,273,970 |
| **Balance as at March 31, 2019** | **270,275,850** |

**B. Other Equity**

| Particulars | Reserves and Surplus | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium Reserve | Revaluation Reserve | Employee Stock Options outstanding | General Reserve | Retained Earnings | | |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Balance as at April 01, 2017 | 1,450,546,434 | 9,059,437 | 3,709,000 | 120,227,654 | (1,152,452,127) | - | 431,090,398 |
| Profit/(loss) for the year | | | | | (513,287,388) | | (513,287,388) |
| Other comprehensive income for the year | | | | | (192,898) | | (192,898) |
| Equity share premium received | 352,808,514 | | | | | | 352,808,514 |
| | | | | | | | |
| **Balance as at March 31, 2018** | **1,803,354,948** | **9,059,437** | **3,709,000** | **120,227,654** | **(1,665,932,413)** | **-** | **270,418,626** |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Balance as at April 01, 2018** | **1,803,354,948** | **9,059,437** | **3,709,000** | **120,227,654** | **(1,665,932,413)** | **-** | **270,418,626** |
| Profit/(loss) for the year | | | | | (40,251,369) | | (40,251,369) |
| Other comprehensive income for the year | | | | | 1,590,290 | | 1,590,290 |
| Equity share premium received | 379,726,011 | | | | | | 379,726,011 |
| Deferred Employee Compensation | | | (2,147,327) | | | | (2,147,327) |
| Warrants issued during the year | | | | | | 372,499,966 | 372,499,966 |
| Warrants converted in equity shares during the year | | | | | | (349,999,960) | (349,999,960) |
| **Balance as at March 31, 2019** | **2,183,080,959** | **9,059,437** | **1,561,673** | **120,227,654** | **(1,704,593,492)** | **22,500,006** | **631,836,237** |

| | |
|---|---|
| Summary of significant accounting policies | Note 2 - 3 |
| See accompanying notes to financial statements | Note 4 - 50 |

The notes referred to above form integral part of financial statement

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| | | |
|---|---|---|
| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
| Chairman | Managing Director | Executive Director and CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451

Place : PUNE
Date : May 30, 2019

| | |
|---|---|
| Gokul Naik | Ashish Gupta |
| Chief Financial Officer | Company Secretary |

## Notes to Standalone Financial Statements as at March 31, 2019.

**NOTES PARTICULARS**

**1 Company Overview**

**General Information:**
Autoline Industries Limited ('The Company') is engaged in the business of manufacturing sheet metal stampings, welded assemblies and modules for the automotive industry. The Company has nine plants in India and sells primarily in India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).The Company's Registered office is at – Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Tal: Khed Dist. Pune - 410501, Maharashtra, India.The CIN of the Company is L34300PN1996PLC104510

**2 Significant Accounting Policies:**

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

**2.1 Basis of preparation of financial statements**

**(i) Compliance with Ind AS**
The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act. The financial statements were authorized for issue by the Company's Board of Directors on May 30, 2019.

**(ii) Basis of preparation**
The financial statements have been prepared on a historical cost basis, except for the following items:
• certain financial assets and liabilities (including derivative instruments) that are measured at fair value;
• net defined benefit (asset)/ liability – present value defined benefit obligations less fair value of plan assets.

**(iii) Functional and presentation currency**
These financial statements are presented in Indian Rupees (`), which is also the Company's functional currency.

**2.2 Revenue recognition:**

The Company has adopted Ind AS 115 Revenue from Contracts with Customers (which replaces earlier revenue recognition standard) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date ofinitial application (i.e. 1 April 2018).

There is no impact of transition to Ind AS 115 on retained earnings as on 1 April 2018. Also, theCompany has assessed the impact assessment post adoption of IND AS 115 and concludedthat there is no material impact of the standard on the revenue recognition adopted by theCompany for the year ended 31 March 2019.

**Sale of goods:**
Under Ind AS 115, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgement. Revenue from the sale of goods is recognized when the performance obligation is satisfied by transfer of the promised goods to customer for a consideration which company expects to be entitled for these goods.

Amounts disclosed as revenue as on 31 March 2018 are inclusive of excise duty and exclude Sales Tax/VAT till June 30, 2017. With the onset of Goods and Service Tax (GST) with effect from July 1, 2017, the amount disclosed as revenue as on March 31, 2019 is net of GST collected on behalf of customers.

Under Ind AS 18, Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
• The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
• The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
• The amount of revenue can be measured reliably
• It is probable that the economic benefits associated with the transactions will flow to the entity; and
• The cost incurred or to be incurred in respect of the transaction can be measured reliably.

**Sale of tools:**

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

**Sale of Services:**

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

**Other Income**

**Interest:**
Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable**.**

**Dividend income:** Dividend income is recognized when the Company's right to receive is established by the reporting date**.**

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

All other assets are classified as non-current.

A liability is current when:
- It is expected to be settled in normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled in 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 respectively.
The operating cycle is the time between the acquisition of assets for processing and their

realization in cash and cash equivalents. The company has identified twelve months as its normal operating cycle.

**2.4 Foreign currency transactions and translation:**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date.

Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevalent, at the date of initial recognition (in case measured at historical cost) or at the date when the fair value is determined (in case measured at fair value).

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

**2.5 Fair Value Measurement**

The Company measures financial instruments at fair value on initial recognition.Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summaries accounting policy for fair value.

**2.6 Property, plant and equipment:**

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

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

**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 life of the assets as prescribed in Schedule II to the Companies Act, 2013

**Asset Useful Life**

Building – Factory……30 Years
Building - Office……60 Years
Plant and Machinery..... 15 Years (Single Shift basis)
Tools & Dies.....15 Years (Single Shift basis)
Electrical Fittings…… 10 Years
Vehicles..... 08 Years
Computers……..03 Years
Software……06 Years
Office Equipments..... 05 Years
Furniture & Fittings.....10 Years

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.

**2.7 Intangible asset:**

Intangible Assets are stated at acquisition cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets are amortized on a straight line basis over their estimated useful lives ranging from 3-5 years. The amortization period and amortization method are reviewed as at each financial year end. If the expected useful life of the asset is significantly different from previous estimates, the amortization period is changed accordingly.

Gains or losses arising from the retirement or disposal of an intangible asset are determined as the difference between the net disposal proceeds and the carrying amount of the asset and recognized as income or expense in the Statement of Profit and Loss.

**2.8 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 assetsin the balance sheet.

**2.9 Borrowings:**

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

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income / expenses.

**2.10 Borrowing costs:**

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.

**2.11 Leases**

Leases of property, plant and equipment where the Company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

**2.12 Inventories:**

Raw materials and stores, work in progress and finished goods are stated at the lowerof cost and net realizable value. Cost of raw materials comprises cost ofpurchases. Cost of work-in- progress and finished goods comprises direct materials, directlabour and an appropriate proportion of variable and fixed overhead expenditure, the latterbeing allocated on the basis of normal operating capacity.

Cost of inventories also include allother costs incurred in bringing the inventories to their present location and condition. Costsare assigned to individual items of inventory on the basis of FIFO basis. Costsof purchased inventory are determined after deducting rebates and discounts. Net realizablevalue is the estimated selling price in the ordinary course of business less the estimated costsof completion and the estimated costs necessary to make the sale.
Tools and Dies under process have been valued on percentage completion based on estimated cost of production and development of respective tools and dies.

Scrap isvalued at net realizable value.

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

**(ii) Other long-term employee benefit obligations**

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

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:
(a) Defined benefit plans such as gratuity; and
(b) Defined contribution plans such as provident fund.

**(a) Defined benefit plans such as gratuity**

**Gratuity obligations:**

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

**(b) Defined contribution plans such as provident fund.**
**Provident fund :**
Contribution towards provident fund for certain employees is made to the regulatory authorities,where the Company has no further obligations. Such benefits are classified as DefinedContribution Schemes as the Company does not carry any further obligations, apart from thecontributions made on a monthly basis.

**(iv)Employee Stock Option:**
All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the Statement of Profit and Loss, with a corresponding credit to Employee Stock Compensation Reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Once vested, no adjustment is made to expense recognised in prior periods if, ultimately, fewer share options are exercised than originally estimated. Upon exercise of share options, the proceeds received (net of any directly attributable transaction costs) up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium.

**(v)Bonus:**
The Company recognizes a liability and an expense for bonus. The Company recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.14 Financial instruments:**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability orequity instrument of another entity.

**Financial Assets**
**Initial recognition and measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Subsequent measurement of debt instruments depends on the company's business models for managing the assets and the cash flow characteristics of the assets. All the debt instruments held by the company are classified in "Amortized Cost" measurement category.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as follows:-

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Equity investments**
All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument-by-instrument basis.The classification is made on initial recognition and is irrevocable.
If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition of financial assets:**
A financial asset is derecognized only when
• The Company has transferred the rights to receive cash flows from the financial asset or
• Retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.
Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.
Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**(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. 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.

**Financial liabilities**
**Initial recognition and measurement**
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Subsequent measurement**
The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**
Financial liabilities at fair value through profit or loss include financial liabilities designated upon initialrecognition as at fair value through profit or loss. This category also includes derivative financial instrumentsentered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized inthe statement of profit and loss.

**Derecognition(liabilities)**
A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.When an existing financial liability is replaced by another from the same lender on substantially differentterms, or the terms of an existing liability are substantially modified, such an exchange or modification istreated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**2.15 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.

**2.16 Impairment:**

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

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

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

**2.17 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.

**2.18 Trade receivables:**

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

**2.19 Trade and other payables:**

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

**2.20 Share capital:**

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

**2.21 Earnings per share:**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

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

**(ii) Diluted earnings per share**

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

- 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.

**2.22 Income tax**:

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**2.23 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.
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.

**2.24 Segment reporting:**

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

**2.25 Government Grants:**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it
is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**2.26 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.

**2.27 Rounding of amounts:**

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

**3 <u>Significant accounting judgments, estimates and assumptions:</u>**

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.

**3.1 <u>Significant Judgments:</u>**

**Contingent liabilities:**

The Company has received various orders and notices from tax and other judicial authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. The filing of a suit or formal assertion of a claim against the Company or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Management regularly analyzes current information about these matters and makes provisions for probable losses including the estimate of legal expense to resolve the matters. In their assessments management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss.

**3.2 Classification of Leasehold Land:**

The company has entered into lease agreement for land at three of its facilities. The lease period is of around 85-95 years in respect of these premises and the agreements have renewal options.

These lands are situated in industrial estates, where the land is generally transferred through lease contracts and the upfront lease payment amounts are significantly equal to the fair value of land. Accordingly, significant risk and rewards associated with the land are considered to be transferred to the lessee.
Based on these considerations and overall evaluation of the agreements with the lessor, the management believes that these lease contracts meet the conditions of finance lease.

**3.3 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. Consideringthe nature of its assets, operations and administrative structure, the management has definedall assets put together as a single Cash Generating Unit.

**3.4 Going Concern assumptions:**

The Company has incurred significant losses (before exceptional item) of Rs. 4800 lakhs for the financial year ended 31 March 2019 and the Company's current liabilities exceeds its current assets by Rs. 9389 lakhs as at 31 March 2019.

The Company's management has carried out an assessment of the Company's financial performance and expects the Company to achieve significant improvements in its financial performance with effect from financial year ending 31 March 2020 to enable it to continue its operations and to meet its liabilities as and when they fall due.

Various initiatives undertaken by the Company in relation to cost synergies, revenue management opportunities, enhanced ancillary revenues, sale of land available with subsidiary company, rescheduling of loans will result in improvement in operating cash inflow in coming years. Further, continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows

On the basis of the above assessment and considering the financial and other support from promoter directors, the Directors of the Company are of the opinion that the preparation of the financial statements of the Company on a going concern basis is appropriate which contemplates realization of assets and settlement of liabilities in the normal course of business

**3.5 Segment Reporting:**

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 sheet metal auto components and assemblies thereof. Based on the 'management approach' as defined in Ind As 108, the 'Chief operating Decision Maker' (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. The principal geographical areas in which the company operates are India.

**Significant estimates and assumptions:**

**3.6 Impairment of Property, plant and equipment: Key assumptions used:**

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

**3.7 Claims payables & receivable to customers:**

Price increase or decrease due to change in major raw material cost, pending acknowledgement from major customers, is accrued on estimated basis. Also the Company has made accruals in respect of unsettled prices for some of its other material purchase contracts and bought out components. 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.

**3.8 Defined benefit plan:**

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

The parameter most subject to change is the discount rate. In determining the appropriate discount rate, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation. The mortality rate is based on Indian Assured Lives Mortality (2012-14) 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.

**3.9 Fair value measurement of unquoted financial instruments:**

When 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 values is measured using valuation techniques including DCF method. The inputs to these models are taken from observable markets where possible, but where not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of financial instruments. Refer note no. 35 for further disclosure.

**3.10 Impairment of financial assets:**

The impairment provisions for financial assets 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.

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Carrying amounts of:** | | |
| **Property, plant and equipment** | | |
| Freehold Land | 3,09,03,457 | 5,40,01,808 |
| Leasehold Land | 4,74,74,315 | 4,74,74,315 |
| Factory Building | 57,67,93,079 | 63,10,26,013 |
| Office Building | 13,75,652 | 14,01,481 |
| Plant and Machinery | 67,55,96,902 | 74,23,36,302 |
| Tools and Dies | 28,21,70,020 | 32,16,85,911 |
| Computer & IT Assets | 12,15,619 | 16,73,585 |
| Electrical Fittings | 1,26,80,479 | 1,51,18,671 |
| Furniture and fixture | 16,28,108 | 20,56,936 |
| Vehicle | 23,63,822 | 29,70,990 |
| Office Equipment | 11,75,750 | 7,01,667 |
| Total | **1,63,33,77,203** | **1,82,04,47,679** |
| **Capital work-in-progress** | 97,37,500 | 3,47,11,750 |
| | | |
| Total | **97,37,500** | **3,47,11,750** |
| **Other Intangible Assets** | | |
| R & D Process Development | 43,23,118 | 1,72,63,504 |
| Computer Software | 37,83,296 | 63,97,446 |
| Total | **81,06,414** | **2,36,60,950** |

**Asset held for Sales**

| | | |
|---|---|---|
| Land | 2,30,98,351 | - |
| Building | 3,90,37,633 | - |
| Total | **6,21,35,984** | **-** |

**Note 4: Property, plant and equipment**

| | Freehold Land | Leasehold Land | Factory Building | Office Building | Plant and Machinery | Tools and Dies | Computer & IT Assets | Electrical Fittings | Furniture and fixture | Vehicle | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | | | | | | | | |
| Cost as at April 01, 2018 | 5,40,01,808 | 4,77,44,067 | 91,53,12,606 | 15,49,000 | 1,63,58,36,252 | 75,99,95,760 | 1,93,98,822 | 11,38,95,769 | 2,30,35,109 | 2,18,12,902 | 1,37,22,762 | 3,60,63,04,857 |
| Additions | - | - | 1,33,34,214 | - | 6,20,65,174 | - | 3,29,666 | 16,88,807 | - | - | 8,00,158 | 7,82,18,019 |
| Disposal | - | - | - | - | 1,95,00,000 | - | - | - | - | 7,25,000 | - | 2,02,25,000 |
| Cost as at March 31, 2019 | 5,40,01,808 | 4,77,44,067 | 92,86,46,820 | 15,49,000 | 1,67,84,01,426 | 75,99,95,760 | 1,97,28,488 | 11,55,84,576 | 2,30,35,109 | 2,10,87,902 | 1,45,22,920 | 3,66,42,97,876 |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| As at April 01, 2018 | - | 2,69,752 | 28,42,86,593 | 1,47,519 | 89,34,99,948 | 43,83,09,849 | 1,77,25,237 | 9,87,77,098 | 2,09,78,173 | 1,88,41,912 | 1,30,21,095 | 1,78,58,57,176 |
| Depreciation for the year | - | - | 2,85,29,515 | 25,829 | 12,23,15,264 | 3,95,15,891 | 7,87,632 | 41,26,999 | 4,28,828 | 6,07,168 | 3,26,075 | 19,66,63,201 |
| Disposal | - | - | - | - | 1,30,10,688 | - | - | - | - | 7,25,000 | - | 1,37,35,688 |
| As at March 31, 2019 | - | 2,69,752 | 31,28,16,108 | 1,73,348 | 1,00,28,04,524 | 47,78,25,740 | 1,85,12,869 | 10,29,04,097 | 2,14,07,001 | 1,87,24,080 | 1,33,47,170 | 1,96,87,84,689 |
| **Net Carrying amount** | | | | | | | | | | | | |
| **As at March 31, 2019** | 5,40,01,808 | 4,74,74,315 | 61,58,30,712 | 13,75,652 | 67,55,96,902 | 28,21,70,020 | 12,15,619 | 1,26,80,479 | 16,28,108 | 23,63,822 | 11,75,750 | 1,69,55,13,187 |

**Note 4 : Property, plant and equipment**

| | Freehold Land | Leasehold Land | Factory Building | Office Building | Plant and Machinery | Tools and Dies | Computer & IT Assets | Electrical Fittings | Furniture and fixture | Vehicle | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | | | | | | | | |
| Cost as at April 01, 2017 | 5,40,01,808 | 5,79,40,728 | 92,86,87,871 | 15,49,000 | 1,62,96,27,753 | 75,99,95,760 | 1,78,24,334 | 11,43,31,416 | 2,44,37,524 | 2,59,70,480 | 1,35,79,007 | 3,62,79,45,681 |
| Additions | - | - | 8,93,978 | - | 66,58,497 | - | 15,74,488 | 2,80,000 | 5,72,734 | - | 1,43,755 | 1,01,23,452 |
| Disposal | - | 1,01,96,661 | 1,42,69,243 | - | 4,50,000 | - | - | 7,15,647 | 19,75,149 | 41,57,578 | - | 3,17,64,278 |
| Cost as at March 31, 2018 | 5,40,01,808 | 4,77,44,067 | 91,53,12,606 | 15,49,000 | 1,63,58,36,250 | 75,99,95,760 | 1,93,98,822 | 11,38,95,769 | 2,30,35,109 | 2,18,12,902 | 1,37,22,762 | 3,60,63,04,855 |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| As at April 01, 2017 | - | 15,30,513 | 26,12,07,448 | 1,21,690 | 77,12,39,298 | 39,87,94,331 | 1,72,26,992 | 9,42,58,476 | 2,23,89,831 | 2,23,92,323 | 1,26,07,053 | 1,60,17,67,955 |
| Depreciation for the year | - | - | 3,05,00,416 | 25,829 | 12,27,10,650 | 3,95,15,518 | 4,98,245 | 52,34,269 | 5,63,491 | 6,07,167 | 4,14,042 | 20,00,69,627 |
| Disposal | - | 12,60,761 | 74,21,271 | - | 4,50,000 | - | - | 7,15,647 | 19,75,149 | 41,57,578 | - | 1,59,80,406 |
| As at March 31, 2018 | - | 2,69,752 | 28,42,86,593 | 1,47,519 | 89,34,99,948 | 43,83,09,849 | 1,77,25,237 | 9,87,77,098 | 2,09,78,173 | 1,88,41,912 | 1,30,21,095 | 1,78,58,57,176 |
| **Net Carrying amount** | | | | | | | | | | | | |
| **As at March 31, 2018** | 5,40,01,808 | 4,74,74,315 | 63,10,26,013 | 14,01,481 | 74,23,36,302 | 32,16,85,911 | 16,73,585 | 1,51,18,671 | 20,56,936 | 29,70,990 | 7,01,667 | 1,82,04,47,679 |

Capital work-in-progress as at March 31, 2019 amounts to Rs.97,37,500/-, comprising ERP system and as at March 31, 2018 amounts to Rs.3,47,11,750/-, comprising addition towards plant and machinery and ERP system.

Note 1:- For Property, plant and equipment pledges as securities refer note 48

Note 2:- For contractual commitments towards acquisition of property plant and equipment's refer note 41

Note 3:- There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 85-95 years and as per the lease agreement, the lease term for the leasehold facility can be renewed for a further period of years subject to other terms and conditions and for other leasehold facility the renewal will be mutually.

**Note 4: Intangible Assets**

| Particulars | R & D Process Development | Other Intangible assets | Trade Mark | Computer Software | Total |
|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | |
| Cost as at April 01, 2018 | 194,134,394 | 39,900,000 | 20,500 | 66,832,908 | 300,887,802 |
| Additions | - | - | - | - | - |
| Disposal/Transfer | - | - | - | - | - |
| Cost as at March 31, 2019 | 194,134,394 | 39,900,000 | 20,500 | 66,832,908 | 300,887,802 |
| **Accumulated Depreciation** | | | | | |
| As at April 01, 2018 | 176,870,890 | 39,900,000 | 20,500 | 60,435,462 | 277,226,852 |
| Depreciation for the year | 12,940,386 | - | - | 2,614,150 | 15,554,536 |
| Disposal/Transfer | - | - | - | - | - |
| As at March 31, 2019 | 189,811,276 | 39,900,000 | 20,500 | 63,049,612 | 292,781,388 |
| **Net Carrying amount** | | | | | |
| **As at March 31, 2019** | 4,323,118 | - | - | 3,783,296 | 8,106,414 |

| Particulars | R & D Process Development | Other Intangible assets | Trade Mark | Computer Software | Total |
|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | |
| Cost as at April 01, 2017 | 194,134,394 | 39,900,000 | 20,500 | 66,263,644 | 300,318,538 |
| Additions | - | - | - | 569,264 | 569,264 |
| Disposal | - | - | - | - | - |
| Cost as at March 31, 2018 | 194,134,394 | 39,900,000 | 20,500 | 66,832,908 | 300,887,802 |
| **Accumulated Depreciation** | | | | | |
| As at April 01, 2017 | 157,462,456 | 39,900,000 | 20,500 | 57,425,477 | 254,808,433 |
| Depreciation for the year | 19,408,434 | - | - | 3,009,985 | 22,418,419 |
| Disposal | - | - | - | - | - |
| As at March 31, 2018 | 176,870,890 | 39,900,000 | 20,500 | 60,435,462 | 277,226,852 |
| **Net Carrying amount** | | | | | |
| **As at March 31, 2018** | 17,263,504 | - | - | 6,397,446 | 23,660,950 |

**Note 5 Investment in subsidiaries**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Investment in subsidiaries (At Cost)** | | |
| Autoline Design Software Limited. (refer note a) | 50,918,160 | 50,918,160 |
| 3,553,736 equity shares of face value Rs.10 as at March 31, 2019 | | |
| 3,553,736 equity shares of face value Rs.10 as at March 31, 2018 | | |
| | | |
| Autoline Industrial Parks Ltd.* (refer note b & c) | 686,014,110 | 686,014,110 |
| 34,599,243 equity shares of face value Rs.10 as at March 31, 2019 | | |
| 34,599,243 equity shares of face value Rs.10 as at March 31, 2018 | | |
| | | |
| Koderat Investments Ltd. (Cyprus)* (refer note c&d) | - | - |
| 1,000 equity shares of face value Euro 1 as at March 31, 2019 | | |
| 1,000 equity shares of face value Euro 1 as at March 31, 2018 | | |
| **Total** | **736,932,270** | **736,932,270** |

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Investment in Subsidiaries** | 736,932,270 | 736,932,270 |
| Aggregate amount of quoted investment | - | - |
| Aggregate amount of Unquoted investment | 736,932,270 | 736,932,270 |
| Aggregate amount of impairment in the Value of investment | - | - |

**Note 5a. Investment others (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Investment in equity Shares:** | | |
| **Investment at Fair Value through Profit & Loss** | | |
| **Unquoted Equity Shares** | | |
| Rupee Co-operative Bank Ltd. | 500,000 | 500,000 |
| 20,000 equity shares of face value Rs.10 | | |
| Less : Provision for Diminution in Value of Investments | (500,000) | (500,000) |
| | - | - |
| NKGSB Co-operative Bank Ltd. | 500,000 | 500,000 |
| 50,000 equity shares of face value Rs.10 | | |
| Vidya Sahakari Bank Ltd. | 500,000 | 500,000 |
| 5,000 equity shares of face value Rs.100 | | |
| | | |
| **Total** | **1,000,000** | **1,000,000** |
| Aggregate amount of quoted investment | - | - |
| Aggregate amount of Unquoted investment | 1,500,000 | 1,500,000 |
| Aggregate amount of impairment in the Value of investment | 500,000 | 500,000 |

**a) Autoline Industrial Parks Limited.**

The Company has adopted fair value at Rs.62.25 crore according to valuation report obtained from indepedent chartered accountant as deemed cost at transition date i.e. April 01, 2016 as per Ind AS 109.

**b)** Investments at fair value through Profit & Loss reflect investment in unquoted equity shares. Refer note 35 for determination of their fair values.

**c)** The Company has invested in wholly owned subsidiary, Koderat Investments Ltd. (Cyprus). In turn the subsidiary utilized the same for investment in S.Z. Design SRL and Zagato SRL Milan Italy. S.Z. Design SRL and Zagato SRL Milan Italy have issued 49% of equity shares to Koderat Investments Ltd(Cyprus).
Further to Note-10 on page-77 in Notes to Accounts of the Annual Report 2010, Concordato Preventivo procedure under Italian Laws, originally scheduled on 20th September, 2011 was postponed to 20th October, 2011 and was finally held on 23rd February, 2013, however the tribunal / Italian courts had reserved the decision. Till date the Concordato Preventivo has not given any decision. The company has adopted fair value at Rs.NIL as deemed cost at transition date i.e. April 01, 2016 as per Ind AS 109.

**Note 6 Other financial assets non-current**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Security deposits | 12,696,143 | 11,824,253 |
| | | |
| **Total** | **12,696,143** | **11,824,253** |

**Note 7 Income tax assets (net)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Advance income tax (net of provisions) - Unsecured, considered good | 91,517,564 | 67,850,905 |
| Less: Current Tax Payable for the year | - | - |
| Less: Refunds Received | 12,395,218 | - |
| Add: Taxes paid during the year | 24,999,723 | 23,666,659 |
| | | |
| **Total** | **104,122,069** | **91,517,564** |

**Note 8 Deferred tax assets (MAT Credit)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Deferred tax assets (MAT Credit) | 133,887,053 | 133,887,053 |
| | | |
| **Total** | **133,887,053** | **133,887,053** |

The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recongnised in the Balance Sheet at.

| Financial Year | Amount | Expiry Date |
|---|---|---|
| 2009-10 | 6,373,995 | 2024-25 |
| 2010-11 | 4,719,714 | 2025-26 |
| 2011-12 | 47,718,986 | 2026-27 |
| 2012-13 | 75,074,358 | 2027-28 |

**Note 9 Other non-current assets**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with Govt. Authorities | 3,526,241 | 14,665,700 |
| Industrial Promotion Subsidy Receivable (Refer Sub note 9.1) | 84,896,861 | 84,896,861 |
| **Total** | **88,423,102** | **99,562,561** |

**Note 9.1**

Industrial Promotion Subsidy is receivable from Government of Maharashtra under Package Scheme of Incentives for the years from FY 2009-10 to FY 2016-17. These are receivable after completion of assessment under Maharashtra Value Added Tax Act, 2002.

**Note 10 Inventories**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Raw materials ( includes lying with third parties) | 294,413,935 | 263,104,859 |
| Work-in-progress ( includes tools & dies) | 253,772,778 | 282,928,787 |
| Finished goods ( includes goods in transit ) (of Rs.61,97,492 ; March 31, 2018 Rs.92,77,243) | 53,084,456 | 59,874,350 |
| Stores and spares and packing | 3,177,467 | 2,896,359 |
| Scrap | 5,411,300 | 15,051,913 |
| **Total** | **609,859,936** | **623,856,268** |

**Note 11 Trade Receivables Current**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Unsecured | | |
| Considered good | 414,616,716 | 425,364,183 |
| Doubtful | - | 30,295,871 |
| **sub-total** | **414,616,716** | **455,660,054** |
| Less: Allowances for Doubtful Debt (Expected Credit Loss) | - | 30,295,871 |
| **Total** | **414,616,716** | **425,364,183** |

| | | |
|---|---|---|
| **Includes of the above trade receivables of related parties** | **Nil** | **Nil** |

The balance due from some of trade receivables are subject to reconciliation. Necessary adjustments, if any, may be made when the accounts are settled.

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 36

**Transferred Receivables**

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

**The relevant carrying amounts are as follows:**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Total Transferred receivables | 23,496,939 | 69,840,612 |
| Associated Secured Borrowing (Refer Note 22) | 23,496,939 | 69,840,612 |

**Note 12 Cash and cash equivalents**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Cash on Hand | 146,080 | 112,810 |
| Balances with banks | | |
| In current accounts | 4,225,673 | 20,454,005 |
| | | |
| **Total** | **4,371,753** | **20,566,815** |

**Note 13 Bank balances other than cash and cash equivalents**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with banks | | |
| Margin Money Deposits ( restricted ) | 38,458,546 | 36,369,849 |
| Unpaid dividend accounts ( restricted ) | 199,259 | 358,298 |
| **Total** | **38,657,805** | **36,728,147** |

**Note 14 Loans and advances (Current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Advances to employees | 405,954 | 1,723,002 |
| Loans to subsidiaries (Refer Note No. 39) | 12,458,849 | - |
| **Total** | **12,864,803** | **1,723,002** |

**Note 15 Other financial assets (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Security deposits | 3,029,200 | 3,720,200 |
| Advances recoverables | 3,030,000 | 790,000 |
| **Total** | **6,059,200** | **4,510,200** |

**Note 16 Other Current Assets**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with government authorities | 646,122 | 636,958 |
| Advances for expenses | 425,888 | 401,457 |
| Prepayments | 4,185,733 | 3,384,399 |
| Advances to suppliers* | 39,289,149 | 46,697,518 |
| Industrial promotion subsidy receivable | 446,057,000 | - |
| **Total** | **490,603,892** | **51,120,332** |

* The balances of advance given to some of suppliers are subject to reconciliation. Necessary adjustments, if any, will be made when the accounts are settled.

**Note 16a : Assets Held for Sale**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Assets Held for Sale | | |
| Land | 23,098,351 | |
| Factory Building | 39,037,633 | |
| **Total** | **62,135,984** | **-** |

The Company has entered into Memorandum of Understanding with the prospective buyer for transfer of land and factory building situated at Survey No. 613 Mahalunge, Chakan, Pune-410501. Value of said property appearing in the books as at 31/03/2019 is Rs.621.35 Lakhs. The carrying value of said assets has been presented as "Assets classified as held for sale" in current assets and advance consideration received from prospective buyers is presented under "Other current liabilities". The transaction is expected to be completed in financial year 2019-20.

**Note 17 Share Capital**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Authorised** | | |
| 35,000,000 Equity shares of ₹10 each with voting rights | 350,000,000 | 295,000,000 |
| | | |
| **Issued, Subscribed and fully paid up** | | |
| (as at March 31, 2019: 27,027,585 Equity shares of ₹ 10 each) | 270,275,850 | 210,001,880 |
| (as at March 31, 2018: 21,000,188 Equity shares of ₹ 10 each) | | |
| | | |
| **Total** | **270,275,850** | **210,001,880** |

**a. Movement in authorised share capital**

| | Equity Share Capital | |
|---|---|---|
| | Number of shares | Amount₹ |
| **As at April 01, 2017** | 29,500,000 | 295,000,000 |
| Increase / (decrease) during the year | - | - |
| **As at April 01, 2018** | 29,500,000 | 295,000,000 |
| Increase / (decrease) during the year | 5,500,000 | 55,000,000 |
| **As at April 01, 2019** | 35,000,000 | 350,000,000 |

**b. Movement in Issued, Subscribed and fully paid up share capital**

| | Equity Share Capital | |
|---|---|---|
| | Number of shares | Amount₹ |
| **As at April 01, 2017** | 16,031,054 | 160,310,540 |
| Increase / (decrease) during the year | 4,969,134 | 49,691,340 |
| **As at April 01, 2018** | 21,000,188 | 210,001,880 |
| Increase / (decrease) during the year | 6,027,397 | 60,273,970 |
| **As at April 01, 2019** | 27,027,585 | 270,275,850 |

**c. Shares held by holding company and /or their subsidiaries**

The Company being holding company, there are no shares held by any other holding company and their subsidiaries.

**d. Aggregate number of bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

There are no bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**e. Details of shares held by shareholders holding more than 5% of equity share of the company**

| Name of the Shareholder | As at March 31, 2019 | |
|---|---|---|
| | Number of shares held | % holding |
| IndiaNivesh Renaissance Fund | 4,794,520 | 17.74 |
| Mr.Shivaji Tukaram Akhade | 3,064,022 | 11.34 |
| Mr.Sudhir Vitthal Mungase | 2,537,472 | 9.39 |
| Sharjah Cement and Industrial Development Company Ltd | 2,265,432 | 8.38 |
| **Total** | **12,661,446** | **46.85** |

| Name of the Shareholder | As at March 31, 2018 | |
|---|---|---|
| | Number of shares held | % holding |
| IndiaNivesh Renaissance Fund | - | - |
| Mr. Shivaji Tukaram Akhade | 2,653,063 | 12.63 |
| Mr.Sudhir Vitthal Mungase | 2,126,513 | 10.13 |
| Sharjah Cement and Industrial Development Company Ltd | 2,265,432 | 10.79 |
| **Total** | **7,045,008** | **33.55** |

**Note 18 Other Equity**

**A. Reserves and Surplus**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Securities Premium Reserve | 2,183,080,959 | 1,803,354,948 |
| Revaluation Reserve | 9,059,437 | 9,059,437 |
| Employee Stock Options outstanding | 1,561,673 | 3,709,000 |
| General Reserve | 120,227,654 | 120,227,654 |
| Retained Earnings | (1,704,593,492) | (1,665,932,414) |
| **Total Reserves and Surplus** | **609,336,231** | **270,418,626** |
| | | |
| **B. Money received against share warrants** | 22,500,006 | - |
| | | |
| **Total Other Equity** | **631,836,237** | **270,418,626** |

**Reserves and Surplus**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Securities Premium Reserve** | | |
| Balance at the beginning of the year | 1,803,354,948 | 1,450,546,434 |
| Add: premium received | 379,726,011 | 352,808,514 |
| Balance at the end of the year | 2,183,080,959 | 1,803,354,948 |
| | | |
| **Revaluation Reserve** | | |
| Balance as at the beginning and end of the year | 9,059,437 | 9,059,437 |
| | | |
| **Employee Stock Options outstanding** | | |
| Balance at the beginning of the year | 3,709,000 | 3,709,000 |
| Less: Deferred Employee Compensation | 2,147,327 | - |
| Balance at the end of the year | 1,561,673 | 3,709,000 |
| | | |
| **General Reserve** | | |
| Balance as at the beginning and end of the year | 120,227,654 | 120,227,654 |
| | | |
| **Retained Earnings** | | |
| Balance as at the beginning of the year | (1,665,932,413) | (1,152,452,127) |
| Add: Profit / (Loss ) for the year | (40,251,369) | (513,287,389) |
| Add: Items of other comprehensive income recognised directly in retained earnings ( Remeasurement of post-employment benefit obligations- (loss)/ gain) | 1,590,290 | (192,898) |
| Balance as at the end of the year | (1,704,593,492) | (1,665,932,414) |
| | | |
| **Total** | **609,336,231** | **270,418,626** |

**Nature and Purpose of Reserves:**

**a) Securities premium account:**

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

**b) Revaluation Reserve:**

Revaluation Reserve is used to record the revaluation amount which represents the current and probable future value of assets which is higher than the recorded historic cost of the same asset.

**c) General Reserves:**

Represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956 and transition adjustments on implementation of new accounting standards.

**d) Employee stock option outstanding**

It is used to recognise the value of equity- settled share based payments provided to employees, including key management personnel. It is a part of Shareholders equity.

**Money received against share warrants***

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balance at the beginning of the year | - | - |
| Add: warrants issued during the year | 372,499,966 | - |
| Less: warrants converted in equity shares during the year | 349,999,960 | - |
| Balance at the end of the year | **22,500,006** | - |

* Note: During the year the Company has allotted 12,32,877 equity shares having face value of Rs. 10/- each at a price of Rs. 73/— each to the Promoters in tranches and converted 47,94,520 share warrants into equal number of equity shares having face value of Rs. 10/— each which were issued at a price of Rs. 73 /- each to the Investor. Share Capital for the year ended March 31, 2019 is increased from INR 6,02,73,970/- The Company also allotted 12,32,877 share warrants having face value of Rs. 10/- each at a price of Rs. 78/- each to the Promoters upon receipt of 25% amount upfront.

**Note 19 Borrowings (non current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Secured** | | |
| From Banks | 393,810,459 | 569,246,933 |
| From Financial Institutions | 486,500,245 | 676,818,427 |
| | | |
| **Unsecured** | | |
| Trade advance from customer * | - | 228,050,719 |
| * Classified as Current as at March 31, 2019 | | |
| **Total** | **880,310,704** | **1,474,116,079** |

**Details of repayment of term loan (refer note 19)**

| Lender | Amount outstanding as at March 31, 2019 | Amount outstanding as at March 31, 2018 | Nature of Facility | Terms of repayment/ Maturity detail |
|---|---|---|---|---|
| | ₹ | ₹ | | |
| Axis Bank Term Loan | 4,47,05,744 | 5,35,97,411 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| Axis Bank Term Loan | 6,16,63,868 | 7,22,47,201 | Term Loan | |
| Bank of Baroda Term Loan | 4,07,51,541 | 5,17,28,000 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| Bank of Baroda Term Loan | 5,19,98,057 | 6,60,00,000 | Term Loan | |
| Bank of Baroda WCTL | 24,37,61,251 | 30,93,81,964 | Term Loan | |
| Bank of Baroda FITL | 6,71,76,863 | 8,53,24,720 | Term Loan | |
| JM Financial ARC -Term Loan | 5,43,02,549 | 5,74,74,999 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| JM Financial ARC -Term Loan | 3,36,58,607 | 3,56,25,000 | Term Loan | |
| JM Financial ARC -Term Loan | 6,28,29,397 | 6,64,99,999 | Term Loan | |
| JM Financial ARC -FITL | 7,46,53,254 | 7,90,14,102 | Term Loan | |
| JM Financial ARC -WCTL | 15,30,34,513 | 16,19,75,049 | Term Loan | |
| The Catholic Syrian Bank Term Loan | 5,30,15,652 | 6,49,27,108 | Term Loan | |
| ICICI Bank Vehicle Loan | 8,21,216 | 13,45,047 | Term Loan | Repayment in 48 months from Sep,2016 to Aug,2020, EMI ₹ 52,442/- |
| Tata Motors Finance Solution Ltd | 13,21,82,744 | 15,95,30,258 | Term Loan | Repayment in 60 monthly installments starting from April 2017 to March 2022 |
| Tata Motors Finance Solution Ltd | 16,65,71,097 | 19,00,00,000 | Term Loan | Repayment after 1 year moratorium in 60 monthly installments starting from April 2018 to March 2022 |
| Tata Motors Finance Solution Ltd | 9,14,79,495 | 10,85,41,401 | Term Loan | Repayment in 60 monthly installments starting from April 2017 to March 2022 |
| Tata Motors Finance Solution Ltd | 80,28,357 | 2,03,43,304 | Term Loan | Repayment in 36 monthly installments starting from Nov 2016 to Oct 2019. |
| Tata Motors Finance Solution Ltd | 48,30,985 | 99,22,249 | Term Loan | Repayment in 36 monthly installment starting from Feb 2017 to Jan 2020. |
| Tata Motors Finance Ltd. | - | 37,74,843 | Term Loan | Repaid in May 2018. |
| Tata Motors Ltd. Short Term Loan | 15,35,52,530 | 21,93,60,157 | Term Loan | Repayable in 10 monthly installment starting from July 2019 till Feb 2020 |
| Tata Motors Ltd. Medium Term Loan | 22,80,50,719 | 22,80,50,719 | Term Loan | Conversion of Payables for purchase to term loan, repayable after May 2019 with 6 monthly installments |
| Tata Capital Financial Services Ltd TL | 2,72,72,725 | - | Term Loan | Repayable in 11 monthly installment starting from Nov 2018 till Sept 2019 |
| Tata Motors Ltd. Short Term Loan | 5,00,00,000 | - | Term Loan | Repayable in 9 monthly installment starting from April 2019 till Dec 2019 |
| **Sub-total** | **1,80,43,41,164** | **2,04,46,63,532** | | |
| Less : Current maturities of long term borrowings | (92,40,30,460) | (57,05,47,453) | | |
| **Total** | **88,03,10,704** | **1,47,41,16,079** | | |

1. Bank of Baroda's Term loan are secured by exclusive First Charge by way of mortgage of factory land & building, office building and hypothecation of other fixed assets of the Company viz. Plant & Machinery, Tools & Dies, Instruments & Equipments, Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc. both present and future situated at Plot No. 6 & 8, Tata Motors Ltd. Vendor Park, Rudrapur, Uttarakhand and Second Charge by way of simple mortgage of factory land & building, office building and hypothecation of other fixed assets of the Company viz. Plant & Machinery, Tools & Dies, Instruments & Equipments, Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc., both present and future situated at S.No. 313,314, 320 to 323, at Nanekarwadi, Chakan, Pune. (called as Chakan Unit- II)

2. Axis Bank Ltd.'s loans are secured by exclusive charge on all Fixed assets of the Company except situated at (a).Plot no. 5, 6 & 8, Tata Motors Ltd Vendor Park, SIDCUL, Rudrapur, Uttarakhand, (b).Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 (c). S.No. 313/314, Nanekarwadi, Chakan, Pune (d).Plot no.186-A, Belur Industrial Area growth Centre, Opp. High Court, Dharwad, Karnataka.

3. The Catholic Syrian Bank Ltd.'s and JM Financial A R C Pvt. Ltd.'s loans are secured by First Charge on Land with factory building and by way of hypothecation of other fixed assets of the Company viz. Plant & Machinery, Tools & Dies, Instruments & Equipments, Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc., both present and future, situated at S. No. 313,314,320 to 323, at Nanekarwadi, Chakan, Pune (called as Chakan Unit- II) . Further it is secured by second Charge by way of simple mortgage of factory land & building, office building of the Company situated at Plot No. 6 & 8, Tata Motors Ltd. Vendor Park, SIDCUL, Rudrapur, Uttarakhand.

4. Tata Motors Finance Solutions Ltd 's Term loans are secured by first and exclusive charge on Land & Building, Plant & Machinery of the Company situated at Plot No. E-12 (17) (8), M.I.D.C. Bhosari, Pune & Plot No 5, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand and first and exclusive charge on non agriculture land admeasuring 01 Hectares 35 Ares or thereabouts out of Gat No.1612 totally admeasuring about 2 Hectare 32 Acers situated at Village Chikhali, Tal. Haveli, Dist Pune within the limits of Pimpri Chinchwad Municipal Corporation owned by promotors. Further they are secured by second charge on land, Building, Plant & Machinery both present and future situated at (a). Gat No. 613, Chakan Talegaon Road, Pune (b).Gat no. 825 and 712 , Kudalwadi , Chikali, Pune (c) Survy no. 287, 291 to 295 and 298 Nanekarwadi, Taluka Khed, Dist Pune (d). Plot No. E12-17 (7) MIDC Bhosari, Pune and mortage of fixed assets situated at Plot No. 186-A, Belur Industrial Area growth Centre, Opp. High Court,

5. (a) Term Loans from Bank Of Baroda, Axis Bank, JM Financial A R C Ltd., Catholic Syrian Bank Ltd. are further guaranteed in the Personal Capacity by two Promotor Directors of the Company and by ED & CEO of the Company. (b) Term Loans from Tata Motors Financial Services Ltd and Tata Motors Finance Ltd are further guaranteed by two Promotor Directors in their personal capacity.

6. Term Loans,sanctioned by Bank of Baroda and Catholic Syrian Bank Ltd. are having second charge on all Current Assets of the Compnay.

7. Interest rate for above loans are range between 9.51% to 14.5%

8. Repayment default on Long Term Borrowings outstanding as at the year end is as follows:-

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| From Bank | | |
| Principal Amount | 10,00,000 | 1,65,27,597 |
| Interest Amount | 49,10,686 | 1,23,12,054 |
| From Others | | |
| Principal Amount | 10,46,45,703 | 6,33,78,396 |
| Interest Amount | 6,36,85,653 | 5,29,64,173 |
| Total | | |
| Principal Amount | 10,56,45,703 | 7,99,05,993 |
| Interest Amount | 6,85,96,339 | 6,52,76,227 |

**Note 20 Other financial liabilities (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Settlement Claim Payable | 118,269,000 | 110,585,000 |
| Less: Current liability (Refer Note. 24) | 118,269,000 | 110,585,000 |
| Settlement Claim Payable non-current | - | - |
| | | |
| Retention * | - | 104,116,793 |
| * (classified as Current financial liability as at March 31, 2019) | | |
| **Total** | **-** | **104,116,793** |

**Note 21 Provisions (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Provision for employee benefits | | |
| Gratuity payable | - | - |
| Compensated absences | 6,951,098 | 6,068,470 |
| **Total** | **6,951,098** | **6,068,470** |

**Note 22 Borrowings (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Secured** | | |
| Loans repayable on demand - cash credit | | |
| From Banks | 125,017,682 | 157,060,527 |
| From Financial Institutions | 174,635,644 | 178,871,840 |
| | | |
| Bill discounted | 23,496,939 | 69,840,612 |
| **Unsecured** | | |
| Related Parties - Intercorporate deposits | 4,887,756 | 37,083,900 |
| Related Parties - Promotors & Directors | 7,556,221 | 7,380,577 |
| Others - Intercorporate deposits | - | 10,000,000 |
| **Total** | **335,594,242** | **460,237,457** |

1. All working capital borrowings from the banks have been secured with first charge by hypothecation of current assets of the company and further secured with Second Charge by Mortgage / Hypothecation of Fixed Assets of the Company.

2. Working capital borrowings from Banks are further guaranteed in the personal capacity by two Promoter Directors of the Company and also by Executive Director & CEO of the Company

3. Unsecured loan from subsidiaries, related parties and other corporates are repayable on demand

**Note 23 Trade payables**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Total outstanding dues of micro, small and medium enterprises | 13,504,198 | 8,366,518 |
| | | |
| Total outstanding dues of other than micro, small and medium enterprises | | |
| Acceptances | 150,689,329 | 169,391,068 |
| Trade payables ( other than related parties ) | 357,631,756 | 340,698,944 |
| Trade payables to related parties (refer note no 39) | - | - |
| | | |
| **Total** | **521,825,283** | **518,456,530** |

The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustments, if any, may be made when the accounts are settled.

**Note 24 Other Financial Liabilities (current )**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Current Maturities of Long-Term Borrowings (Refer Note No.19 for terms and conditions) | | |
| Secured | 359,508,783 | 267,506,460 |
| Unsecured | 458,875,974 | 223,135,000 |
| Repayment Overdue on long term borrowings (secured ) | 105,645,703 | 79,905,993 |
| Unclaimed Dividend | 199,259 | 358,297 |
| Security Deposits | 30,000,000 | 50,000,000 |
| Employee benefits payable | 26,937,325 | 37,029,334 |
| Payables for capital goods | 1,651,445 | 2,780,548 |
| Other payables | 104,255,486 | 98,353,351 |
| Settlement Claim Payable | 118,269,000 | 110,585,000 |
| Retention | 64,805,681 | - |
| Interest Payable | 68,596,339 | 65,276,228 |
| **Total** | **1,338,744,995** | **934,930,211** |

**Note 25 Other Current liabilities**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Statutory dues payables *(Refer Note below) | 251,887,216 | 104,944,196 |
| Advances from customers | 25,726,770 | 11,275,608 |
| Advances against sale of Property, Plant & Equipment | 76,100,000 | - |
| | | |
| **Total** | **353,713,986** | **116,219,804** |

*Note: The Company has written off liability towards Local Body Tax of Rs. 465.76 lakhs pertaining to years ranging from FY 2013 – 2014 to FY 2017 – 2018. Management is of the view that since local body tax is abolished, this liability is no more payable and as such no provision is required in the books of accounts.

**Note 26 Provisions (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Provision for employee benefits | | |
| Gratuity (refer note 46) | 27,711,019 | 22,453,482 |
| Compensated absences | 488,430 | 393,697 |
| **Total** | **28,199,449** | **22,847,179** |

**Note 27 Revenue from operations**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Sale of products | 4,078,382,872 | 3,497,204,883 |
| Sale of services | 36,939,804 | 24,115,895 |
| Other operating revenues | 405,626,490 | 323,712,984 |
| | 4,520,949,167 | 3,845,033,762 |
| Add : Excise Duty | - | 104,043,637 |
| **Total** | **4,520,949,167** | **3,949,077,399** |

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2019 is not comparable with March 31, 2018.

**A) Disaggregate revenue**

| Particulars | Amount ₹ |
|---|---|
| **Revenue recognised for the year 2018-19** | |
| Revenue recognised at point-in-time for the year 2018-19 | 4,520,949,167 |
| Revenue recognised over time for the year 2018-19 | - |
| Revenue for the year 2018-19 from customers within India | 4,453,595,456 |
| Revenue for the year 2018-19 from customers outside India | 67,353,711 |

**Reconciliation of revenue with contract price**

| Particulars | Amount ₹ |
|---|---|
| Revenue as per statement of PL | 4,520,949,167 |
| Add: Discounts | - |
| **Contract price** | 4,520,949,167 |

**B) Performance Obligations**

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

**C) Transaction Price**

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

**D) 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.

**E) Determining the transaction price and the amounts**

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.

**F) Cost to obtain contract or fulfil a contract**

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

**Note 28 Other income**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Interest income | 8,701,658 | 9,426,583 |
| Dividend income from other Investments | 95,000 | 60,000 |
| Net gain on foreign currency transactions | - | 367,817 |
| Other non-operating income | 6,785,005 | 4,328,327 |
| Profit on Sale of Property, Plant & Equipment | 6,548,824 | 88,176,643 |
| **Total** | **22,130,486** | **102,359,370** |

**Note 29.a Cost of materials consumed**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Inventory of raw material at the beginning of the year | 278,156,772 | 289,979,902 |
| Add: Purchases | 3,183,624,710 | 2,700,146,708 |
| | 3,461,781,482 | 2,990,126,610 |
| Inventory of raw material at the end of the year | 299,825,235 | 278,156,772 |
| **Total** | **3,161,956,247** | **2,711,969,838** |

**Note 29.b Changes in inventories of finished goods, work-in-progress and stock-in-trade**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Inventories at the end of the year: | | |
| Finished goods | 53,084,456 | 59,874,350 |
| Work-in-progress ( includes tools & dies) | 253,772,778 | 282,928,787 |
| | 306,857,234 | 342,803,137 |
| Inventories at the beginning of the year: | | |
| Finished goods | 59,874,350 | 37,003,293 |
| Work-in-progress ( includes tools & dies) | 282,928,787 | 249,101,865 |
| | 342,803,137 | 286,105,158 |
| **Net (increase) / decrease** | **35,945,903** | **(56,697,979)** |

**Note 30 Employee benefits expenses**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Salaries, Wages and Bonus | 280,013,257 | 284,605,280 |
| Contributions to provident and other funds | 12,552,931 | 12,103,028 |
| Gratuity expenses | 7,347,827 | 7,822,111 |
| Expense on employee stock option (ESOP) scheme | (2,147,327) | - |
| Employee Insurance expenses | 2,515,517 | 4,037,906 |
| Staff welfare expenses | 33,344,552 | 32,108,427 |
| Compensated absences | 2,570,333 | 485,754 |
| **Total** | **336,197,090** | **341,162,505** |

**Note 31 Finance costs**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| (a) Interest expense on: | | |
| (i) Borrowings | 268,069,909 | 275,722,428 |
| (ii) Letter of Credit | 8,042,498 | 14,483,563 |
| (iii) Interest on delayed / deferred payment | 40,190,405 | 29,873,071 |
| (b) Other borrowing costs | 48,910,144 | 37,682,689 |
| (c) Bank Charges & Commission | 8,917,425 | 8,958,785 |
| **Total** | **374,130,380** | **366,720,536** |

**Note 32 Depreciation and amortisation**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Depreciation of tangible assets ( refer note 4 ) | 196,663,201 | 200,069,627 |
| Amortisation of intangible assets ( refer note 4 ) | 15,554,536 | 22,418,419 |
| **Total** | **212,217,737** | **222,488,046** |

**Note 33 Other expenses**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Consumption of stores and Spares | 60,701,680 | 57,359,359 |
| Consumption of packing material | 25,321,596 | 27,444,136 |
| Outsourced Direct Labour Cost | 380,098,479 | 377,253,589 |
| Power and Fuel | 135,861,730 | 128,295,395 |
| Transport Charges | 121,916,292 | 110,611,941 |
| Repairs and maintenance - Buildings | 1,733,175 | 4,049,555 |
| Repairs and maintenance - Machinery | 27,172,842 | 33,176,919 |
| Repairs and maintenance - Others | 12,629,942 | 8,047,980 |
| Other manufacturing expenses | 3,680,246 | 3,109,185 |
| Tooling and designing Charges | 14,756,602 | 19,809,158 |
| Insurance | 1,771,142 | 1,928,191 |
| Rent | 10,942,745 | 11,129,510 |
| Rates and taxes | 20,469,438 | 14,846,808 |
| Communication expenses | 3,846,199 | 4,928,845 |
| Travelling and conveyance | 12,272,644 | 9,383,289 |
| Printing and stationery | 3,458,575 | 3,228,907 |
| Legal and professional fees | 32,790,975 | 30,132,443 |
| Security Charges | 13,817,478 | 14,218,595 |
| Director Sitting Fees | 1,435,000 | 1,330,000 |
| Payments to auditors (see sub-note 1) | 3,370,010 | 3,295,119 |
| Net loss on foreign currency transactions | 4,257,557 | - |
| Miscellaneous expenses | 8,676,351 | 8,097,407 |
| Sundry Balances written off (Net) (See sub-note 2) | 1,708,086 | 3,361,243 |
| **Total** | **902,688,785** | **875,037,574** |

**Note 33.1 Other Expenses (Sub-note 1)**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Payments to auditors comprises | | |
| As auditors - Statutory Audit | 3,000,000 | 3,000,000 |
| Reimbursement of expenses | 370,010 | 295,119 |
| **Total** | **3,370,010** | **3,295,119** |

**Note 33.2 Other Expenses (Sub-note 2)**

The Company has written off liability towards Local Body Tax of Rs. 465.76 lakhs pertaining to years ranging from FY 2013 – 2014 to FY 2017 – 2018. Management is of the view that since local body tax is abolished, this liability is no more payable and as such no provision is required in the books of accounts.

The company has written off receivable from customers amounting to Rs.491.15 lakhs

**Note 34 Exceptional items**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Industrial Promotion Subsidy | (446,057,000) | - |
| Compounding Fees (Income tax) | 6,251,880 | - |
| **Total** | **(439,805,120)** | **-** |

**Notes:**

**1) Industrial Promotion Subsidy:** The Government of Maharashtra has approved additional Industrial Promotion Subsidy (IPS) claim amounting to Rs. 4460.57 lakhs to the Company and accordingly the Exceptional items for the year ended March 31, 2019 includes additional subsidy claim of Rs. 4460.57 lakhs as part of the Packaged Scheme of Incentives, 2007.

**2) Compounding fees ( Income Tax):** Exceptional items for the year ended March 31, 2019 includes provision for compounding charges as per Income Tax Act, 1961 amounting to Rs.62.51 lakhs which were paid subsequently in the month of April 2019.

## Notes forming part of the financial statements

### Note 35 : Fair Value Measurement

**Financial Instrument by category**

**As at March 31, 2019**

| Particulars | Amortised cost | Financial assets / liabilities at fair value through profit or loss | Total Carring value |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Financial Assets:** | | | |
| Investments | - | 1,000,000 | 1,000,000 |
| Trade Receivables | 414,616,716 | | 414,616,716 |
| Cash and cash equivalents | 4,371,753 | | 4,371,753 |
| Bank balances other than cash and cash equivalents | 38,657,805 | | 38,657,805 |
| Loans and advances | 12,864,803 | | 12,864,803 |
| Other Financial assets | 18,755,343 | | 18,755,343 |
| **Financial Liabilities:** | | | |
| Borrowings | 1,215,904,946 | | 1,215,904,946 |
| Trade payables | 521,825,283 | | 521,825,283 |
| Other financial liabilities | 1,338,744,995 | | 1,338,744,995 |

**As at March 31, 2018**

| Particulars | Amortised cost | Financial assets / liabilities at fair value through profit or loss | Total Carring value |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Financial Assets:** | | | |
| Investments | - | 1,000,000 | 1,000,000 |
| Trade Receivables | 425,364,183 | | 425,364,183 |
| Cash and cash equivalents | 20,566,815 | | 20,566,815 |
| Bank balances other than cash and cash equivalents | 36,728,147 | | 36,728,147 |
| Loans and advances | 1,723,002 | | 1,723,002 |
| Other Financial assets | 16,334,453 | | 16,334,453 |
| **Financial Liabilities:** | | | |
| Borrowings | 1,934,353,535 | | 1,934,353,535 |
| Trade payables | 518,456,530 | | 518,456,530 |
| Other financial liabilities | 1,039,047,004 | | 1,039,047,004 |

### 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 follows underneath the table.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019**

| | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | ₹ | ₹ | ₹ |
| **Financial Assets** | | | | |
| Investments: | | | | |
| Equity Instruments | March 31, 2019 | - | - | 1,000,000 |

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018**

| | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | ₹ | ₹ | ₹ |
| **Financial Assets** | | | | |
| Investments: | | | | |
| Equity Instruments | March 31, 2018 | - | - | 1,000,000 |

The carrying amount of trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, other current financial assets, short term borrowings, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. The Company has availed long term borrowings from banks and financial institutions carrying interest in the range of 9.50% to 14.50%. The carrying values approximates their respective fair values. Similarly the fair value of non-current financial assets also approximates its carrying value.

The Cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value.

**Financial assets and liabilities measured at Amortised cost:**

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

The fair value of investments in mutual funds are based on the price quotation at the reporting date obtained from the asset management companies.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. The Company does not have any financial asset in this measurement category.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example,mutual funds,over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company does not have any financial asset in this measurement category.

**Note 36 : Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies, the Company is exposed primarily to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the Company has a system based approach and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks which covers risks associated with the financial assets and liabilities such as credit risks, liquidity risk etc. The risk management policy is approved by the board of directors. The risk management framework aims to achieve greater predictability to earnings by determining the financial value of the expected earnings in advance. Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

**A. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability committed credit facilities to meet obligations when due and to close out market positions. Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Currently the company is facing liquidity crises due to huge interest cost.

Management monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet this.

**Maturities of financial liabilities**

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

**The amounts disclosed in the table are the contractual undiscounted cash flows.**

| Contractual maturities of financial Liabilities | Upto 1 Year | Between 1 and 2 years | Between 2 years and above | Total |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **March 31, 2019** | | | | |
| **Non Derivatives** | | | | |
| Borrowings | 1,236,127,763 | 391,049,541 | 489,261,162 | 2,116,438,466 |
| Bill Discounting | 23,496,939 | | | 23,496,939 |
| Trade Payables | 521,825,283 | | - | 521,825,283 |
| Other Financial Liabilities | 414,714,535 | | | 414,714,535 |
| **Total Non-Derivative Liabilities** | 2,196,164,519 | 391,049,541 | 489,261,162 | 3,076,475,222 |

| Contractual maturities of financial Liabilities | Upto 1 Year | Between 1 and 2 years | Between 2 years and above | Total |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **March 31, 2018** | | | | |
| **Non Derivatives** | | | | |
| Borrowings | 960,944,298 | 595,479,890 | 878,636,189 | 2,435,060,377 |
| Bill Discounting | 69,840,612 | | | 69,840,612 |
| Trade Payables | 518,456,530 | | | 518,456,530 |
| Other Financial Liabilities | 364,382,758 | 104,116,793 | | 468,499,551 |
| **Total Non-Derivative Liabilities** | 1,913,624,198 | 699,596,683 | 878,636,189 | 3,491,857,070 |

**B. Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

**(a) Interest rate risk**

The company has fixed rate borrowing and variable rate borrowings in order to obtain more efficient leverage. The fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate becauseof a change in market interest rates. Floating rate debt results in cash flow interest rate risk. The company has taken both interest rate risk debts for managing itsliquidity and day to day requirements of the funds.

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

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| | ₹ | ₹ |
| Variable Rate Borrowings | 1,142,179,223 | 1,439,727,921 |
| Fixed Rate Borrowings | 974,259,244 | 995,332,455 |
| Total Borrowings | 2,116,438,467 | 2,435,060,376 |

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

| | As at March 31, 2019 | | |
|---|---|---|---|
| | Weighted average interest rate | Balance ( ₹) | % of total loans |
| Bank loans, cash credits, working capital loans | 12.00% | 1,142,179,223 | 53.97% |
| | | | |
| **Net exposure to cash flow interest rate risk** | | **1,142,179,223** | |

| | As at March 31, 2018 | | |
|---|---|---|---|
| | Weighted average interest rate | Balance ( ₹) | % of total loans |
| Bank loans, cash credits, working capital loans | 11.07% | 1,439,727,921 | 59.12% |
| | | | |
| **Net exposure to cash flow interest rate risk** | | **1,439,727,921** | |

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 Analysis:**

The sensitivity analysis is determined on the basis of interest rates on floating liabilities. The outstanding liabilities at the year end are considered as a base for the whole year.

If all the other variable factors remain constant, the changes in 100 basis points in the interest rate (up and down), the results are in the below table.

| | Impact on Floating Rate Borrowings | |
|---|---|---|
| **Change in Interest Rate** | **As At March 31, 2019** | **As At March 31, 2018** |
| Increase in rates by - 1% | 95,181,602 | 130,056,723 |
| | | |
| Decrease in rates by - 1% | -95,181,602 | -130,056,723 |

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

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

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Trade Payables | | |
| USD | 21,431,398 | 24,181,854 |
| Trade Receivable | | |
| USD | 61,134,577 | 52,901,217 |
| Others | | |
| USD | 118,269,000 | 110,585,000 |

**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. Credit risk arises from cash and cash equivalents, other balances and deposits with bank and financial institutions and trade receivables, derivative financial instruments and financial guarantees.

**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 assesswhether 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: (A). 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 (B). actual or expected significant changes in the operating results of the counterparty (C).significant increase in credit risk on other financial instruments of the same counterparty (D). significant changes in the value of the collateral supporting the obligation or in the quality of thirdparty 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 afinancial 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, 2019, that defaults in payment obligations will occur.

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

| **Trade Receivables** | **As at March 31, 2019** | | |
|---|---|---|---|
| | **Gross** | **Allowance** | **Net** |
| | ₹ | ₹ | ₹ |
| Period (in months) | | | |
| Not due | | | |
| Overdue upto 3 months | 316,287,944 | - | 316,287,944 |
| Overdue 3-6 months | 41,042,808 | - | 41,042,808 |
| Overdue more than 6 months | 57,285,964 | - | 57,285,964 |
| **Total** | **414,616,716** | **-** | **414,616,716** |

| **Trade Receivables** | **As at March 31, 2018** | | |
|---|---|---|---|
| | **Gross** | **Allowance** | **Net** |
| | ₹ | ₹ | ₹ |
| Period (in months) | | | |
| Not due | | | |
| Overdue upto 3 months | 337,809,220 | - | 337,809,220 |
| Overdue 3-6 months | 12,721,450 | - | 12,721,450 |
| Overdue more than 6 months | 105,129,384 | 30,295,871 | 74,833,513 |
| **Total** | **455,660,054** | **30,295,871** | **425,364,183** |

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

| | **Amount ₹** |
|---|---|
| **Loss allowance on March 31, 2018** | **30,295,871** |
| Changes in Loss allowance | (30,295,871) |
| **Loss allowance on March 31, 2019** | **-** |

**Note 37 : Capital management**

The Company's objectives when managing capital are to:

- To provide maximum returns to shareholders and benefits for other stakeholders
- To Maintain an optimal capital structure to reduce the cost of capital.

The company determines the amount of capital required on the basis of annual opearting plans, long term product and maintaining other strategic investment plans. The funding requirements are met through equity, long term borrowings and short term borrowings.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Total long term debt (refer note 19) | 880,310,704 | 1,474,116,079 |
| Total Equity | 902,112,087 | 480,420,506 |
| Total Capital | 1,782,422,791 | 1,954,536,584 |
| Debt to equity ratio | 97.58% | 306.84% |

**Note 38 : Segment Information**

Ind As 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosure about products and services, geographic areas and major customer. The company is engaged mainly in the business of manufacturing sheet metal auto components and assemblies thereof. Based on the 'management approach' as defined in Ind As 108, the 'Chief operating Decision Maker' (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. The principal geographical areas in which the company operates are India.

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Components, assemblies and sub-assemblies | 3,677,346,156 | 3,067,912,861 |
| Tools, Dies and Moulds | 21,278,295 | 135,870,655 |
| Scrap | 402,443,396 | 322,312,143 |
| Total | 4,101,067,847 | 3,526,095,659 |

Rs.322,74,55,617/- of the company's revenue attributable to one of its customer. ( March 31, 2018 Revenue of Rs.278,93,88,720/- was attributable to one of its customer)

**Note 39 : Related Party Transactions**

**a) Related parties and their relationship**

**1) Subsidiaries**

i) Autoline Design Software Ltd. (ADSL)

ii) Autoline Industrial Parks Ltd. ( AIPL)

**Foreign Subsidiary**

iii) Koderat Investments Ltd., Cyprus

**2) Key Management Personnel (KMP)**

Mr. Vilas Lande - Chairman Emeritus

Mr. Prakash B. Nimbalkar - Chairman (Non-executive Director)

Mr. Shivaji Akhade - Managing Director

Mr. Sudhir Mungase - Wholetime Director

Mr. Umesh Chavan - Executive Director & CEO

**3) Relatives of KMP**

Key Management Personel - Mr. Vilas Lande, Mr. Shivaji Akhade and Mr. Sudhir Mungase are related to each other.

**4) Companies/Entities in which KMP / Relatives of KMP can exercise significant influence**

i) Balaji Enterprises

ii) Shreeja Enterprises

iii) Sumeet Packers Pvt. Ltd.

iv) Siddhai Platers Private Ltd.

v) Om Sai Transport Co.

vi) Viro Hi-Tech Engineers Pvt. Ltd.

vii) S.V. Aluext Profile Pvt. Ltd.
viii) Vimal Extrusion Pvt Ltd
ix) Hotel Aishwarya Restaurant
x) Lincwise Software Pvt Ltd
xi) Jay Ambe Enterprises

1. Related parties have been identified by the Management and relied upon by the Auditors.
2. The Company is holding 44.67% Equity Share of AIPL, however since it controls the composition of Board of Directors, AIPL is treated as Subsidiary Company.

## b) Transactions with related parties

| Nature Of Transaction | Transaction Value | | Closing balance | |
|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| | ₹ | ₹ | ₹ | ₹ |
| **Sale of Goods / Service** | | | | |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| Balaji Enterprises | 19,262,337 | 13,105,617 | 949,609 | - |
| Shreeja Enterprises | 7,080,927 | 726,047 | 2,447,711 | - |
| Sumeet Packers Pvt. Ltd. | - | 16,500 | - | - |
| Om Sai Transport Co. | - | 27,344 | - | - |
| Viro Hi-Tech Engineers Pvt. Ltd. | 680,950 | - | 45,781 | - |
| Jay Ambe Enterprises | 1,170 | - | | - |
| | | | | |
| **Purchase of Goods / Service** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Ltd. | 14,054,605 | 17,787,904 | - | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| Balaji Enterprises | 19,635,918 | 15,074,232 | 99,260 | - |
| Shreeja Enterprises | 9,578,166 | 7,243,702 | 299,556 | - |
| Sumeet Packers Pvt. Ltd. | 4,584,764 | 4,691,744 | 133,661 | - |
| Siddhai Platters Pvt. Ltd. | 7,486,511 | 10,323,364 | 34,295 | - |
| Om Sai Transport Co. | 6,978,025 | 7,478,437 | 3,766,296 | 588,207 |
| Viro Hi-Tech Engineers Pvt. Ltd. | 8,209,198 | 7,049,990 | 272,135 | - |
| S.V. Aluext Profile Pvt Ltd | 8,086,838 | 7,254,364 | 1,470,222 | - |
| Jay Ambe Enterprises | 3,956,391 | 3,713,372 | 1,661,539 | - |
| | | | | |
| **Maintenance Charges Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 360,000 | 360,000 | - | - |
| | | | | |
| **Rent Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 12 | 12 | - | - |
| | | | | |
| **Rendering of Services** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 600,000 | 600,000 | - | - |
| Autoline Industrial Parks Limited | 300,000 | 300,000 | - | - |
| | | | | |

| | | | | |
|---|---|---|---|---|
| **Receiving of Services** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Sudhir Mungase | 960,000 | 960,000 | 468,088 | 245,892 |
| Mr. V V Lande | 1,800,000 | 1,800,000 | 270,000 | 270,000 |
| | | | | |
| **Investment received ( in equity )** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 30,000,007 | 84,999,942 | - | - |
| Mr. Sudhir Mungase | 30,000,007 | 44,999,955 | - | - |
| Mr. V V Lande | 30,000,007 | - | - | - |
| | | | | |
| **Investment received ( in convertible share warrants)** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 7,500,002 | - | - | - |
| Mr. Sudhir Mungase | 7,500,002 | - | - | - |
| Mr. V V Lande | 7,500,002 | - | - | - |
| | | | | |
| **Investment Made ( in equity )** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 63,484,860 | - | - |
| **Foreign Subsidiaries** | | | | |
| | | | | |
| | | | | |
| **Loan given** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 107,983,633 | - | - |
| Autoline Design Software Limited | 15,300,000 | - | 12,458,849 | - |
| | | | | |
| **Loan Recovered** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 168,384,539 | - | - |
| Autoline Design Software Limited | 2,852,216 | - | - | - |
| | | | | |
| **Loan Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 61,488,050 | 14,079,195 | 81,930 | 14,079,195 |
| Autoline Design Software Limited. | - | 7,794,911 | - | 7,794,911 |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 60,500,000 | 81,190,357 | 1,516,711 | 2,038,377 |
| Mr. Sudhir Mungase | 26,000,000 | 47,500,000 | 6,039,510 | 5,342,200 |
| Mr. Amit Goela | 50,000,000 | - | | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 13,700,030 | 16,500,000 | 141,070 | 115,032 |
| Vimal Extrusion Pvt Ltd | 2,000,000 | 26,000,000 | 72,149 | 10,585,405 |
| Sumeet Packers Pvt. Ltd. | 3,000,000 | - | 83,250 | - |
| | | | | |
| **Loan Repayment** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 76,237,876 | - | | |
| Autoline Design Software Limited. | 7,794,911 | - | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 61,738,378 | 102,795,475 | - | - |
| Mr. Sudhir Mungase | 26,000,000 | 47,500,000 | - | - |
| Mr. Amit Goela | 50,000,000 | - | | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 13,815,032 | 16,500,000 | - | - |
| Vimal Extrusion Pvt Ltd | 12,585,405 | 16,000,000 | - | - |

| | | | | |
|---|---|---|---|---|
| Lincwise Software Pvt Ltd | - | 202,000 | - | - |
| Sumeet Packers Pvt. Ltd. | 3,000,000 | - | - | - |
| | | | | |
| **Interest Received on Loan** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 6,406,300 | - | - |
| Autoline Design Software Limited. | 12,295 | - | - | - |
| | | | | |
| **Interest Paid on Loan** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 836,178 | - | - | - |
| Autoline Design Software Limited. | 298,310 | - | - | - |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 924,877 | 3,921,486 | - | - |
| Mr. Sudhir Mungase | 774,790 | 2,046,890 | - | - |
| Mr. Amit Goela | 692,466 | - | - | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 580,248 | 207,437 | - | - |
| Vimal Extrusion Pvt Ltd | 434,390 | 650,451 | - | - |
| Sumeet Packers Pvt. Ltd. | 190,190 | | | |
| | | | | |
| **Director Remuneration** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 6,000,000 | 6,000,000 | - | - |
| Mr. Sudhir Mungase | 2,400,000 | 2,400,000 | - | - |
| Mr. Umesh Chavan | 5,546,760 | 5,546,760 | - | - |
| | | | | |
| **Director Sitting Fees** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Prakash B Nimbalkar | 680,000 | 620,000 | 40,500 | - |

In addition to above related party transactions Promotors Director has mortgaged their non-agriculture land against facility from financial instittution. Further personal guarantee is provided by Promotor Director and Executive Directors & CEO of the Company for various facilities sanctioned.

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Claims against the Company not acknowledged as debt** | | |
| Income Tax | - | 218,779 |
| Sales Tax Dues | 173,457,811 | 183,710,576 |
| | | |
| **Bank Guarantees** | | |
| In Uttarakhand Environment Protection and Pollution Control Board | - | 500,000 |
| | | |
| **Letter of Credit** | | |
| Issued by Bank of Baroda | 49,310,671 | 30,395,655 |
| | | |
| **Corporate Guarantee** | | |
| In Favour of Tata Motors Limited | 50,000,000 | - |
| In Favour of Tata Motors Limited | 219,358,756 | 219,358,756 |

The claims subject to legal proceedings, have arisen in the ordinary course of business. The management does not reasonably expect that these claims and commitments, when ultimately concluded and determined, will have a material and adverse effect on the Companies results of operations or financial conditions.

## Note 41 : Commitments

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | | |

**Note 42 : Earning / (Loss) per share**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Basic** | | |
| Profit / (Loss) for the year as per statement of Profit and Loss | (40,251,369) | (513,287,388) |
| Weighted average number of equity shares | 21,352,547 | 18,033,083 |
| Earnings /(Loss) per share | (1.89) | (28.46) |
| | | |
| **Diluted** | | |
| Profit / (Loss) for the year as per statement of Profit and Loss | (40,251,369) | (513,287,388) |
| Less : Employee Stock Option amortised cost | - | - |
| | (40,251,369) | (513,287,388) |
| Weighted average number of equity shares | 21,356,028 | 18,042,464 |
| Earnings /(Loss) per share | (1.88) | (28.45) |
| | | |
| Nominal value of an equity share | 10 | 10 |

**Note 43 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Principal amount remaining unpaid to any supplier as at the end of the accounting year | 13,504,198 | 8,366,518 |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 2,895,053 | 1,278,955 |
| The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| The amount of interest due and payable for the year | 2,895,053 | 1,278,955 |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | 2,895,053 | 1,278,955 |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | 61,109 |
| Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | |

**Note 44 : Corporate social responsibility**

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

**Note 45 : Income Tax & Deferred Tax**

**A. Income Tax**

The Company does not have taxable income on current and previous year and hence no tax expenses have been recognised. Further since it is not probable that future taxable amounts will be available to utilize the deferred tax assets in respect of following unused tax losses and unabsorbed depreciation, no deferred tax assets have been recognised except for tax paid under Minimum Alternate Tax (MAT) under Income Tax Act 1961.

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Unused Tax losses for which no deferred tax asset has been recognised | | |
| Business Losses | 1,016,285,842 | 1,016,285,842 |
| Unabsorbed depreciation | 531,103,863 | 531,103,863 |
| Potential tax benefit | 264,424,319 | 314,032,325 |
| | | |

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

| Financial Year | Amount ` | Expiry Date |
|---|---|---|
| 2015-16 | 149,297,663 | March 31, 2024 |
| 2016-17 | 527,354,255 | March 31, 2025 |
| 2017-18 | 339,633,924 | March 31, 2026 |
| Total | **1,016,285,842** | |

c) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recongnised in the Balance Sheet

| Financial Year | Amount ₹ | Expiry Date |
|---|---|---|
| 2009-10 | 6,373,995 | 2024-25 |
| 2010-11 | 4,719,714 | 2025-26 |
| 2011-12 | 47,718,986 | 2026-27 |
| 2012-13 | 75,074,358 | 2027-28 |
| Total | **133,887,053** | |

**B. Deferred Tax**

Deferred Tax assets reflected in the Balance Sheet as follows:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Deferred Tax Asset | | |
| Expenses allowable as deduction in future years | 211,951,914 | 210,588,427 |
| | 211,951,914 | 210,588,427 |
| Deferred Tax Liability | | |
| Depreciation | 211,951,914 | 210,588,427 |
| | 211,951,914 | 210,588,427 |
| | | |
| Total Deferred Tax Liability (Net) | - | - |

**Note 46 : Employee Benefits**

**Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

**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 salary per month computed proportionately for 15 days salary mutiplied 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** |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **April 01,2017** | 35,382,234 | 17,643,761 | 17,738,473 |
| Current Service Cost | 5,494,210 | - | 5,494,210 |
| Past service cost | 575,644 | - | 575,644 |
| Mortality Charges & Taxes | - | (535,112) | 535,112 |
| Interest Expense/(income) | 2,406,127 | 1,199,112 | 1,207,015 |
| Total amount recognised in profit or loss | **8,475,981** | **664,000** | **7,811,981** |
| *Remeasurements* | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 5,755 | (5,755) |
| (Gain)/loss from change in financial assumptions | (1,515,290) | - | (1,515,290) |
| Experience (gains)/losses | 1,713,943 | - | 1,713,943 |
| Total amount recognised in other comprehensive income | **198,653** | **5,755** | **192,898** |
| Employer contributions | | 3,289,870 | (3,289,870) |
| Benefit Payments | (6,601,071) | (6,601,071) | - |
| **March 31,2018** | **37,455,797** | **15,002,315** | **22,453,482** |

| | Present value of obligation | Fair Value of plan assets | Net Amount |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **April 01,2018** | 37,455,797 | 15,002,315 | 22,453,482 |
| Current Service Cost | 5,300,199 | - | 5,300,199 |
| Past service cost | - | - | - |
| Mortality Charges & Taxes | - | (301,928) | 301,928 |
| Interest Expense/(income) | 2,670,566 | 938,175 | 1,732,391 |
| Total amount recognised in profit or loss | **7,970,765** | **636,247** | **7,334,518** |
| *Remeasurements* | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (361) | 361 |
| (Gain)/loss from change in demographic assumptions | (1,870) | - | (1,870) |
| (Gain)/loss from change in financial assumptions | - | - | - |
| Experience (gains)/losses | (1,588,781) | - | (1,588,781) |
| Total amount recognised in other comprehensive income | **(1,590,651)** | **(361)** | **(1,590,290)** |
| Employer contributions | | 486,691 | (486,691) |
| Benefit Payments | (6,435,540) | (6,435,540) | - |
| **March 31,2019** | **37,400,371** | **9,689,352** | **27,711,019** |

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

| | March 31,2019 | March 31,2018 |
|---|---|---|
| | ₹ | ₹ |
| Present Value of funded obligations | 37,400,371 | 37,455,797 |
| Fair value of plan assets | 9,689,352 | 15,002,315 |
| **Deficit of funded plan** | **27,711,019** | **22,453,482** |
| Unfunded Plans | - | - |
| Deficit of gratuity plan | 27,711,019 | 22,453,482 |

**Valuation in respect of Gratuity has been carried out by Independent actuary, as at the Balance Sheet date, based on the following assumptions:**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | Gratuity | Gratuity |
| Discount rate (Per Annum) | 7.80% | 7.80% |
| Expected rate of return on plan assets (Per Annum) | 7.80% | 7.50% |
| Rate of escalation in salary (Per Annum) | 8.00% | 8.00% |
| Mortality Table referred | IALM(2012-14) ult | IALM(2006-08) ult |
| Age Withdrawal Rate % | 2% | 2% |
| Expected average remaining working lives of employees (in years) | 17.07 | 17.10 |

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

The sensitivity of the Present Value of obligation to changes in the weighted principal assumptions is as follows:

**Change in assumptions and impact on Present Value of obligation as at March 31, 2019**

| Particulars | | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | Change in assumption (in %) | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (32,863,817) | 42,843,136 |
| Salary growth rate | 1% | 42,294,145 | (33,178,175) |
| Withdrawal rate | 1% | (37,322,148) | 37,489,933 |

**Comparative Figures**

**Change in assumptions and impact on Present Value of obligation as at March 31, 2018**

| Particulars | | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | Change in assumption (in %) | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (32,964,477) | 42,855,042 |
| Salary growth rate | 1% | 42,388,068 | (33,233,548) |
| Withdrawal rate | 1% | (37,373,255) | 37,550,215 |

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

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

**Category of Planned assets**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Funds Managed by insurer | 100.00% | 100.00% |

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

**Defined Benefit liability and employer contributions**

The expected contributions to post-employment benefit plans for the year ended March 31,2020 is Rs.2,77,11,019/-

**The following payments are expected contributions to defined benefit plan in future years**

The weighted average duration of the plan is 18.19 years

Expected Future Benefit Payments:

| Particulars | As at March 31, 2019 |
|---|---|
| | ₹ |
| Defined Benefit Oligation | |
| Less than a year | 1,046,000 |
| Between 1-2 years | 1,138,000 |
| Between 2-5 years | 6,377,000 |
| Over 5 years | 22,865,000 |
| Total | 31,426,000 |

**Risk Exposure**

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

**1. Interest rate risk:**

The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**2. Salary inflation risk:**

Higher than expected increases in salary will increase the defined benefit obligation.

**3. Demographic risk:**

For example,as the plan is open to new entrants, an increase in Membership will increase the defined benefit obligation. Also,the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

**Note 47 : Employee Stock Option Plan**

In the 12th Annual general meeting held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled "Autoline ESOS 2008" (ESOP A).

The ESOP allows the issue of options to Employees of the Company and it's Subsidiaary Companies (whether in India or abroad) and also to the Directors of the Company /Subsidiary Companies. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The options granted vest over a period of 5 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

The options are accounted for as "equity settled share based payment" transactions. Refer the table below as per requirment of Ind AS 102 - Share based payments

**a) Details of Employee Stock Option Scheme**

| | |
|---|---|
| No. of Options granted | 175,000 |
| Grant price | Rs. 25 |
| Grant Dates | November 12, 2010 |
| Total Options exercised | 136,085 |
| Total Options lapsed | 32,255 |
| Options outstanding at the end of the year | 6,660 |
| Vesting of Options | 3 equal installments. 33.33% of the options vested on April 1, 2012, April 1, 2013 and April 1, 2014 |
| Exercise period | 5 years from the date of vesting |

**b) Employee stock options details as on the Balance Sheet date are as follows:**

| Particulars | During the year ended March 31, 2019 | | During the year ended March 31, 2018 | |
|---|---|---|---|---|
| | Options (Numbers) | Weighted average exercise price per option (₹) | Options (Numbers) | Weighted average exercise price per option (₹) |
| Option outstanding at the beginning of the year: | | | | |
| - ESOP (Employee) | 14,153 | 25 | 14,153 | 25 |
| - ESOP (Director) | 1,666 | 25 | 1,666 | 25 |
| Granted during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Vested during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Exercised during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Lapsed during the year: | | | | |
| - ESOP (Employee) | 8,325 | 25 | Nil | 25 |
| - ESOP (Director) | 834 | 25 | Nil | 25 |
| Options outstanding at the end of the year: | | | | |
| - ESOP (Employee) | 5,828 | 25 | 14,153 | 25 |
| - ESOP (Director) | 832 | 25 | 1,666 | 25 |
| Total Options available for grant: | | | | |
| - ESOP | 707,255 | 25 | 698,096 | 25 |

**c) Fair Valuation of Options**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current Market Price | 52.37 | 61.10 |
| Exercise Price | 25 | 25 |
| Weighted Average Volatility Rate | 45% | 45% |
| Dividend Pay Outs | 0 | 0 |
| Risk free rate | 7% | 7% |
| Average remaining life (as at March 31, 2019) | Less than 1 month | 1-13 months |

**Note 48 : Assets Pledged as Security**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Current** | | |
| **Financial Assets** | | |
| Factored Receivables | 23,496,939 | 69,840,612 |
| Other Receivables | 391,119,777 | 355,523,571 |
| **Non Financial Assets** | | |
| Inventories | 609,859,936 | 623,856,268 |
| **Total Current assets pledged as security** | 1,024,476,652 | 1,049,220,452 |
| **Non-Current** | | |
| Plant and Machinery | 957,766,922 | 1,064,022,213 |
| Building | 617,206,364 | 632,427,494 |
| Land | 101,476,123 | 101,476,123 |
| Others Assets | 28,801,278 | 57,233,599 |
| **Total Non-current assets pledged as security** | 1,70,52,50,687 | 1,855,159,429 |
| **Total Assets pledged as security** | 2,719,989,839 | 2,904,379,881 |

**Note 49 : The list of standards issued but not yet effective**

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

**Ind AS 116- Leases**

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

**Amendment to Ind AS 12, 'Income taxes' (amendments relating to Income Tax consequences of dividend and uncertainty over Income tax treatments) :**

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

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

**Ind AS 109 – Prepayment Features with Negative Compensation**

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

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

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

**Ind AS 23 – Borrowing Costs**

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

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

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

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

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

**Note 50 : Previous year's figures**

The figures for previous year have been regrouped / rearranged as necessary to confirm to current year's presentation

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For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner

Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

# INDEPENDENT AUDITORS' REPORT

## To the Members of Autoline Industries Limited

## Report on the Audit of the Consolidated Ind AS Financial Statements

## Opinion

We have audited the consolidated Ind AS Financial Statements of Autoline Industries Limited (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2019, the Consolidated Statement of Profit & Loss, including Statement of Other Comprehensive Income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended and notes to the Consolidated Ind AS financial statements, including a summary of significant accounting policies and other explanatory information (Hereinafter referred to as "the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2019, and its consolidated loss including other comprehensive income, consolidated statement of changes in equity and its consolidated cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the consolidated Ind AS financial statements in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 audit opinion on the Consolidated Ind AS financial statements.

**Key Audit Matters**

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

**Description of Key Audit Matter**

| The key audit matter | How the matter was addressed in our audit |
|---|---|
| **Going Concern**<br>As of 31 March 2019, the Group's total liabilities did not exceed its total assets, however Group is continuously incurring losses , Note No. 3.4 to the financial statements explain how the directors of the Company have formed a judgment that the going concern basis is appropriate in preparing the financial statements.<br><br>The directors of the Holding company made their assessment of going concern by preparing a cash flow forecast in which some key assumptions were applied. These key assumptions included forecasts of sales volumes, average selling prices, raw material costs, sale of land available with subsidiary company and the availability of banking and other financing facilities as well as financial support from the promoters<br><br>We identified going concern as a key audit matter because a significant degree of management judgment is involved in making this assessment and in forecasting the future cash flows of the Group which are inherently uncertain and because the management judgment and inherent uncertainties could have significant impact on the basis of preparation of the financial statements and could be subject to management bias.<br><br>**Revenue Recognition**<br><br>The Holding Company's revenue is derived from the sale of sheet metal stampings, welded assemblies and modes for the automotive industry. The Holding Company recognizes revenue when the control is transferred to the customer.<br><br>The terms set out in the Holding Company's sales contracts relating to goods acceptance by customers are varied. Accordingly, the terms and conditions of sales contracts may affect the timing of recognition of sales to customers as each sales contract could have different terms relating to customer acceptance of the goods sold. We identified the recognition of revenue as a key audit matter because revenue is one of the key performance indicators of the Holding Company and is, therefore, subject to an inherent risk of misstatement to meet targets or expectations and because errors in the recognition of revenue could have a material impact on the Holding Company.<br><br>**Evaluation of uncertain tax positions**<br><br>The Group operates in multiple jurisdictions and is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business including indirect tax matters. These involve significant management judgment to determine the possible outcome of the uncertain tax positions, consequently having an impact on related accounting and disclosures in the standalone financial statements.<br><br>Refer Note 40 to the consolidated financial statements. | **Our audit procedures included:**<br>• Walking through the business planning process and assessing the design, implementation and operating effectiveness of management's key internal controls over the assessment of going concern, including the preparation of cash flow forecasts.<br>• Evaluating the key assumptions in the cash flow forecasts (including future revenue, gross profit, operating expenses and capital expenditure) with reference to historical production information, current performance, internal investment and production plans, and market and other external available information;<br>• Considering the accuracy and reliability of cash flow forecasts made by management in prior years by comparing them with the current year's results;<br>• Assessing the availability of banking and other financing facilities and arrangements by inspecting underlying documentation, which included banking facility agreements signed before and after the reporting period end, and assessing the impact of any covenants and other restrictive terms therein<br>• We also checked if any waivers were obtained from the financial institutions from which borrowings are<br>• made.<br><br>Based on our procedures we noted that the key assumptions used in the forecasts were within a reasonable range of our expectations.<br><br>**Our audit procedures to assess the recognition of revenue included the following:**<br>• evaluating the design, implementation and operating effectiveness of key internal controls over the existence, accuracy and timing of revenue<br>• recognition;<br>• performed substantive test of details over revenue recognized throughout the period by selecting a sample of transactions to ensure that the samples selected meet the revenue recognition criteria and are appropriately recorded;<br>• Tested sample transactions around the period end to ensure that they were recorded in the correct period; and tested journal entries posted to revenue accounts focusing on unusual or irregular items, if any.<br><br>**Our audit procedures include the following substantive procedures:**<br>• Obtained understanding of key uncertain tax positions; and<br>• We -<br>➢ Read and analyzed select key correspondences, external legal opinions / consultations by management for key uncertain tax positions;<br>➢ Discussed with appropriate senior management and evaluated management's underlying key assumptions in estimating the tax provisions; and<br>➢ Assessed management's estimate of the possible outcome of the disputed cases. |

**Other Information**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the Board's report, including annexure to Board's report, but does not include the Consolidated Ind AS Financial Statements and our auditor's report thereon.

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

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

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

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

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Consolidated Ind AS 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 Consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS 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 Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group 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 consolidated Ind AS 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors.

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.

**Other Matters**

We did not audit the financial statements of one foreign subsidiary Koderat Investments Limited (Cyprus) whose financial statements reflects total assets (net) of Rs. 1.85 Lakhs as at March 31, 2019, and loss of Rs. 4.15 Lakhs for the year ended on that date. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of the said subsidiary, and our report on other legal and regulatory requirements in terms of sub-sections (3) and (11) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to the financial statements certified by the

**Report on Other Legal and Regulatory Requirements**

As required by Section 143(3) of the Act, based on our audit and the other financial information of the subsidiary, as noted in the 'Other Matter' paragraph we report, to the extent applicable, that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of accounts as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit & Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this report are in agreement with the books of account

d) In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended Management.

e) On the basis of the written representations received from the directors of the Holding company and its Subsidiary companies incorporated in India as on 31st March, 2019 taken on record by the Board of Directors of the Holding company and its Subsidiary companies incorporated in India , none of the directors of Group companies incorporated in India is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy and the operating effectiveness of the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements of the Holding Company and its subsidiary companies, incorporated in India, refer to our separate Report in "Annexure 1" to this report;

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

I. The consolidated Ind AS financial statements disclose the impact of pending litigations on its consolidated financial position of the Group in its consolidated Ind AS financial statements Refer Note 40 to the consolidated Ind AS financial statements;

ii. The Group did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. Dividend pertaining to Financial Year 2011-12 was transferred to Investor Education and Protection Fund with a delay of 2 months and 22 days and to that extent the Holding Company has not complied with the provisions of Section 124 (6) of the Companies Act, 2013 read with the Rules made there under.

e) In our opinion and according to the information and explanations given to us, provisions of Section 197 of the Act are not applicable to the Holding Company and its Subsidiaries.

**FOR A. R. SULAKHE & CO.**
**CHARTERED ACCOUNTANTS**
**FRN: - 110540W**

**ANAND SULAKHE**
**PARTNER**
**M.NO. 33451**

**Place: Pune**
**Date : May 30, 2019**

**Annexure 1 referred to in paragraph 2 (f) under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date on the consolidated Ind AS financial statements**

In conjunction with our audit of the consolidated Ind AS financial statements of the AUTOLINE INDUSTRIES LIMITED as of and for the year ended 31st Mar 2019, we have audited the internal financial controls over financial reporting of AUTOLINE INDUSTRIES LIMITED ("the Holding Company") and its subsidiary companies which are incorporated in India, as of that date.

**Management's Responsibility for Internal Financial Controls**

The respective Board of directors of the Holding Company and its subsidiary companies which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company, considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting, issued by the "Institute of Chartered Accountants of India" (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to these consolidated Ind AS 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 system over financial reporting with reference to these consolidated Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements, 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 judgment, 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 obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting.

**Meaning of Internal Financial Controls over Financial Reporting with Reference to these Consolidated Ind AS Financial Statements**

A company's Internal financial control over financial reporting with reference to these consolidated Ind AS 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 control over financial reporting with reference to these consolidated Ind AS financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting with reference to these consolidated Ind AS 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 over financial reporting with reference to these consolidated Ind AS financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these consolidated Ind AS financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Holding Company and its subsidiary companies which are incorporated in India, have in all material respects, an adequate internal financial controls system over financial reporting with reference to these consolidated Ind AS financial statements and such internal financial controls over financial reporting with reference to these consolidated Ind AS financial statements were operating effectively as at March 31, 2019, however, company is required to strengthen its financial control for obtaining balance confirmations from trade receivables and payables based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India"(ICAI).

**FOR A. R. SULAKHE & CO**
**CHARTERED ACCOUNTANTS**
**FRN: - 110540W**

**ANAND SULAKHE**
**PARTNER**
**M. NO.33451**

**Date: May 30, 2019**
**Place: Pune**

# CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2019

| | PARTICULARS | Note No. | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|---|---|
| | | | ₹ | ₹ |
| | **ASSETS** | | | |
| 1 | **Non-current assets** | | | |
| | (a) Property, plant and equipment | 4 | 1,63,33,77,203 | 1,82,04,47,679 |
| | (b) Capital work in progress | 4 | 97,37,500 | 3,47,11,750 |
| | (c) Other Intangible assets | 4 | 81,06,414 | 2,37,71,108 |
| | (d) Goodwill on consolidation | | 41,33,79,847 | 36,22,66,824 |
| | (e) Financial Assets | | | |
| | (i) Investments | 5 | 10,00,000 | 10,00,000 |
| | (ii) Other financial assets | 6 | 1,26,97,143 | 1,18,25,253 |
| | (f) Income tax assets (net) | 7 | 11,21,52,780 | 9,95,39,906 |
| | (g) Deferred tax assets (MAT Credit) | 8 | 13,38,87,053 | 13,45,44,259 |
| | (h) Other Non-current assets | 9 | 11,04,44,360 | 12,15,83,819 |
| | **Total non-current assets** | | **2,43,47,82,300** | **2,60,96,90,597** |
| 2 | **Current assets** | | | |
| | (a) Inventories | 10 | 1,71,91,07,910 | 1,72,70,11,200 |
| | (b) Financial Assets | | | |
| | (i) Trade Receivables | 11 | 44,13,52,091 | 45,29,63,359 |
| | (ii) Cash and cash equivalents | 12 | 46,96,148 | 2,15,08,516 |
| | (iii) Bank balances other than (ii) above | 13 | 3,86,70,351 | 3,67,39,206 |
| | (iv) Loans and advances | 14 | 2,20,61,041 | 17,24,502 |
| | (v) Other Financial assets | 15 | 60,59,200 | 2,95,10,200 |
| | (c) Other current assets | 16 | 53,44,44,803 | 9,35,68,880 |
| | (d) Assets held for Sale | 16a | 6,21,35,984 | - |
| | **Total current assets** | | **2,82,85,27,528** | **2,36,30,25,863** |
| | | | | |
| | **Total Assets** | | **5,26,33,09,828** | **4,97,27,16,461** |
| | **EQUITY AND LIABILITIES** | | | |
| 1 | **Equity** | | | |
| | (a) Equity Share capital | 17 | 27,02,75,850 | 21,00,01,880 |
| | (b) Other Equity | 18 | 80,37,97,016 | 43,86,33,846 |
| | Share Application Money | | - | 1,50,00,000 |
| | (c) Non-controlling Interest | | 62,28,46,223 | 65,44,44,511 |
| | **Total Equity** | | **1,69,69,19,089** | **1,31,80,80,237** |
| | **Liabilities** | | | |
| 2 | **Non-current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 19 | 88,03,10,704 | 1,47,41,16,079 |
| | (ii) Other financial liabilities | 20 | - | 10,41,16,793 |
| | (b) Provisions | 21 | 93,77,142 | 81,34,508 |
| | (c) Deferred tax liabilities (net) | | - | - |
| | **Total non-current liabilities** | | **88,96,87,846** | **1,58,63,67,379** |
| 3 | **Current liabilities** | | | |
| | (a) Financial Liabilities | | | |
| | (i) Borrowings | 22 | 39,42,62,313 | 45,46,32,584 |
| | (ii) Trade payables | 23 | 52,95,38,917 | 52,84,12,250 |
| | (iii) Other financial liabilities | 24 | 1,34,50,01,883 | 94,50,82,906 |
| | (b) Other current liabilities | 25 | 37,96,61,155 | 11,72,62,077 |
| | (c) Provisions | 26 | 2,82,38,624 | 2,28,79,029 |
| | **Total current liabilities** | | 2,67,67,02,892 | 2,06,82,68,845 |
| | **Total Liabilities** | | 3,56,63,90,738 | 3,65,46,36,224 |
| | | | | |
| | **Total Equity & Liabilities** | | **5,26,33,09,828** | **4,97,27,16,461** |

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| | | |
|---|---|---|
| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| | |
|---|---|
| Gokul Naik | Ashish Gupta |
| Chief Financial Officer | Company Secretary |

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019

| | Particulars | Note No. | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|---|---|
| | | | ₹ | ₹ |
| 1 | Revenue from operations (including exicise duty) | 27 | 4,52,13,32,497 | 3,94,99,35,957 |
| 2 | Other income | 28 | 2,44,50,041 | 9,89,95,642 |
| 3 | **Total revenue (1+2)** | | **4,54,57,82,538** | **4,04,89,31,599** |
| 4 | **Expenses** | | | |
| | (a) Cost of materials consumed | 29.a | 3,16,19,56,247 | 2,71,19,69,838 |
| | (b) (Increase) / Decrease in inventories of finished goods and work-in-progress | 29.b | 3,59,45,903 | (5,66,97,979) |
| | (c) Employee benefits expenses | 30 | 35,20,74,999 | 35,83,43,837 |
| | (d) Finance costs | 31 | 37,52,31,867 | 36,86,02,585 |
| | (e) Depreciation and amortisation expense | 32 | 21,23,27,895 | 22,25,98,204 |
| | (f) Other expenses | 33 | 89,68,77,565 | 86,26,25,714 |
| | (g) Excise Duty on Sales | 27 | - | 10,40,43,637 |
| | **Total expenses** | | **5,03,44,14,476** | **4,57,14,85,836** |
| 5 | **Profit / (Loss) before exceptional items and tax (3 - 4)** | | (48,86,31,938) | (52,25,54,237) |
| 6 | Exceptional items | 34 | (43,98,05,120) | - |
| 7 | **Profit / (Loss) before tax (5 + 6)** | | (4,88,26,818) | (52,25,54,237) |
| 8 | **Tax expense:** | | | |
| | (a) Current tax expense for current year | | - | 1,02,705 |
| | (b) (Less): MAT credit | | - | (1,02,705) |
| | (c) Current tax expense relating to prior years | | - | - |
| | (d) Net current tax expense | | - | - |
| | (e) Deferred tax | | 6,57,206 | 12,25,995 |
| | | | **6,57,206** | **12,25,995** |
| 9 | **Profit / (Loss) for the year (7 - 8)** | | (4,94,84,024) | (52,37,80,232) |
| 10 | **Other Comprehensive Income (OCI)** | | | |
| | **Items that will not be reclassified to profit or loss** | | | |
| | Remeasurements of post-employment benefit obligations-(loss)/gains | | 16,34,155 | 47,198 |
| | Income Tax relating to this item | | - | - |
| | **Other Comprehensive Income for the year, net of tax** | | 16,34,155 | 47,198 |
| 11 | **Total Comprehensive Income / (Loss) for the period (9+10)** | | (4,78,49,869) | (52,37,33,034) |
| 12 | **Minority Interest** | | (33,57,765) | (50,93,300) |
| 13 | **Profit / (Loss) After Minority Interest** | | (4,44,92,104) | (51,86,39,734) |
| 14 | **Earnings/(Loss) per share (face value of ₹10/- each):** | | | |
| | (a) Basic | | (2.32) | (29.05) |
| | (b) Diluted | | (2.32) | (29.03) |

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2019

| PARTICULARS | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **A. Cash Flow from Operating Activities** | | |
| Profit / (Loss) before tax | (4,88,26,818) | (52,25,54,237) |
| Adjustment for : | | |
| Depreciation | 21,23,27,895 | 22,25,98,204 |
| Employee Stock Option | (21,47,327) | - |
| Amortisation of Miscellaneous Expenditure | - | 4,81,067 |
| Interest Paid & Finance Cost | 37,52,31,867 | 36,86,02,585 |
| Profit on Sale of Property, Plant & Equipment | (65,48,824) | (8,81,76,643) |
| Dividend Income | (95,000) | (60,000) |
| Interest Income on deposits | (1,07,34,999) | (73,22,867) |
| Effects of consolidation | (6,98,46,993) | (67,40,787) |
| Exceptional items | (43,98,05,120) | - |
| **Operating Profit before Working Capital Changes** | 95,54,681 | (3,31,72,677) |
| **Adjustment for changes in operating assets** | | |
| (Increase) / Decrease in Inventories | 79,03,290 | (10,06,36,422) |
| (Increase) / Decrease in Trade Receivable | 1,16,11,268 | 8,30,21,900 |
| (Increase) / Decrease in Loans and Advances Current | (2,03,36,539) | (9,65,002) |
| (Increase) / Decrease in Other Financial Assets Current | 2,34,51,000 | (2,63,29,774) |
| (Increase) / Decrease in Other Current Assets | 51,81,077 | 4,86,45,530 |
| (Increase) / Decrease in Other Non Current Assets | 1,11,39,460 | (2,30,64,889) |
| (Increase) / Decrease in Other Financial Assets Non-Current | (8,71,890) | (69,685) |
| **Adjustment for changes in operating liabilities** | | |
| Increase / (Decrease) in Trade Payables | 11,26,666 | (42,05,63,648) |
| Increase / (Decrease) in Other Financial Liabilities Current | 39,36,67,097 | 37,14,68,148 |
| Increase / (Decrease) in Other Current Liabilities | 26,23,99,078 | (12,30,65,209) |
| Increase / (Decrease) in Provision Current | 69,93,751 | 46,73,917 |
| Increase / (Decrease) in Other Financial Liabilities Non-Current | (10,41,16,793) | 7,00,44,293 |
| Increase / (Decrease) in Provision Non-Current | 12,42,634 | (1,13,430) |
| **Cash Generated from Operations** | 60,89,44,780 | (15,01,26,948) |
| Income tax paid (net of refunds if any) | (1,26,12,874) | (2,24,39,370) |
| **Net Cash from Operating Activities** | 59,63,31,906 | (17,25,66,318) |
| **B. Cash Flow from Investing Activities** | | |
| Acquisition of Property, plant and equipment | (7,82,18,021) | (1,01,23,449) |
| Proceeds from Sale of Property, plant and equipment | 1,30,38,136 | 10,39,60,515 |
| Acquisition of Capital work in progress (Net) | 2,49,74,250 | (3,47,11,750) |
| Acquisition of Other Intangible assets (Net) | 0 | (5,69,264) |
| Fixed Deposit with Banks having maturing over twelve months | (19,31,144) | 19,74,065 |
| Dividend Income | 95,000 | 60,000 |
| Interest Income on deposits | 1,07,34,999 | 73,22,867 |
| **Net Cash from Investing Activities** | (3,13,06,781) | 6,79,12,984 |
| **C. Cash Flow from Financing Activities** | | |
| Proceeds from Borrowings Current (Net) | (6,03,70,270) | 11,55,80,528 |
| Proceeds from Borrowings Non-Current (Net) | (59,38,05,374) | (9,59,50,094) |
| Interest Paid & Finance Cost | (37,52,31,867) | (36,86,02,585) |
| Share application money | (1,50,00,000) | 1,50,00,000 |
| Proceeds from Issue of Shares Warrants | 2,25,00,006 | - |
| Proceeds from Issue of Equity Shares | 6,02,73,970 | 4,96,91,340 |
| Premium on Issue of Equity Shares | 37,97,96,044 | 40,95,50,944 |
| **Net Cash from Financing Activities** | (58,18,37,492) | 12,52,70,133 |
| Net Increase / (Decrease) in Cash & Cash Equivalent | (1,68,12,368) | 2,06,16,799 |
| Cash and cash equivalents at the beginning of the year | 2,15,08,516 | 8,91,717 |
| Cash and cash equivalents at the end of the year | 46,96,148 | 2,15,08,516 |
| Net Increase / (Decrease) in Cash & Cash Equivalent | (1,68,12,368) | 2,06,16,799 |

In terms of our report attached
For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director & CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : Pune
Date : May 30, 2019

| Gokul Naik | Ashish Gupta |
|---|---|
| Chief Financial Officer | Company Secretary |

# STATEMENT OF CHANGES IN EQUITY

**A. Equity share capital**

| Particulars | Amount |
|---|---|
| | ₹ |
| Balance as at April 01, 2017 | 16,03,10,540 |
| Changes in equity share capital during the year | 4,96,91,340 |
| **Balance as at March 31, 2018** | **21,00,01,880** |
| | |
| | |
| Balance as at April 01, 2018 | 21,00,01,880 |
| Changes in equity share capital during the year | 6,02,73,970 |
| **Balance as at March 31, 2019** | **27,02,75,850** |

**B. Other Equity**

| Particulars | Reserves and Surplus | | | | | Money received against share warrants | Total |
|---|---|---|---|---|---|---|---|
| | Securities Premium Reserve | Revaluation Reserve | Employee Stock Options outstanding | General Reserve | Retained Earnings | | |
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| Balance as at April 01, 2017 | 1,61,19,38,769 | 90,59,437 | 37,09,000 | 12,02,27,654 | (1,16,53,13,277) | | 57,96,21,583 |
| Profit/(loss) for the year | | | | | (51,86,85,285) | | -51,86,85,285 |
| Other comprehensive income for the year | | | | | 47,198 | | 47,198 |
| Equity share premium received | 40,95,50,944 | | | | | | 40,95,50,944 |
| **Balance as at March 31, 2018** | **2,02,14,89,713** | **90,59,437** | **37,09,000** | **12,02,27,654** | **(1,68,39,51,364)** | **-** | **47,05,34,440** |
| Balance as at April 01, 2018 | 1,99,93,29,727 | 90,59,437 | 37,09,000 | 12,02,27,654 | (1,68,42,66,908) | - | 44,80,58,910 |
| Profit/(loss) for the year | | | | | (4,61,26,259) | | (4,61,26,259) |
| Other comprehensive income for the year | | | | | 16,34,155 | | 16,34,155 |
| Equity share premium received | 37,98,77,531 | | | | | | 37,98,77,531 |
| Deferred Employee Compensation | | | (21,47,327) | | | | (21,47,327) |
| Warrants issued during the year | | | | | | 37,24,99,966 | 37,24,99,966 |
| Warrants converted in equity shares during the year | | | | | | (34,99,99,960) | (34,99,99,960) |
| **Balance as at March 31, 2019** | **2,37,92,07,258** | **90,59,437** | **15,61,673** | **12,02,27,654** | **(1,72,87,59,012)** | **2,25,00,006** | **80,37,97,016** |

| | |
|---|---|
| Summary of significant accounting policies | Note 2 - 3 |
| See accompanying notes to financial statements | Note 4 - 52 |

The notes referred to above form integral part of financial statement

In terms of our report attached

For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

CA. Anand Sulakhe
Partner
Mem. No. 33451
Place : PUNE
Date : May 30, 2019

For and on behalf of the Board of Directors

| Prakash Nimbalkar | Shivaji Akhade | Umesh Chavan |
|---|---|---|
| Chairman | Managing Director | Executive Director and CEO |
| DIN:00109947 | DIN:00006755 | DIN:06908966 |
| | Gokul Naik | Ashish Gupta |
| | Chief Financial Officer | Company Secretary |

## Notes to Consolidated Financial Statements as at March 31, 2019.

**NOTES PARTICULARS**

**1 Company Overview**

**General Information:**

The Consolidated Financial Statements comprise Financial Statements of Autoline Industries Limited ('The Company') and its subsidiaries (collectively, the Group) for the year ended March 31, 2019. Autoline Industries Limited ('The Company') is a public company domiciled in India. The Company is engaged in the business of manufacturing sheet metal stampings, welded assemblies and modules for the automotive industry. The Company has seven plants in India and sells primarily in India. The Company is listed on the BSE Limited (BSE) and the National Stock Exchange of India Limited (NSE).The Company's Registered office is at – Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Tal: Khed Dist. Pune - 410 501, Maharashtra, India. The CIN of the Company is L34300PN1996PLC104510

The Board of Directors have authorized to issue these consolidated financial statements on May 30, 2019.

**2 Significant Accounting Policies**

**2.1 Basis of preparation:**

These consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under 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 consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments;
- Certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

**2.2 Basis of consolidation:**

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at March 31, 2019 and March 31, 2018 respectively. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the Group uses accounting

policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that Group member's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

**Consolidation procedure:**

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.

(c) Eliminate in full intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intra- group transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.
A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit and loss
- Reclassifies the parent's share of components previously recognised in OCI to the statement of profit and loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

**2.3 Revenue recognition:**

The Group has adopted Ind AS 115 Revenue from Contracts with Customers (which
Replaces earlier revenue recognition standard) using the cumulative effect method (without practical expedients), with the effect of initially applying this standard recognized at the date of initial application (i.e. 1 April 2018).

There is no impact of transition to Ind AS 115 on retained earnings as on 1 April 2018. Also, the Group has assessed the impact assessment post adoption of IND AS 115 and concluded that there is no material impact of the standard on the revenue recognition adopted by the Group for the year ended 31 March 2019.

**Sale of goods:**

Under Ind AS 115, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control – at a point in time or over time – requires judgment. Revenue from the sale of goods is recognized when the performance obligation is satisfied by transfer of the promised goods to customer for a consideration which company expects to be entitled for these goods.

Amounts disclosed as revenue as on 31 March 2018 are inclusive of excise duty and exclude Sales Tax/VAT till June 30, 2017. With the onset of Goods and Service Tax (GST) with effect from

July 1, 2017, the amount disclosed as revenue as on March 31, 2019 is net of GST collected on behalf of customers.

Under Ind AS 18, Revenue from the sale of goods is recognized when the goods are delivered and titles have passed, at which time all the following conditions are satisfied:
• The Company has transferred to the buyer the significant risks and rewards of ownership of the goods.
• The Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold
• The amount of revenue can be measured reliably
• It is probable that the economic benefits associated with the transactions will flow to the entity; and
• The cost incurred or to be incurred in respect of the transaction can be measured reliably.

**Sale of tools:**

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

**Sale of Services:**

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

**Other Income**

**Interest:**
Interest income is recognized using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses
Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

**Dividend income:** Dividend income is recognized when the Company's right to receive is established by the reporting date.

**2.4 Current and Non-current classification**

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification.

An asset is treated as current when it is:

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

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

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

The Group classifies all other liabilities as non-current.
Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.
The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Group has identified twelve months as its normal operating cycle.

**2.5 Foreign currency transactions and translation:**

Items included in the financial statements of the Group are measured using the currency of the primary economic environment in which the Group operates ('the functional currency'). The financial statements are presented in Indian rupees (INR), which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing as at the dates of the transactions.
Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the closing exchange rate prevailing as at the reporting date.
Non-monetary assets and liabilities denominated in a foreign currency are translated using the exchange rate prevalent, at the date of initial recognition (in case measured at historical cost) or at the date when the fair value is determined (in case measured at fair value).
Foreign exchange gain and loses resulting from the settlement of such transaction and from translation of monetary assets and liabilities denominated foreign currencies at year end exchange rates are generally recognized in profit and loss. Foreign exchange difference regarded as an adjustment to borrowing cost are presented in the statement of profit and loss, within finance costs.
All other foreign exchange gain and losses are presented in the statement of profit and loss on net basis within other income / other expenses.

**Group companies**
On consolidation, the assets and liabilities of foreign operations are translated into INR at the rate of exchange prevailing at the reporting date and their statements of profit and loss are translated at exchange rates prevailing at the dates of the transactions. For practical reasons, the Group uses an average rate to translate income and expense items, if the average rate approximates the exchange rates at the dates of the transactions.
The exchange differences arising on translation on consolidation are recognized in OCI. On disposal of foreign operation, the component of OCI relating to that particular foreign operation is recognized in the statement of profit or loss.

**2.6 Fair Value Measurement**

The Group measures financial instruments at fair value on initial recognition. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input

that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as properties and unquoted financial assets. Involvement of external valuers is decided upon annually by the management. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Group's external valuers, which valuation techniques and inputs to use for each case.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

This note summarises accounting policy for fair value.

**2.7 Property, plant and equipment:**

The Group had applied for the one time transition exemption of considering the carrying cost on the transition date i.e. 1st April, 2016 as the deemed cost under IND AS. Hence regarded thereafter as historical cost.

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.
Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**Depreciation methods, estimated useful lives and residual value:**
Depreciation is provided on a pro-rata basis on the straight line method over the estimated useful life of the assets as prescribed in Schedule II to the Companies Act, 2013

**Asset Useful Life**

Building – Factory……30 Years
Building - Office……60 Years
Plant and Machinery.....15 Years (Single Shift basis)
Tools & Dies.....15 Years (Single Shift basis)
Electrical Fittings……...10 Years
Vehicles.....8 Years
Computers……...3 Years
Software……...6 Years
Office Equipments.....5 Years
Furniture & Fittings.....10 Years

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.

**2.8 Intangible asset:**

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

**2.9 Non-current assets classified as held for sale/ distribution to owners and discontinued operations**

The Group classifies Non-current assets and disposal groups 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 held for sale/ for distribution are presented separately from the other assets in the balance sheet.

**2.10 Borrowings:**

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognized as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalized as a prepayment for liquidity services and amortized over the period of the facility to which it relates. Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss as other income / expenses.

**2.11 Borrowing costs:**

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.

**2.12 Inventories:**

Raw materials and stores, work in progress and 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 FIFO 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.
Tools and Dies under process have been valued on percentage completion based on estimated cost of production and development of respective tools and dies.

Scrap is valued at net realizable value.

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

**(ii) Other long-term employee benefit obligations**

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

**(iii) Post-employment obligations**

The Group operates the following post-employment schemes:
(a) Defined benefit plans such as gratuity; and
(b) Defined contribution plans such as provident fund.

**(a) Defined benefit plans such as gratuity**

**Gratuity obligations:**

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

past service cost.

**(b) Defined contribution plans such as provident fund.**
**Provident fund :**
Contribution towards provident fund for certain employees is made to the regulatory authorities, where the Group has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Group does not carry any further obligations, apart from the contributions made on a monthly basis.

**(iv)Employee Stock Option:**
All employee services received in exchange for the grant of any share based remuneration are measured at their fair values. These are indirectly determined by reference to the fair value of the share options awarded. Their value is appraised at the grant date and excludes the impact of any non-market vesting conditions (for example, profitability and sales growth targets).

All share-based remuneration is ultimately recognised as an expense in the Statement of Profit and Loss, with a corresponding credit to Employee Stock Compensation Reserve. If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of share options expected to vest. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. Estimates are subsequently revised, if there is any indication that the number of share options expected to vest differs from previous estimates. Once vested, no adjustment is made to expense recognised in prior periods if, ultimately, fewer share options are exercised than originally estimated. Upon exercise of share options, the proceeds received (net of any directly attributable transaction costs) up to the nominal value of the shares issued are allocated to share capital with any excess being recorded as securities premium.

**(v)Bonus:**
The Group recognizes a liability and an expense for bonus. Also, it recognizes a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

**2.14 Financial instruments:**
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**Financial Assets**
**Initial recognition and measurement**

At initial recognition, a financial asset is measured 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 Group's business models for managing the assets and the cash flow characteristics of the assets. All the debt instruments held by the company are classified in "Amortized Cost" measurement category.

**Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified as follows:-

- Equity instruments at fair value through profit or loss (FVTPL)
- Equity instruments measured at fair value through other comprehensive income (FVTOCI)

**Equity investments**

All equity investments in scope of Ind AS 109 are measured at fair value. For all equity instruments not held for trading, the Group may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Group makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.
If the Group decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to statement of profit and loss, even on sale of investment. However, the Group

may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

**Derecognition of financial assets:**
A financial asset is derecognized only when
- The right to receive cash flows from the financial asset have expired 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 Group has transferred an asset, it evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognized. Where the Group has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.
Where the Group has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognized if the Group has not retained control of the financial asset. Where the Group retains control of the financial asset, the asset is continued to be recognized to the extent of continuing involvement in the financial asset.

**(iii) Impairment of financial assets:**
The Group assesses on a forward looking basis the expected credit losses associated with its assets carried at amortized cost and debt instruments. The impairment methodology applied depends on whether there has been a significant increase in credit risk.
Note No. 36 details how the Group determines whether there has been a significant increase in credit risk. For trade receivables only, the Group applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognized from initial recognition of the receivables.

**Financial liabilities Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts and derivative financial instruments.

**Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss include financial liabilities designated upon initial recognition as at fair value through profit or loss. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

**Derecognition**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**2.15 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 counter party.

**2.16 Impairment:**

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

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

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

**2.17 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.

**2.18 Trade receivables:**

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

**2.19 Trade and other payables:**

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

**2.20 Share capital:**

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

**2.21 Earnings per share:**

**(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

• the profit attributable to owners of the company

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

**(ii) Diluted earnings per share**

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

• 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.

**2.22 Income tax**:

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

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

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Current and deferred tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively.

**2.23 Leases:**

Leases of property, plant and equipment where the Group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liabilities as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

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

**2.24 Provisions:**

Provisions are recognized when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses. Provisions for restructuring are recognized by the Group when it has developed a detailed formal plan for restructuring and has raised a valid expectation in those affected that the company will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

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

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

A disclosure for a contingent liability is made where there is a possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from the past events where it is either not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made.

**2.25 Segment reporting:**

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

**2.26 Government Grants:**

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant or subsidy relates to revenue, it is recognized as income on a systematic basis in the statement of profit and loss over the periods necessary to match them with the related costs, which they are intended to compensate. Where the grant relates to an asset, it
is recognized as deferred income and is allocated to statement of profit and loss over the periods and in the proportions in which depreciation on those assets is charged.

When loans or similar assistance are provided by governments or related institutions, with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as a government grant. The loan or assistance is initially recognised and measured at fair value and the government grant is measured as the difference between the initial carrying value of the loan and the proceeds received. The loan is subsequently measured as per the accounting policy applicable to financial liabilities.

**2.27 Derivatives:**

The Group enters into certain derivative contracts to hedge risks which are not designated as Hedges. Such contracts are accounted for at fair value through profit or loss and are included in other income / expenses.

**2.28 Rounding of amounts:**

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

**3 Significant accounting judgments, estimates and assumptions:**

The preparation of 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 Group 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.

**Significant Judgments:**

**3.1 Contingent liabilities:**
The Group has received various orders and notices from tax and other judicial authorities in respect of direct taxes and indirect taxes. The outcome of these matters may have a material effect on the financial position, results of operations or cash flows. The filing of a suit or formal assertion of a claim against the Group or the disclosure of any such suit or assertions, does not automatically indicate that a provision of a loss may be appropriate. Management regularly analyzes current information about these matters and makes provisions for probable losses including the estimate of legal expense to resolve the matters. In their assessments management considers the degree of probability of an unfavorable outcome and the ability to make a sufficiently reliable estimate of the amount of loss.

**3.2 Classification of Leasehold Land:**
The Company has entered into lease agreement for land at three of its facilities. The lease period is of around 85-95 years in respect of these premises and the agreements have renewal options. These lands are situated in industrial estates, where the land is generally transferred through lease contracts and the upfront lease payment amounts are significantly equal to the fair value of land. Accordingly, significant risk and rewards associated with the land are considered to be transferred to the lessee.
Based on these considerations and overall evaluation of the agreements with the lessor, the management believes that these lease contracts meet the conditions of finance lease.

**3.3 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.

**3.4 Going Concern assumptions:**

The Group has incurred significant losses (before exceptional item) of Rs. 4886.32 lakhs for the financial year ended 31 March 2019 and the Company's current liabilities exceeds its current assets by Rs. 1518.25 lakhs as at 31 March 2019.

The Company's management has carried out an assessment of the Group's financial performance and expects the Group to achieve significant improvements in its financial performance with effect from financial year ending 31 March 2020 to enable it to continue its operations and to meet its liabilities as and when they fall due.

Various initiatives undertaken by the Company in relation to cost synergies, revenue management opportunities, enhanced ancillary revenues, sale of land available with subsidiary company, rescheduling of loans will result in improvement in operating cash inflow in coming years. Further, our continued thrust to improve operational efficiency and initiatives to raise funds are expected to result in sustainable cash flows

On the basis of the above assessment and considering the financial and other support from promoter directors, the Directors of the Company are of the opinion that the preparation of the

financial statements of the Group on a going concern basis is appropriate which contemplates realisation of assets and settlement of liabilities in the normal course of business.

**3.5 Segment Reporting:**

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 sheet metal auto components and assemblies thereof. Based on the 'management approach' as defined in Ind As 108, the 'Chief operating Decision Maker' (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. The principal geographical areas in which the Company operates are India.

**Significant estimates and assumptions:**

**3.6 Impairment of Property, plant and equipment: Key assumptions used:**

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

**3.7 Claims payables & receivable to customers:**

Price increase or decrease due to change in major raw material cost, pending acknowledgement from major customers, is accrued on estimated basis. Also the Group has made accruals in respect of unsettled prices for some of its other material purchase contracts and bought out components. 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.

**3.8 Defined benefit plan:**

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

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

**3.9 Fair value measurement of unquoted financial instruments:**

When 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 values is measured using valuation techniques including DCF method. The inputs to these models are taken from observable markets where possible, but where not feasible, a degree of judgment is required in establishing fair values. Judgments include consideration of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported value of financial instruments. Refer note no. 35 for further disclosure

**3.10 Impairment of financial assets:**

The impairment provisions for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on the Group’s past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Carrying amounts of:** | | |
| **Property, plant and equipment** | | |
| Freehold Land | 3,09,03,457 | 5,40,01,808 |
| Leasehold Land | 4,74,74,315 | 4,74,74,315 |
| Factory Building | 57,67,93,079 | 63,10,26,013 |
| Office Building | 13,75,652 | 14,01,481 |
| Plant and Machinery | 67,55,96,902 | 74,23,36,302 |
| Tools and Dies | 28,21,70,020 | 32,16,85,911 |
| Computer & IT Assets | 12,15,619 | 16,73,585 |
| Electrical Fittings | 1,26,80,479 | 1,51,18,671 |
| Furniture and fixture | 16,28,108 | 20,56,936 |
| Vehicle | 23,63,822 | 29,70,990 |
| Office Equipment | 11,75,750 | 7,01,667 |
| Total | **1,63,33,77,203** | **1,82,04,47,679** |
| **Capital work-in-progress** | 97,37,500 | 3,47,11,750 |
| | | |
| Total | **97,37,500** | **3,47,11,750** |
| **Other Intangible Assets** | | |
| R & D Process Development | 43,23,118 | 1,72,63,504 |
| Computer Software | 37,83,296 | 65,07,604 |
| Other Intangible assets | - | - |
| Trade Mark | - | - |
| Total | **81,06,414** | **2,37,71,108** |

**Asset held for Sales**

| | | |
|---|---|---|
| Land | 2,30,98,351 | - |
| Building | 3,90,37,633 | - |
| Total | **6,21,35,984** | **-** |

**Note 4 : Property, plant and equipment**

| | Freehold Land | Leasehold Land | Factory Building | Office Building | Plant and Machinery | Tools and Dies | Computer & IT Assets | Electrical Fittings | Furniture and fixture | Vehicle | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | | | | | | | | |
| Cost as at April 01, 2018 | 5,40,01,808 | 4,77,44,067 | 91,53,12,606 | 15,49,000 | 1,63,58,36,252 | 75,99,95,760 | 2,77,56,172 | 11,38,95,769 | 2,36,29,761 | 2,18,12,902 | 1,38,53,739 | 3,61,53,87,836 |
| Additions | - | - | 1,33,34,214 | - | 6,20,65,174 | - | 3,29,666 | 16,88,807 | - | - | 8,00,158 | 7,82,18,019 |
| Disposal | - | - | - | - | 1,95,00,000 | - | - | - | - | 7,25,000 | - | 2,02,25,000 |
| Cost as at March 31, 2019 | 5,40,01,808 | 4,77,44,067 | 92,86,46,820 | 15,49,000 | 1,67,84,01,426 | 75,99,95,760 | 2,80,85,838 | 11,55,84,576 | 2,36,29,761 | 2,10,87,902 | 1,46,53,897 | 3,67,33,80,855 |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| As at April 01, 2018 | - | 2,69,752 | 28,42,86,593 | 1,47,519 | 89,34,99,948 | 43,83,09,849 | 2,60,82,587 | 9,87,77,098 | 2,15,72,825 | 1,88,41,912 | 1,31,52,072 | 1,79,49,40,155 |
| Depreciation for the year | - | - | 2,85,29,515 | 25,829 | 12,23,15,264 | 3,95,15,891 | 7,87,632 | 41,26,999 | 4,28,828 | 6,07,168 | 3,26,075 | 19,66,63,201 |
| Disposal | - | - | - | - | 1,30,10,688 | - | - | - | - | 7,25,000 | - | 1,37,35,688 |
| As at March 31, 2019 | - | 2,69,752 | 31,28,16,108 | 1,73,348 | 1,00,28,04,524 | 47,78,25,740 | 2,68,70,219 | 10,29,04,097 | 2,20,01,653 | 1,87,24,080 | 1,34,78,147 | 1,97,78,67,668 |
| **Net Carrying amount** | | | | | | | | | | | | |
| **As at March 31, 2019** | 5,40,01,808 | 4,74,74,315 | 61,58,30,712 | 13,75,652 | 67,55,96,902 | 28,21,70,020 | 12,15,619 | 1,26,80,479 | 16,28,108 | 23,63,822 | 11,75,750 | 1,69,55,13,187 |

**Note 4 : Property, plant and equipment**

| | Freehold Land | Leasehold Land | Factory Building | Office Building | Plant and Machinery | Tools and Dies | Computer & IT Assets | Electrical Fittings | Furniture and fixture | Vehicle | Office Equipment | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | | | | | | | | |
| Cost as at April 01, 2017 | 5,40,01,808 | 5,79,40,728 | 92,86,87,871 | 15,49,000 | 1,62,96,27,753 | 75,99,95,760 | 2,61,81,684 | 11,43,31,416 | 2,50,32,176 | 2,59,70,480 | 1,37,09,984 | 3,63,70,28,660 |
| Additions | - | - | 8,93,978 | - | 66,58,497 | - | 15,74,488 | 2,80,000 | 5,72,734 | - | 1,43,755 | 1,01,23,452 |
| Disposal | - | 1,01,96,661 | 1,42,69,243 | - | 4,50,000 | - | - | 7,15,647 | 19,75,149 | 41,57,578 | - | 3,17,64,278 |
| Cost as at March 31, 2018 | 5,40,01,808 | 4,77,44,067 | 91,53,12,606 | 15,49,000 | 1,63,58,36,250 | 75,99,95,760 | 2,77,56,172 | 11,38,95,769 | 2,36,29,761 | 2,18,12,902 | 1,38,53,739 | 3,61,53,87,834 |
| **Accumulated Depreciation** | | | | | | | | | | | | |
| As at April 01, 2017 | - | 15,30,513 | 26,12,07,448 | 1,21,690 | 77,12,39,298 | 39,87,94,331 | 2,55,84,342 | 9,42,58,476 | 2,29,84,483 | 2,23,92,323 | 1,27,38,030 | 1,61,08,50,934 |
| Depreciation for the year | - | - | 3,05,00,416 | 25,829 | 12,27,10,650 | 3,95,15,518 | 4,98,245 | 52,34,269 | 5,63,491 | 6,07,167 | 4,14,042 | 20,00,69,627 |
| Disposal | - | 12,60,761 | 74,21,271 | - | 4,50,000 | - | - | 7,15,647 | 19,75,149 | 41,57,578 | - | 1,59,80,406 |
| As at March 31, 2018 | - | 2,69,752 | 28,42,86,593 | 1,47,519 | 89,34,99,948 | 43,83,09,849 | 2,60,82,587 | 9,87,77,098 | 2,15,72,825 | 1,88,41,912 | 1,31,52,072 | 1,79,49,40,155 |
| **Net Carrying amount** | | | | | | | | | | | | |
| **As at March 31, 2018** | 5,40,01,808 | 4,74,74,315 | 63,10,26,013 | 14,01,481 | 74,23,36,302 | 32,16,85,911 | 16,73,585 | 1,51,18,671 | 20,56,936 | 29,70,990 | 7,01,667 | 1,82,04,47,679 |

Capital work-in-progress as at March 31, 2019 amounts to Rs.97,37,500/-, comprising ERP system and as at March 31, 2018 amounts to Rs.3,47,11,750/-, comprising addition towards plant and machinery and ERP system.

Note 1:- For Property, plant and equipment pledges as securities refer note 48

Note 2:- For contractual commitments towards acquisition of property plant and equipment's refer note 50

Note 3:- There are no future minimum lease payments in respect of these leasehold land. The lease terms generally expires within period of 85-95 years and as per the lease agreement, the lease term for the leasehold facility can be renewed for a further period of years subject to other terms and conditions and for other leasehold facility the renewal will be mutually.

**Note 4 : Intangible Assets**

| | R & D Process Development | Other Intangible assets | Trade Mark | Computer Software | Total |
|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | |
| Cost as at April 01, 2018 | 19,41,34,394 | 3,99,00,000 | 20,500 | 8,25,28,946 | 31,65,83,840 |
| Additions | - | - | - | - | - |
| Disposal/Transfer | - | - | - | - | - |
| Cost as at March 31, 2019 | 19,41,34,394 | 3,99,00,000 | 20,500 | 8,25,28,946 | 31,65,83,840 |
| **Accumulated Depreciation** | | | | | |
| As at April 01, 2018 | 17,68,70,890 | 3,99,00,000 | 20,500 | 7,60,21,342 | 29,28,12,732 |
| Depreciation for the year | 1,29,40,386 | - | - | 27,24,308 | 1,56,64,694 |
| Disposal/Transfer | - | - | - | - | - |
| As at March 31, 2019 | 18,98,11,276 | 3,99,00,000 | 20,500 | 7,87,45,650 | 30,84,77,426 |
| **Net Carrying amount** | | | | | |
| **As at March 31, 2019** | 43,23,118 | - | - | 37,83,296 | 81,06,414 |

| | R & D Process Development | Other Intangible assets | Trade Mark | Computer Software | Total |
|---|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ | ₹ |
| **Gross Carrying amount** | | | | | |
| Cost as at April 01, 2017 | 19,41,34,394 | 3,99,00,000 | 20,500 | 8,19,59,682 | 31,60,14,576 |
| Additions | - | - | - | 5,69,264 | 5,69,264 |
| Disposal/Transfer | - | - | - | - | - |
| Cost as at March 31, 2018 | 19,41,34,394 | 3,99,00,000 | 20,500 | 8,25,28,946 | 31,65,83,840 |
| **Accumulated Depreciation** | | | | | |
| As at April 01, 2017 | 15,74,62,456 | 3,99,00,000 | 20,500 | 7,29,01,199 | 27,02,84,155 |
| Depreciation for the year | 1,94,08,434 | - | - | 31,20,143 | 2,25,28,577 |
| Disposal/Transfer | - | - | - | - | - |
| As at March 31, 2018 | 17,68,70,890 | 3,99,00,000 | 20,500 | 7,60,21,342 | 29,28,12,732 |
| **Net Carrying amount** | | | | | |
| **As at March 31, 2018** | 1,72,63,504 | - | - | 65,07,604 | 2,37,71,108 |

**Note 5 Investment others (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Investment in equity Shares:** | | |
| **Investment at Fair Value through Profit & Loss** | | |
| **Unquoted Equity Shares** | | |
| Rupee Co-operative Bank Ltd. | 5,00,000 | 5,00,000 |
| 20,000 equity shares of face value Rs.10 | | |
| Less : Provision for Diminution in Value of Investments | (5,00,000) | (5,00,000) |
| | - | - |
| NKGSB Co-operative Bank Ltd. | 5,00,000 | 5,00,000 |
| 50,000 equity shares of face value Rs.10 | | |
| Vidya Sahakari Bank Ltd. | 5,00,000 | 5,00,000 |
| 5,000 equity shares of face value Rs.100 | | |
| | | |
| **Total** | **10,00,000** | **10,00,000** |
| Aggregate amount of quoted investment | - | |
| Aggregate amount of Unquoted investment | 10,00,000 | 10,00,000 |
| Aggregate amount of impairment in the Value of investment | 5,00,000 | 5,00,000 |

**Note 6 Other financial assets non-current**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Security deposits | 1,26,97,143 | 1,18,25,253 |
| | | |
| **Total** | **1,26,97,143** | **1,18,25,253** |

**Note 7 Income tax assets (net)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Advance income tax (net of provisions) - Unsecured, considered good | 9,95,39,906 | 7,71,00,536 |
| Less: Current Tax Payable for the year | - | - |
| Less: Refunds Received | 1,43,96,792 | 42,07,161 |
| Add: Taxes paid during the year | 2,70,09,666 | 2,66,46,532 |
| | | |
| **Total** | **11,21,52,780** | **9,95,39,906** |

**Note 8 Deferred tax assets (MAT Credit)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Deferred tax assets (MAT Credit) | 13,38,87,053 | 13,38,87,053 |
| Deferred tax assets | - | 6,57,206 |
| **Total** | **13,38,87,053** | **13,45,44,259** |

**Note 9 Other non-current assets**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with Govt. Authorities | - | 3,62,59,707 |
| Industrial Promotion Subsidy Receivable (Refer Sub note 9.1) | 8,48,96,861 | 8,48,96,861 |
| Deferred Revenue Expenditure | 4,27,251 | 4,27,251 |
| Others non-current assts | - | - |
| **Total** | **8,53,24,112** | **12,15,83,819** |

**Note 9.1**

Industrial Promotion Subsidy is receivable from Government of Maharashtra under Package Scheme of Incentives for the years from FY 2009-10 to FY 2016-17. These are receivable after completion of assessment under Maharashtra Value Added Tax Act, 2002.

**Note 10 Inventories**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Raw materials ( includes lying with third parties) | 29,44,13,935 | 26,31,04,859 |
| Work-in-progress ( includes tools & dies) | 25,37,72,778 | 28,29,28,787 |
| Finished goods ( includes goods in transit ) (of Rs.61,97,492 ; March 31, 2018 Rs.92,77,243) | 5,30,84,456 | 5,98,74,350 |
| Stores and spares and packing | 31,77,467 | 28,96,359 |
| Scrap | 54,11,300 | 1,50,51,913 |
| Land and Development Cost (WIP) | 1,10,92,47,973 | 1,10,31,54,931 |
| **Total** | **1,71,91,07,910** | **1,72,70,11,200** |

**Note 11 Trade Receivables Current**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Unsecured | | |
| Considered good | 44,13,52,091 | 45,29,63,359 |
| Doubtful | 16,29,471 | 3,02,95,871 |
| **sub-total** | **44,29,81,562** | **48,32,59,230** |
| Less: Allowances for Doubtful Debt (Expected Credit Loss) | 16,29,471 | 3,02,95,871 |
| **Total** | **44,13,52,091** | **45,29,63,359** |
| | | |
| **Includes of the above trade receivables of related parties** | **Nil** | **Nil** |

The balance due from some of trade receivables are subject to reconciliation. Necessary adjustments, if any, may be made when the accounts are settled.

The Company's exposure to credit and loss allowances related to trade receivables are disclosed in note 36

**Transferred Receivables**

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

**The relevant carrying amounts are as follows:**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Total Transferred receivables | 2,34,96,939 | 6,98,40,612 |
| Associated Secured Borrowing (Refer Note 22) | 2,34,96,939 | 6,98,40,612 |

**Note 12 Cash and cash equivalents**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Cash on Hand | 2,10,501 | 1,87,078 |
| Balances with banks | | |
| In current accounts | 44,85,647 | 2,13,21,438 |
| | | |
| **Total** | **46,96,148** | **2,15,08,516** |

**Note 13 Bank balances other than cash and cash equivalents**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with banks | | |
| Margin Money Deposits ( restricted ) | 3,84,71,092 | 3,63,80,908 |
| Unpaid dividend accounts ( restricted ) | 1,99,259 | 3,58,298 |
| **Total** | **3,86,70,351** | **3,67,39,206** |

**Note 14 Loans and advances (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Advances to Employees | 4,05,954 | 17,24,502 |
| Loans to Others | 2,16,55,087 | - |
| **Total** | **2,20,61,041** | **17,24,502** |

**Note 15 Other financial assets (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Security deposits | 30,29,200 | 37,20,200 |
| Advances Recoverables | 30,30,000 | 7,90,000 |
| Loans to Others | - | 2,50,00,000 |
| **Total** | **60,59,200** | **2,95,10,200** |

**Note 16 Other Current Assets**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balances with government authorities | 15,22,066 | 8,81,819 |
| Advances for Expenses | 4,25,888 | 4,01,457 |
| Prepayments | 41,85,733 | 33,84,398 |
| Advances to suppliers* | 3,92,89,149 | 4,66,97,518 |
| Advance For Land | 4,29,64,967 | 4,22,03,687 |
| Industrial Promotion Subsidy Receivable | 44,60,57,000 | - |
| **Total** | **53,44,44,803** | **9,35,68,879** |

* The balances of advance given to some of suppliers are subject to reconciliation. Necessary adjustments, if any, will be made when the accounts are settled.

**Note 16a : Assets Held for Sale**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Assets Held for Sale | | |
| Land | 2,30,98,351 | - |
| Factory Building | 3,90,37,633 | - |
| | **6,21,35,984** | **-** |

The Company has entered into Memorandum of Understanding with the prospective buyer for transfer of land and factory building situated at Survey No. 613 Mahalunge, Chakan, Pune-410501. Value of said property appearing in the books as at 31/03/2019 is Rs.621.35 Lakhs. The carrying value of said assets has been presented as "Assets classified as held for sale" in current assets and advance consideration received from prospective buyers is presented under "Other current liabilities". The transaction is expected to be completed in financial year 2019-20.

**Note 17 Share Capital**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Authorised** | | |
| 29,500,000 Equity shares of ₹10 each with voting rights | 35,00,00,000 | 29,50,00,000 |
| | | |
| **Issued, Subscribed and fully paid up** | | |
| (as at March 31, 2019: 27,027,585 Equity shares of ₹10 each) | 27,02,75,850 | 21,00,01,880 |
| (as at March 31, 2018: 21,000,188 Equity shares of ₹10 each) | | |
| | | |
| **Total** | **27,02,75,850** | **21,00,01,880** |

**a. Movement in authorised share capital**

| | Equity Share Capital | |
|---|---|---|
| | Number of shares | Amount ₹ |
| **As at April 01, 2017** | 2,95,00,000 | 29,50,00,000 |
| Increase / (decrease) during the year | - | - |
| **As at April 01, 2018** | 2,95,00,000 | 29,50,00,000 |
| Increase / (decrease) during the year | 55,00,000 | 5,50,00,000 |
| **As at April 01, 2019** | 3,50,00,000 | 35,00,00,000 |

**b. Movement in Issued, Subscribed and fully paid up share capital**

| | Equity Share Capital | |
|---|---|---|
| | Number of shares | Amount ₹ |
| **As at April 01, 2017** | 1,60,31,054 | 16,03,10,540 |
| Increase / (decrease) during the year | 49,69,134 | 4,96,91,340 |
| **As at April 01, 2018** | 2,10,00,188 | 21,00,01,880 |
| Increase / (decrease) during the year | 60,27,397 | 6,02,73,970 |
| **As at April 01, 2019** | 2,70,27,585 | 27,02,75,850 |

**c. Shares held by holding/ ultimate holding company and /or their subsidiaries/ associates**

The Company being ultimate holding company, there are no shares held by any other holding, ultimate holding company and their subsidiaries/associates.

**d. Aggregate number of bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date**

There are no bonus shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date.

**e. Details of shares held by shareholders holding more than 5% of equity share of the company**

| Name of the Shareholder | As at March 31, 2019 | |
|---|---|---|
| | Number of shares held | % holding |
| IndiaNivesh Renaissance Fund | 47,94,520 | 17.74 |
| Mr.Shivaji Tukaram Akhade | 30,64,022 | 11.34 |
| Mr.Sudhir Vitthal Mungase | 25,37,472 | 9.39 |
| Sharjah Cement and Industrial Development Company Ltd | 22,65,432 | 8.38 |
| | **1,26,61,446** | **46.85** |

| Name of the Shareholder | As at March 31, 2018 | |
|---|---|---|
| | Number of shares held | % holding |
| IndiaNivesh Renaissance Fund | - | - |
| Mr. Shivaji Tukaram Akhade | 26,53,063 | 12.63 |
| Mr.Sudhir Vitthal Mungase | 21,26,513 | 10.13 |
| Sharjah Cement and Industrial Development Company Ltd | 22,65,432 | 10.79 |
| | **70,45,008** | **33.55** |

**Note 18 Other Equity**

**A. Reserves and Surplus**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Securities Premium Reserve | 2,37,92,07,258 | 1,98,95,89,118 |
| Revaluation Reserve | 90,59,437 | 90,59,437 |
| Employee Stock Options outstanding | 15,61,673 | 37,09,000 |
| General Reserve | 12,02,27,654 | 12,02,27,654 |
| Retained Earnings | (1,72,87,59,012) | (1,68,39,51,364) |
| **Total Reserves and Surplus** | **78,12,97,010** | **43,86,33,846** |

| | | |
|---|---|---|
| **B. Money received against share warrants** | 2,25,00,006 | - |

| | | |
|---|---|---|
| **Total Other Equity** | **80,37,97,016** | **43,86,33,846** |

**Reserves and Surplus**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Securities Premium Reserve | | |
| Balance at the beginning of the year | 1,99,94,11,215 | 1,61,19,38,769 |
| Add: premium received | 37,97,96,044 | 37,76,50,350 |
| Balance at the end of the year | 2,37,92,07,258 | 1,98,95,89,118 |
| | | |
| Revaluation Reserve | | |
| Balance as at the beginning and end of the year | 90,59,437 | 90,59,437 |

| | | |
|---|---|---|
| Employee Stock Options outstanding | | |
| Balance at the beginning of the year | 37,09,000 | 37,09,000 |
| Less: Deferred Employee Compensation | 21,47,327 | - |
| Balance at the end of the year | 15,61,673 | 37,09,000 |
| | | |
| General Reserve | | |
| Balance as at the beginning and end of the year | 12,02,27,654 | 12,02,27,654 |
| | | |
| Retained Earnings | | |
| Balance as at the beginning of the year | (1,68,42,66,908) | (1,16,53,11,631) |
| | | |
| Add: Profit / (Loss ) for the year | (4,61,26,259) | (51,86,86,931) |
| Add: Items of other comprehensive income recognised directly in retained earnings ( Remeasurement of post-employment benefit obligations- (loss)/ gain) | 16,34,155 | 47,198 |
| Balance as at the end of the year | (1,72,87,59,012) | (1,68,39,51,364) |
| | | |
| **Total** | **78,12,97,010** | **43,86,33,846** |

**Nature and Purpose of Reserves:**

**a) Securities premium account:**

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

**b) Revaluation Reserve:**

Revaluation Reserve is used to record the revaluation amount which represents the current and probable future value of assets which is higher than the recorded historic cost of the same asset.

**c) General Reserves:**

Represents amounts transferred from retained earnings in earlier years as per the requirements of the erstwhile Companies Act, 1956 and transition adjustments on implementation of new accounting standards.

**d) Employee stock option outstanding**

It is used to recognise the value of equity- settled share based payments provided to employees, including key management personnel. It is a part of Shareholders equity.

**Money received against share warrants***

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Balance at the beginning of the year | - | |
| Add: warrants issued during the year | 37,24,99,966 | - |
| Less: warrants converted in equity shares during the year | 34,99,99,960 | - |
| Balance at the end of the year | **2,25,00,006** | **-** |

*Note: During the year the Company has allotted 12,32,877 equity shares having face value of Rs. 10/- each at a price of Rs. 73/— each to the Promoters in tranches and converted 47,94,520 share warrants into equal number of equity shares having face value of Rs. 10/— each which were issued at a price of Rs. 73 /- each to the Investor. Share Capital for the year ended March 31, 2019 is increased from INR 6,02,73,970/- The Company also allotted 12,32,877 share warrants having face value of Rs. 10/- each at a price of Rs. 78/- each to the Promoters upon receipt of 25% amount upfront.

**Note 19 Borrowings (non current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Secured** | | |
| From Banks | 39,38,10,459 | 56,92,46,933 |
| From Financial Institutions | 48,65,00,245 | 67,68,18,427 |
| | | |
| **Unsecured** | | |
| From Financial Institutions | - | - |
| Trade advance from customer* | - | 22,80,50,719 |
| * Classified as Current as at March 31, 2019 | | |
| **Total** | **88,03,10,704** | **1,47,41,16,079** |

**Details of repayment of term loan ( refer note 19)**

| Lender | Amount outstanding as at March 31, 2019 | Amount outstanding as at March 31, 2018 | Nature of Facility | Terms of repayment/ Maturity detail |
|---|---|---|---|---|
| Axis Bank Term Loan | 4,47,05,744 | 5,35,97,411 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| Axis Bank Term Loan | 6,16,63,868 | 7,22,47,201 | Term Loan | |
| Bank of Baroda Term Loan | 4,07,51,541 | 5,17,28,000 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| Bank of Baroda Term Loan | 5,19,98,057 | 6,60,00,000 | Term Loan | |
| Bank of Baroda WCTL | 24,37,61,251 | 30,93,81,964 | Term Loan | |
| Bank of Baroda FITL | 6,71,76,863 | 8,53,24,720 | Term Loan | |
| JM Financial ARC -Term Loan | 5,43,02,549 | 5,74,74,999 | Term Loan | Repayment in 60 Monthly Installaments commencing from December 2016 till November 2021(Restructured) |
| JM Financial ARC -Term Loan | 3,36,58,607 | 3,56,25,000 | Term Loan | |
| JM Financial ARC -Term Loan | 6,28,29,397 | 6,64,99,999 | Term Loan | |
| JM Financial ARC -FITL | 7,46,53,254 | 7,90,14,102 | Term Loan | |
| JM Financial ARC -WCTL | 15,30,34,513 | 16,19,75,049 | Term Loan | |
| The Catholic Syrian Bank Term Loan | 5,30,15,652 | 6,49,27,108 | Term Loan | |
| ICICI Bank Vehicle Loan | 8,21,216 | 13,45,047 | Term Loan | Repayment in 48 months from Sep,2016 to Aug,2020, EMI ₹52,442/- |
| Tata Motors Finance Solution Ltd | 13,21,82,744 | 15,95,30,258 | Term Loan | Repayment in 60 monthly installments starting from April 2017 to March 2022 |
| Tata Motors Finance Solution Ltd | 16,65,71,097 | 19,00,00,000 | Term Loan | Repayment after 1 year moratorium in 60 monthly installments starting from April 2018 to March 2022 |
| Tata Motors Finance Solution Ltd | 9,14,79,495 | 10,85,41,401 | Term Loan | Repayment in 60 monthly installments starting from April 2017 to March 2022 |
| Tata Motors Finance Solution Ltd | 80,28,357 | 2,03,43,304 | Term Loan | Repayment in 36 monthly installments starting from Nov 2016 to Oct 2019. |
| Tata Motors Finance Solution Ltd | 48,30,985 | 99,22,249 | Term Loan | Repayment in 36 monthly installment starting from Feb 2017 to Jan 2020. |
| Tata Motors Finance Ltd. | - | 37,74,843 | Term Loan | Repaid in May 2018. |
| Tata Motors Ltd. Short Term Loan | 15,35,52,530 | 21,93,60,157 | Term Loan | Repayable in 8 monthly installment starting from July 2019 till Feb 2020 |
| Tata Motors Ltd. Medium Term Loan | 22,80,50,719 | 22,80,50,719 | Term Loan | Conversion of Payables for purchase to term loan, repayable after May 2019 with 6 monthly installments |
| Tata Capital Financial Services Ltd TL | 2,72,72,725 | - | Term Loan | Repayable in 11 monthly installment starting from Nov 2018 till Sept 2019 |
| Tata Motors Ltd. Short Term Loan | 5,00,00,000 | - | Term Loan | Repayable in 9 monthly installment starting from April 2019 till Dec 2019 |
| **Sub-total** | **1,80,43,41,164** | **2,04,46,63,532** | | |
| Less : Current maturities of long term borrowings | (92,40,30,460) | (57,05,47,453) | | |
| **Total** | **88,03,10,704** | **1,47,41,16,079** | | |

1. Bank of Baroda's Term loan are secured by exclusive First Charge by way of mortgage of factory land & building, office building and hypothecation of other fixed assets of the Company viz. Plant & Machinery,Tools & Dies,Instruments & Equipments,Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc. both present and future situated at Plot No. 6 & 8, Tata Motors Ltd. Vendor Park, Rudrapur, Uttarakhand and Second Charge by way of simple mortgage of factory land & building, office building and hypothecat--ion of other fixed assets of the Company viz. Plant & Machinery, Tools & Dies, Instruments & Equipments, Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc., both present and future situated at S.No. 313,314, 320 to 323, at Nanekarwadi, Chakan, Pune. (called as Chakan Unit- II)

2. Axis Bank Ltd.'s loans are secured by exclusive charge on all Fixed assets of the Company except situated at (a).Plot no. 5, 6 & 8 Tata Motors Ltd Vendor Park, SIDCUL, Rudrapur, Uttarakhand, (b).Plot No. E-12 (17) (8), M.I.D.C., Bhosari, Pune-411026 (c). S.No. 313/314, Nanekarwadi, Chakan, Pune (d).Plot no.186-A, Belur Industrial Area growth Centre, Opp. High Court, Dharwad, Karnataka.

3. The Catholic Syrian Bank Ltd.'s and JM Financial A R C Pvt. Ltd.'s loans are secured by First Charge on Land with factory building and by way of hypothecation of other fixed assets of the Company viz. Plant & Machinery, Tools & Dies, Instruments & Equipments, Furniture & Fixture, Electrical Installation, Office Equipments, Computers, etc., both present and future, situated at S. No. 313,314,320 to 323, at Nanekarwadi, Chakan, Pune (called as Chakan Unit- II) . Further it is secured by second Charge by way of simple mortgage of factory land & building, office building of the Company situated at Plot No. 6 & 8, Tata Motors Ltd. Vendor Park, SIDCUL, Rudrapur, Uttarakhand.

4. Tata Motors Finance Solutions Ltd 's Term loans are secured by first and exclusive charge on Land & Building, Plant & Machinery of the Company situated at Plot No. E-12 (17) (8), M.I.D.C. Bhosari, Pune & Plot No 5, TML Vendor Park, SIDCUL, Rudrapur, Uttarakhand and first and exclusive charge on non agriculture land admeasuring 01 Hectares 35 Ares or therabouts out of Gat No.1612 totally admeasuring about 2 Hectare 32 Acers situated at Village Chikhali, Tal. Haveli, Dist Pune within the limits of Pimpri Chinchwad Municipal Corporation owned by promotors. Further they are secured by second charge on land, Building, Plant & Machinery both present and future situated at (a). Gat No. 613, Chakan Talegaon Road, Pune (b).Gat no. 825 and 712 , Kudalwadi , Chikali, Pune (c) Survy no. 287, 291 to 295 and 298 Nanekarwadi, Taluka Khed, Dist Pune (d). Plot No. E12-17 (7) MIDC Bhosari, Pune and mortage of fixed assets situated at Plot No.186-A, Belur Industrial Area growth Centre, Opp. High Court, Dharwad, Karnataka.

5. (a) Term Loans from Bank Of Baroda, Axis Bank, JM Financial A R C Ltd., Catholic Syrian Bank Ltd. are further guaranteed in the Personal Capacity by two Promotor Directors of the Company and by ED & CEO of the Company. (b) Term Loans from Tata Motors Financial Services Ltd and Tata Motors Finance Ltd are further guaranteed by two Promotor Directors in their personal capacity.

6. Term Loans,sanctioned by Bank of Baroda and Catholic Syrian Bank Ltd. are having second charge on all Current Assets of the Compnay.

7. Interest rate for above loans are range between 9.51% to 14.5%

8. Repayment default on Long Term Borrowing outstanding as at the year end is as follows:-

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| From Bank | | |
| Principal Amount | 10,00,000 | 1,65,27,597 |
| Interest Amount | 49,10,686 | 1,23,12,054 |
| From Others | | |
| Principal Amount | 10,46,45,703 | 6,33,78,396 |
| Interest Amount | 6,36,85,653 | 5,29,64,173 |
| Total | | |
| Principal Amount | 10,56,45,703 | 7,99,05,993 |
| Interest Amount | 6,85,96,339 | 6,52,76,227 |

**Note 20 Other Financial Liabilities (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Settlement Claim Payable | 11,82,69,000 | 11,05,85,000 |
| Less: Current liability (Refer Note. 24) | 11,82,69,000 | 11,05,85,000 |
| Settlement Claim Payable non-current | - | - |
| | | |
| Retention* | - | 10,41,16,793 |
| * (classified as Current financial liability as at March 31, 2019) | | |
| **Total** | **-** | **10,41,16,793** |

**Note 21 Provisions (non-current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Provision for employee benefits | | |
| Gratuity | 21,44,756 | 18,32,729 |
| Compensated absences | 72,32,386 | 63,01,778 |
| **Total** | **93,77,142** | **81,34,508** |

**Note 22 Borrowings (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Secured** | | |
| Loans repayable on demand - cash credit | | |
| From Banks | 12,50,17,682 | 15,70,60,527 |
| From Financial Institutions | 17,46,35,644 | 17,88,71,840 |
| | | |
| Bill discounted | 2,34,96,939 | 6,98,40,612 |
| **Unsecured** | | |
| Related Parties - Intercorporate deposits | 48,05,826 | 1,52,09,794 |
| Related Parties - Promotors & Directors | 1,63,06,221 | 2,36,49,810 |
| Others - Intercorporate deposits | 5,00,00,000 | 1,00,00,000 |
| **Total** | **39,42,62,312** | **45,46,32,584** |

1. All working capital borrowings from the banks have been secured with first charge by hypothecation of current assets of the company and further secured with Second Charge by Mortgage / Hypothecation of Fixed Assets of the Company.

2. Working capital borrowings from Banks are further guaranteed in the personal capacity by two Promoter Directors of the Company and also by Executive Director & CEO of the Company

3. Unsecured loan from subsidiaries, related parties and other corporates are repayable on demand

**Note 23 Trade payables**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Total outstanding dues of micro, small and medium enterprises | 1,35,04,198 | 83,66,518 |
| | | |
| Total outstanding dues of other than micro, small and medium enterprises | | |
| Acceptances | 15,06,89,329 | 16,93,91,068 |
| Trade payables ( other than related parties ) | 36,53,45,390 | 35,06,54,664 |
| Trade payables to related parties (refer note no 39) | - | - |
| | | |
| **Total** | **52,95,38,917** | **52,84,12,250** |

The balances of trade payable for the amount due to some of them are subject to reconciliation. Necessary adjustments, if any, may be made when the accounts are settled.

**Note 24 Other Financial Liabilities (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Current Maturities of Long-Term Borrowings (Refer Note No.19 for terms and conditions) | | |
| Secured | 35,95,08,783 | 26,75,06,460 |
| Unsecured | 45,88,75,974 | 22,31,35,000 |
| Repayment Overdue on long term borrowings (secured ) | 10,56,45,703 | 7,99,05,993 |
| Unclaimed Dividend | 1,99,259 | 3,58,297 |
| Security Deposits | 3,00,00,000 | 5,51,00,000 |
| Employee benefits payable | 2,90,45,229 | 3,84,90,548 |
| Payables for capital goods | 16,51,445 | 27,80,548 |
| Other payables | 10,78,98,599 | 10,19,44,832 |
| Settlement Claim Payable | 11,82,69,000 | 11,05,85,000 |
| Retention | 6,48,05,681 | - |
| Interest Payable | 6,91,02,210 | 6,52,76,228 |
| **Total** | **1,34,50,01,883** | **94,50,82,906** |

**Note 25 Other Current liabilities**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Statutory dues payables *(Refer Note below) | 25,27,34,384 | 10,59,86,469 |
| Advances from customers | 5,08,26,770 | 1,12,75,608 |
| Advances against sale of Property, Plant & Equipment | 7,61,00,000 | - |
| **Total** | **37,96,61,154** | **11,72,62,077** |

*Note: The Company has written off liability towards Local Body Tax of Rs. 465.76 lakhs pertaining to years ranging from FY 2013 – 2014 to FY 2017 – 2018. Management is of the view that since local body tax is abolished, this liability is no more payable and as such no provision is required in the books of accounts.

**Note 26 Provisions (current)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Provision for employee benefits | | |
| Gratuity ( refer note 46) | 2,77,36,595 | 2,24,74,130 |
| Compensated absences | 5,02,029 | 4,04,898 |
| **Total** | **2,82,38,624** | **2,28,79,028** |

**Note 27 Revenue from operations**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Sale of products | 4,07,83,82,872 | 3,49,72,04,883 |
| Sale of services | 3,73,23,134 | 2,49,74,454 |
| Other operating revenues | 40,56,26,490 | 32,37,12,984 |
| | 4,52,13,32,497 | 3,84,58,92,320 |
| Add : Excise duty | - | 10,40,43,637 |
| **Total** | **4,52,13,32,497** | **3,94,99,35,957** |

Revenue from operations for periods up to June 30, 2017 includes excise duty. From July 1, 2017 onwards the excise duty and most indirect taxes in India have been replaced with Goods and Service Tax (GST). The Company collects GST on behalf of the Government. Hence, GST is not included in Revenue from operations. In view of the aforesaid change in indirect taxes, Revenue from operations for the year ended March 31, 2019 is not comparable with March 31, 2018.

**A) Disaggregate revenue**

| Particulars | Amount ₹ |
|---|---|
| **Revenue recognised for the year 2018-19** | |
| Revenue recognised at point-in-time for the year 2018-19 | 4,52,13,32,497 |
| Revenue recognised over time for the year 2018-19 | - |
| Revenue for the year 2018-19 from customers within India | 4,45,39,78,786 |
| Revenue for the year 2018-19 from customers outside India | 6,73,53,711 |

**Reconciliation of revenue with contract price**

| Particulars | Amount ₹ |
|---|---|
| Revenue as per statement of PL | 4,52,13,32,497 |
| Add: Discounts | - |
| **Contract price** | 4,52,13,32,497 |

**B) Performance Obligations**

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

**C) Transaction Price**

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

**D) 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.

**E) Determining the transaction price and the amounts**

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.

**F) Cost to obtain contract or fulfil a contract**

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

**Note 28 Other Income**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Interest income | 1,07,34,999 | 73,22,867 |
| Dividend income from other Investments | 95,000 | 60,000 |
| Net gain on foreign currency transactions | - | 3,67,817 |
| Other non-operating income | 70,71,218 | 30,68,315 |
| Profit on Sale of Property, Plant & Equipment | 65,48,824 | 8,81,76,643 |
| **Total** | **2,44,50,041** | **9,89,95,642** |

**Note 29.a Cost of materials consumed**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Inventory of raw material at the beginning of the year | 27,81,56,772 | 28,99,79,902 |
| Add : Purchases: | 3,18,36,24,710 | 2,70,01,46,708 |
| | 3,46,17,81,482 | 2,99,01,26,610 |
| Inventory of raw material at the end of the year | 29,98,25,235 | 27,81,56,772 |
| **Total** | **3,16,19,56,247** | **2,71,19,69,838** |

**Note 29.b Changes in inventories of finished goods, work-in-progress and stock-in-trade**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Inventories at the end of the year: | | |
| Finished goods | 5,30,84,456 | 5,98,74,350 |
| Work-in-progress ( includes tools & dies) | 25,37,72,778 | 28,29,28,787 |
| | 30,68,57,234 | 34,28,03,137 |
| Inventories at the beginning of the year: | | |
| Finished goods | 5,98,74,350 | 3,70,03,293 |
| Work-in-progress ( includes tools & dies) | 28,29,28,787 | 24,91,01,865 |
| | 34,28,03,137 | 28,61,05,158 |
| **Net (increase) / decrease** | **3,59,45,903** | **(5,66,97,979)** |

**Note 30 Employee benefits expenses**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Salaries, Wages and Bonus | 29,49,38,911 | 30,07,04,176 |
| Contributions to provident and other funds | 1,29,22,811 | 1,25,61,034 |
| Gratuity expenses | 77,69,685 | 83,90,982 |
| Expense on employee stock option (ESOP) scheme | (21,47,327) | - |
| Employee Insurance expenses | 25,15,517 | 40,37,906 |
| Staff welfare expenses | 3,34,26,992 | 3,21,47,343 |
| Compensated absences | 26,48,410 | 5,02,397 |
| **Total** | **35,20,74,999** | **35,83,43,837** |

**Note 31 Finance costs**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| (a) Interest expense on: | | |
| (i) Borrowings | 26,80,69,909 | 27,57,22,428 |
| (ii) Letter of Credit | 80,42,498 | 1,44,83,563 |
| (iii) Interest on delayed / deferred payment | 4,02,89,863 | 3,83,40,271 |
| (b) Other borrowing costs | 4,98,44,888 | 3,08,77,797 |
| (c) Bank Charges & Commission | 89,84,709 | 91,78,525 |
| **Total** | **37,52,31,867** | **36,86,02,585** |

**Note 32 Depreciation and amortisation**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Depreciation of tangible assets ( refer note 4 ) | 19,66,63,201 | 20,00,69,627 |
| Amortisation of intangible assets ( refer note 4 ) | 1,56,64,694 | 2,25,28,577 |
| **Total** | **21,23,27,895** | **22,25,98,204** |

**Note 33 Other expenses**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Consumption of stores and Spares | 6,07,01,680 | 5,73,59,359 |
| Consumption of packing material | 2,53,21,596 | 2,74,44,136 |
| Outsourced Direct Labour Cost | 38,02,88,156 | 37,74,24,699 |
| Power and Fuel | 13,58,61,730 | 12,82,95,395 |
| Transport Charges | 12,19,16,292 | 11,06,11,941 |
| Repairs and Maintenance - Buildings | 17,33,175 | 40,49,555 |
| Repairs and Maintenance - Machinery | 2,81,28,869 | 3,31,76,919 |
| Repairs and Maintenance - Others | 1,26,87,122 | 89,73,606 |
| Other Manufacturing expenses | 36,80,246 | 31,09,185 |
| Tooling and Designing Charges | 7,01,997 | 20,21,254 |
| Insurance | 17,71,142 | 19,28,191 |
| Rent | 1,09,42,745 | 1,11,29,510 |
| Rates and Taxes | 2,19,34,806 | 1,49,04,982 |
| Communication expenses | 38,59,415 | 49,44,280 |
| Travelling and Conveyance | 1,27,84,677 | 99,72,144 |
| Printing and Stationery | 34,71,246 | 32,38,914 |
| Legal and Professional fee | 3,53,33,907 | 3,23,29,375 |
| Security Charges | 1,38,17,478 | 1,42,18,595 |
| Director Sitting Fees | 17,85,000 | 13,30,000 |
| Payments to auditors (see sub-note1) | 37,43,501 | 36,95,785 |
| Net loss on foreign currency transactions | 42,57,557 | - |
| Miscellaneous Expenses | 88,17,671 | 86,25,578 |
| Preliminary & Miscellaneous Expenses written off | - | 4,81,067 |
| Sundry Balances Writeoff (Net) (see sub-note2) | 33,37,557 | 33,61,243 |
| **Total** | **89,68,77,565** | **86,26,25,714** |

**Note 33.1 Other Expenses (Sub-note 1)**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Payments to auditors comprises | | |
| As auditors - Statutory Audit | 33,73,491 | 33,70,666 |
| Reimbursement of expenses | 3,70,010 | 3,25,119 |
| **Total** | **37,43,501** | **36,95,785** |

**Note 33.2 Other Expenses (Sub-note 2)**

The Company has written off liability towards Local Body Tax of Rs. 465.76 lakhs pertaining to years ranging from FY 2013 – 2014 to FY 2017 – 2018. Management is of the view that since local body tax is abolished, this liability is no more payable and as such no provision is required in the books of accounts.

The company has written off receivable from customers amounting to Rs.491.15 lakhs

**Note 34. Exceptional items**

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| | - | - |
| Industrial Promotion Subsidy | (44,60,57,000) | |
| Compounding Fees (Income Tax) | 62,51,880 | - |
| **Total** | **(43,98,05,120)** | **-** |

**Notes:**

**1) Industrial Promotion Subsidy:** The Government of Maharashtra has approved additional Industrial Promotion Subsidy (IPS) claim amounting to Rs. 4460.57 lakhs to the Company and accordingly the Exceptional items for the year ended March 31, 2019 includes additional subsidy claim of Rs. 4460.57 lakhs as part of the Packaged Scheme of Incentives, 2007.

**2) Compounding fees ( Income Tax):** Exceptional items for the year ended March 31, 2019 includes provision for compounding charges as per Income Tax Act, 1961 amounting to Rs.62.51 lakhs which were paid subsequently in the month of April 2019.

## Notes forming part of the financial statements

**Note 35 : Fair Value Measurement**

**Financial Instrument by category**

**As at March 31, 2019**

| Particulars | Amortised cost | Financial assets / liabilities at fair value through profit or loss | Total Carring value |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Financial Assets:** | | | |
| Investments | | 10,00,000 | 10,00,000 |
| Trade Receivables | 44,13,52,091 | | 44,13,52,091 |
| Cash and cash equivalents | 46,96,148 | | 46,96,148 |
| Bank balances other than cash and cash equivalents | 3,86,70,351 | | 3,86,70,351 |
| Loans and advances | 2,20,61,041 | | 2,20,61,041 |
| Other Financial assets | 1,87,56,343 | | 1,87,56,343 |
| **Financial Liabilities:** | | | |
| Borrowings | 1,27,45,73,017 | | 1,27,45,73,017 |
| Trade payables | 52,95,38,917 | | 52,95,38,917 |
| Other financial liabilities | 1,34,50,01,883 | | 1,34,50,01,883 |

**As at March 31, 2018**

| Particulars | Amortised cost | Financial assets / liabilities at fair value | Total Carring value |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **Financial Assets:** | | | |
| Investments | | 10,00,000 | 10,00,000 |
| Trade Receivables | 45,29,63,359 | | 45,29,63,359 |
| Cash and cash equivalents | 2,15,08,516 | | 2,15,08,516 |
| Bank balances other than cash and cash equivalents | 3,67,39,206 | | 3,67,39,206 |
| Loans and advances | 17,24,502 | | 17,24,502 |
| Other Financial assets | 4,13,35,453 | | 4,13,35,453 |
| **Financial Liabilities:** | | | |
| Borrowings | 1,92,87,48,662 | | 1,92,87,48,662 |
| Trade payables | 52,84,12,250 | | 52,84,12,250 |
| Other financial liabilities | 1,04,91,99,699 | | 1,04,91,99,699 |

**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 follows underneath the table.

The following table provides the fair value measurement hierarchy of the Company's assets and liabilities.

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2019**

| | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | ₹ | ₹ | ₹ |
| **Financial Assets** | | | | |
| Investments: | | | | |
| Equity Instruments | March 31, 2019 | - | - | 10,00,000 |

**Quantitative disclosures fair value measurement hierarchy for assets as at March 31, 2018**

| | Date of Valuation | Level 1 | Level 2 | Level 3 |
|---|---|---|---|---|
| | | ₹ | ₹ | ₹ |
| **Financial Assets** | | | | |
| Investments: | | | | |
| Equity Instruments | March 31, 2018 | - | - | 10,00,000 |

The carrying amount of trade receivables, cash and cash equivalent, bank balances other than cash and cash equivalent, other current financial assets, short term borrowing, trade payables and other financial liabilities are considered to be same as their fair values, due to their short term nature. The Company has availed long term borrowing from banks and financial institutions carrying interest in the range of 9.50% to 14.50%. The carrying values approximates their respective fair values. Similarly the fair value of non-current financial assets also approximates its carrying value.

The Cost of unquoted investments included in Level 3 of fair value hierarchy approximate their fair value.

**Financial assets and liabilities measured at Amortised cost:**

The fair values of all financial instruments carried at amortised cost are not materially different from their carrying amounts since they are either short-term in nature or the interest rates applicable are equal to the current market rate of interest.

The fair value of investments in mutual funds are based on the price quotation at the reporting date obtained from the asset management companies.

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. The Company does not have any financial asset in this measurement category.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, mutual funds, over-the counter derivatives) is determined using valuation techniques which maximize the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. The Company does not have any financial asset in this measurement category.

**Note 36 : Financial risk management**

The Company's financial risk management is an integral part of how to plan and execute its business strategies, the Company is exposed primarily to market risk, liquidity risk and credit risk. In order to minimise any adverse effects on the financial performance of the Company, the Company has a system based approach and procedures and internal financial controls aimed at ensuring early identification, evaluation and management of key financial risks which covers risks associated with the financial assets and liabilities such as credit risks, liquidity risk etc. The risk management policy is approved by the board of directors. The risk management framework aims to achieve greater predictability to earnings by determining the financial value of the expected earnings in advance. Company's risk management framework has the objective of ensuring that such risks are managed within acceptable and approved risk parameters in a disciplined and consistent manner and in compliance with applicable regulation. It also seeks to drive accountability in this regard.

**A. Liquidity risk**

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Liquidity risk refers to the probability of loss arising from a situation where there will not be enough cash and/or cash equivalents to meet the needs of depositors and borrowers, sale of illiquid assets will yield less than their fair value and illiquid assets will not be sold at the desired time due to lack of buyers. The primary objective of liquidity management is to provide for sufficient cash and cash equivalents at all times and any place in the world to enable us to meet our payment obligations. Currently the company is facing liquidity crises due to huge interest cost.

Management monitors rolling forecast of the company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company's liquidity management policy involves projecting cash flows and considering the level of liquid assets necessary to meet this.

*Maturities of financial liabilities*

The tables below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

**The amounts disclosed in the table are the contractual undiscounted cash flows.**

| Contractual maturities of financial Liabilities | Upto 1 Year | Between 1 and 2 years | Between 2 years and above | Total |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **March 31, 2019** | | | | |
| **Non Derivatives** | | | | |
| Borrowings | 1,29,47,95,833 | 39,10,49,541 | 48,92,61,162 | 2,17,51,06,536 |
| Bill Discounting | 2,34,96,939 | | | 2,34,96,939 |
| Trade Payables | 52,95,38,917 | | | 52,95,38,917 |
| Other Financial Liabilities | 42,09,71,423 | | | 42,09,71,423 |
| **Total Non-Derivative Liabilities** | 2,26,88,03,112 | 39,10,49,541 | 48,92,61,162 | 3,14,91,13,815 |

| Contractual maturities of financial Liabilities | Upto 1 Year | Between 1 and 2 years | Between 2 years and above | Total |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **March 31, 2018** | | | | |
| **Non Derivatives** | | | | |
| Borrowings | 95,53,39,425 | 59,54,79,890 | 87,86,36,189 | 2,42,94,55,504 |
| Bill Discounting | 6,98,40,612 | | | 6,98,40,612 |
| Trade Payables | 52,84,12,250 | | | 52,84,12,250 |
| Other Financial Liabilities | 37,45,35,452 | 10,41,16,793 | | 47,86,52,245 |
| **Total Non-Derivative Liabilities** | 1,92,81,27,740 | 69,95,96,683 | 87,86,36,189 | 3,50,63,60,612 |

**B. Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the, foreign currency exchange rates, liquidity and other market changes. Financial instruments affected by market risk include loans and borrowings, deposits, FVTOCI investments.

**(a) Interest rate risk**

The company has fixed rate borrowing and variable rate borrowings in order to obtain more efficient leverage. The fixed rate borrowings are carried at amortized cost. They are therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates. Floating rate debt results in cash flow interest rate risk. The company has taken both interest rate risk debts for managing its liquidity and day to day requirements of the funds.

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

| | 31-Mar-19 | 31-Mar-18 |
|---|---|---|
| | ` | ` |
| Variable Rate Borrowings | 1,14,21,79,223 | 1,43,97,27,921 |
| Fixed Rate Borrowings | 1,03,29,27,313 | 98,97,27,583 |
| Total Borrowings | 2,17,51,06,536 | 2,42,94,55,504 |

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

| | As at March 31, 2019 | | |
|---|---|---|---|
| | Weighted average interest rate | Balance ( ₹ ) | % of total loans |
| Bank loans, cash credits, working capital loans | 12.00% | 1,14,21,79,223 | 52.51% |
| | | | |
| **Net exposure to cash flow interest rate risk** | | **1,14,21,79,223** | |

| | As at March 31, 2018 | | |
|---|---|---|---|
| | Weighted average interest rate | Balance ( ₹ ) | % of total loans |
| Bank loans, cash credits, working capital loans | 11.07% | 1,43,97,27,921 | 59.26% |
| | | | |
| **Net exposure to cash flow interest rate risk** | | **1,43,97,27,921** | |

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 Analysis:**

The sensitivity analysis is determined on the basis of interest rates on floating liabilities. The outstanding liabilities at the year end are considered as a base for the whole year.

If all the other variable factors remain constant, the changes in 100 basis points in the interest rate (up and down), the results are in the below table.

| | Impact on Floating Rate Borrowings | |
|---|---|---|
| **Change in Interest Rate** | **As At March 31, 2019** | **As At March 31, 2018** |
| Increase in rates by - 1% | 9,51,81,602 | 13,00,56,723 |
| | | |
| Decrease in rates by - 1% | (9,51,81,602) | (13,00,56,723) |

**(b) Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

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

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Trade Payables | | |
| USD | 2,14,31,398 | 2,41,81,854 |
| EURO | | - |
| Trade Receivable | | |
| USD | 8,54,43,356 | 7,72,09,996 |
| Others | | |
| USD | 11,82,69,000 | 11,05,85,000 |

**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. Credit risk arises from cash and cash equivalents, other balances and deposits with bank and financial institutions and trade receivables, derivative financial instruments and financial guarantees.

**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: (A). 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 (B). actual or expected significant changes in the operating results of the counter party (C).significant increase in credit risk on other financial instruments of the same counter party (D). 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 counter party 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 no past due, there were no indications as at March 31, 2019, that defaults in payment obligations will occur.

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

| Trade Receivables | As at March 31, 2019 | | |
|---|---|---|---|
| | Gross | Allowance | Net |
| | ₹ | ₹ | ₹ |
| Period (in months) | | | |
| Not due | | | |
| Overdue upto 3 months | 31,73,18,460 | - | 31,73,18,460 |
| Overdue 3-6 months | 4,10,68,918 | - | 4,10,68,918 |
| Overdue more than 6 months | 8,29,64,713 | - | 8,29,64,713 |
| **Total** | **44,13,52,091** | **-** | **44,13,52,091** |

| Trade Receivables | As at March 31, 2018 | | |
|---|---|---|---|
| | Gross | Allowance | Net |
| | ₹ | ₹ | ₹ |
| Period (in months) | | | |
| Not due | | | |
| Overdue upto 3 months | 33,79,12,574 | - | 33,79,12,574 |
| Overdue 3-6 months | 1,27,21,450 | - | 1,27,21,450 |
| Overdue more than 6 months | 13,26,25,206 | 3,02,95,871 | 10,23,29,335 |
| **Total** | **48,32,59,230** | **3,02,95,871** | **45,29,63,359** |

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

| | Amount ₹ |
|---|---|
| **Loss allowance on April 01, 2018** | **3,02,95,871** |
| Changes in Loss allowance | (3,02,95,871) |
| **Loss allowance on March 31, 2019** | **-** |

**Note 37 : Capital management**

The Company's objectives when managing capital are to:

• To provide maximum returns to shareholders and benefits for other stakeholders

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

The company determines the amount of capital required on the basis of annual opearting plans, long term product and maintainig other strategic investment plans. The funding requirements are met through equity, long term borrowings and short term borrowings.

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Total long term debt (refer note 19) | 88,03,10,704 | 1,47,41,16,079 |
| Total Equity | 1,69,69,19,089 | 1,31,80,80,237 |
| Total Capital | 2,57,72,29,794 | 2,79,21,96,315 |

| | | |
|---|---|---|
| Debt to equity ratio | 51.88% | 111.84% |

**Note 38 : Segment Information**

Ind As 108 establishes standards for the way that public business enterprises report information about operating segments and related disclosure about products and services, geographic areas and major customer. The company is engaged mainly in the business of manufacturing sheet metal auto components and assemblies thereof. Based on the 'management approach' as defined in Ind As 108, the 'Chief operating Decision Maker' (CODM) considers entire business as single operating segment. The Company's operating divisions are managed from India. The principal geographical areas in which the company operates are India.

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

| Particulars | For the year ended March 31, 2019 | For the year ended March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Components, assemblies and sub-assemblies | 3,67,73,46,156 | 3,06,79,12,861 |
| Tools, Dies and Moulds | 2,12,78,295 | 13,58,70,655 |
| Scrap | 40,24,43,396 | 32,23,12,143 |
| Total | 4,10,10,67,847 | 3,52,60,95,659 |

Rs.322,74,55,617/- of the company's revenue attributable to one of its customer. ( March 31, 2018 Revenue of Rs.278,93,88,720/- was attributable to one of its customer)

## Note 39 : Related Party Transactions

### a) Related parties and their relationship

**1) Subsidiaries**

i) Autoline Design Software Ltd. (ADSL)

ii) Autoline Industrial Parks Ltd. ( AIPL)

**Foreign Subsidiary**

iii) Koderat Investments Ltd., Cyprus

**2) Key Management Personnel (KMP)**

Mr. Vilas Lande - Chairman Emeritus

Mr. Prakash B. Nimbalkar - Chairman (Non-executive Director)

Mr. Shivaji Akhade - Managing Director

Mr. Sudhir Mungase - Wholetime Director

Mr. Umesh Chavan - Executive Director & CEO

**3) Relatives of KMP**

Key Management Personal - Mr. Vilas Lande, Mr. Shivaji Akhade and Mr. Sudhir Mungase are related to each other.

**4) Companies/Entities in which KMP / Relatives of KMP can exercise significant influence**

i) Balaji Enterprises

ii) Shreeja Enterprises

iii) Sumeet Packers Pvt. Ltd.

iv) Siddhai Platers Private Ltd.

v) Om Sai Transport Co.

vi) Viro Hi-Tech Engineers Pvt. Ltd.

vii) S.V. Aluext Profile Pvt. Ltd.

viii) Vimal Extrusion Pvt Ltd

ix) Hotel Aishwarya Restaurant

x) Lincwise Software Pvt Ltd

xi) Jay Ambe Enterprises

1. Related parties have been identified by the Management and relied upon by the Auditors.

2. The Company is holding 44.67% Equity Share of AIPL, however since it controls the composition of Board of Directors, AIPL is treated as Subsidiary Company.

## b) Transactions with related parties

| Particulars | Transaction Value | | Closing balance | |
|---|---|---|---|---|
| | Year ended March 31, 2019 | Year ended March 31, 2018 | As at March 31, 2019 | As at March 31, 2018 |
| | ₹ | ₹ | ₹ | ₹ |
| **Sale of Goods / Service** | | | | |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| Balaji Enterprises | 1,92,62,337 | 1,31,05,617 | 9,49,609 | - |
| Shreeja Enterprises | 70,80,927 | 7,26,047 | 24,47,711 | - |
| Sumeet Packers Pvt. Ltd. | - | 16,500 | - | - |
| Om Sai Transport Co. | - | 27,344 | - | - |
| Viro Hi-Tech Engineers Pvt. Ltd. | 6,80,950 | - | 45,781 | - |
| Jay Ambe Enterprises | 1,170 | - | | - |
| | | | | |
| **Purchase of Goods / Service** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Ltd. | 1,40,54,605 | 1,77,87,904 | - | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| Balaji Enterprises | 1,96,35,918 | 1,50,74,232 | 99,260 | - |
| Shreeja Enterprises | 95,78,166 | 72,43,702 | 2,99,556 | - |
| Sumeet Packers Pvt. Ltd. | 45,84,764 | 46,91,744 | 1,33,661 | - |
| Siddhai Platters Pvt. Ltd. | 74,86,511 | 1,03,23,364 | 34,295 | - |
| Om Sai Transport Co. | 69,78,025 | 74,78,437 | 37,66,296 | 5,88,207 |
| Viro Hi-Tech Engineers Pvt. Ltd. | 82,09,198 | 70,49,990 | 2,72,135 | - |
| S.V. Aluext Profile Pvt Ltd | 80,86,838 | 72,54,364 | 14,70,222 | - |
| Jay Ambe Enterprises | 39,56,391 | 37,13,372 | 16,61,539 | - |
| | | | | |
| **Maintenance Charges Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 3,60,000 | 3,60,000 | - | - |
| | | | | |
| **Rent Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 12 | 12 | - | - |
| | | | | |
| **Rendering of Services** | | | | |
| **Subsidiaries** | | | | |
| Autoline Design Software Limited | 6,00,000 | 6,00,000 | - | - |
| Autoline Industrial Parks Limited | 3,00,000 | 3,00,000 | - | - |
| | | | | |

| | | | | |
|---|---|---|---|---|
| **Receiving of Services** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Sudhir Mungase | 9,60,000 | 9,60,000 | 4,68,088 | 2,45,892 |
| Mr. V V Lande | 18,00,000 | 18,00,000 | 2,70,000 | 2,70,000 |
| | | | | |
| **Investment received ( in equity )** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 3,00,00,007 | 8,49,99,942 | - | - |
| Mr. Sudhir Mungase | 3,00,00,007 | 4,49,99,955 | - | - |
| Mr. V V Lande | 3,00,00,007 | - | - | - |
| | | | | |
| Investment received ( in convertible share warrants) | | | | |
| Key Management Personnel (KMP) | | | | |
| Mr. Shivaji Akhade | 75,00,002 | - | - | - |
| Mr. Sudhir Mungase | 75,00,002 | - | - | - |
| Mr. V V Lande | 75,00,002 | - | - | - |
| | | | | |
| **Investment Made ( in equity )** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 6,34,84,860 | - | - |
| **Foreign Subsidiaries** | | | | |
| Koderat Investments Limited | - | - | - | - |
| | | | | |
| **Loan given** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 10,79,83,633 | - | - |
| Autoline Design Software Limited | 1,53,00,000 | - | 1,24,58,849 | - |
| Autoline Industrial Parks Ltd. | 20,00,000 | - | - | - |
| | | | | |
| **Loan Recovered** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 16,83,84,539 | - | - |
| Autoline Design Software Limited | 28,52,216 | - | - | - |
| Autoline Industrial Parks Limited | 20,00,000 | - | - | - |
| | | | | |
| **Loan Received** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 6,14,88,050 | 1,40,79,195 | 81,930 | 1,40,79,195 |
| Autoline Design Software Limited. | - | 77,94,911 | - | 77,94,911 |
| Autoline Industrial Parks Ltd. | 80,00,000 | - | 20,00,308 | - |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 6,05,00,000 | 8,11,90,357 | 15,16,711 | 20,38,377 |
| Mr. Sudhir Mungase | 2,60,00,000 | 4,75,00,000 | 60,39,510 | 53,42,200 |
| Mr. Amit Goela | 5,00,00,000 | - | | - |
| Mr. Devang Dhruv | - | 1,50,00,000 | - | 1,50,00,000 |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 1,37,00,030 | 1,65,00,000 | 1,41,070 | 1,15,032 |
| Vimal Extrusion Pvt Ltd | 20,00,000 | 2,60,00,000 | 72,149 | 1,05,85,405 |
| Sumeet Packers Pvt. Ltd. | 30,00,000 | - | 83,250 | - |
| | | | | |
| **Loan Repayment** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 7,62,37,876 | - | | |
| Autoline Design Software Limited. | 77,94,911 | - | | |
| Autoline Industrial Parks Ltd. | 60,00,000 | - | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 6,17,38,378 | 10,27,95,475 | - | - |
| Mr. Sudhir Mungase | 2,60,00,000 | 4,75,00,000 | - | - |
| Mr. Amit Goela | 5,00,00,000 | - | | - |
| Mr. Devang Dhruv | 86,00,000 | - | 80,05,871 | - |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 1,38,15,032 | 1,65,00,000 | - | - |
| Vimal Extrusion Pvt Ltd | 1,25,85,405 | 1,60,00,000 | - | - |
| Lincwise Software Pvt Ltd | - | 2,02,000 | - | - |
| Sumeet Packers Pvt. Ltd. | 30,00,000 | - | - | - |
| | | | | |
| **Interest Received on Loan** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | - | 64,06,300 | - | - |
| Autoline Design Software Limited. | 12,295 | - | - | - |
| | | | | |
| **Interest Paid on Loan** | | | | |
| **Subsidiaries** | | | | |
| Autoline Industrial Parks Limited | 8,36,178 | - | - | - |
| Autoline Design Software Limited. | 2,98,310 | - | - | - |
| Autoline Industrial Parks Limited | 342 | | | |
| **Key Management Personnel (KMP)** | | | | |

| | | | | |
|---|---|---|---|---|
| Mr. Shivaji Akhade | 9,24,877 | 39,21,486 | - | - |
| Mr. Sudhir Mungase | 7,74,790 | 20,46,890 | - | - |
| Mr. Amit Goela | 6,92,466 | - | - | - |
| Mr. Devang Dhruv | 17,62,931 | 21,370 | | |
| **Companies/Entities in which KMP / Relatives of KMP can exercise significant influence** | | | | |
| S.V. Aluext Profile Pvt Ltd | 5,80,248 | 2,07,437 | - | - |
| Vimal Extrusion Pvt Ltd | 4,34,390 | 6,50,451 | - | - |
| Sumeet Packers Pvt. Ltd. | 1,90,190 | | | |
| | | | | |
| **Director Remuneration** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Shivaji Akhade | 60,00,000 | 60,00,000 | - | - |
| Mr. Sudhir Mungase | 24,00,000 | 24,00,000 | - | - |
| Mr. Umesh Chavan | 55,46,760 | 55,46,760 | - | - |
| Mr. Sudhir Mungase | 24,00,000 | 24,00,000 | 7,00,000 | 7,00,000 |
| | | | | |
| **Director Sitting Fees** | | | | |
| **Key Management Personnel (KMP)** | | | | |
| Mr. Prakash B Nimbalkar | 6,80,000 | 6,20,000 | 40,500 | - |
| Mr. M. Radhakrishnan | 90,000 | 45,000 | 4,500 | 4,500 |
| Mr. Devang Dhruv | 1,05,000 | 50,000 | 72,000 | 58,500 |
| Mr. P.J. Batavia | 30,000 | 15,000 | 13,500 | 13,500 |
| Mr. Vijay Thanawala | 1,05,000 | 50,000 | - | - |
| Mr. Nimish Rana | 20,000 | 40,000 | - | - |
| Mr. Prakash B Nimbalkar | 35,000 | 25,000 | | |

In addition to above related party transactions Promotors Director has mortgaged their non-agriculture land against facility from financial instittution. Further personal guarantee is provided by Promotor Director and Executive Directors & CEO of the Company for various facilities sanctioned.

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

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Claims against the Company not acknowledged as debt** | | |
| Income Tax | 13,66,10,903 | 13,68,29,682 |
| Sales Tax Dues | 7,92,33,642 | 18,37,10,576 |
| | | |
| **Bank Guarantees** | | |
| In Uttarakhand Environment Protection and Pollution Control Board | - | 5,00,000 |
| | | |
| **Letter of Credit** | | |
| Issued by Bank of Baroda | 4,93,10,671 | 3,03,95,655 |
| | | |
| **Corporate Guarantee** | | |
| In Favour of Tata Motors Limited | 5,00,00,000 | - |
| In Favour of Tata Motors Limited | 21,93,58,756 | 21,93,58,756 |

The claims subject to legal proceedings, have arisen in the ordinary course of business. The management does not reasonably expect that these claims and commitments, when ultimately concluded and determined, will have a material and adverse effect on the Companies results of operations or financial conditions.

**Note 41 : Commitments**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Estimated amount of contracts remaining to be executed on capital account and not provided for | - | - |

**Note 42 : Earnings / (Loss) per share**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Basic** | | |
| Profit for the year as per statement of Profit and Loss | (4,94,84,024) | (52,37,80,231) |
| Weighted average number of equity shares | 2,13,52,547 | 1,80,33,083 |
| Earnings /(Loss) per share | (2.32) | (29.05) |
| **Diluted** | | |
| Profit for the year as per statement of Profit and Loss | (4,94,84,024) | (52,37,80,231) |
| Less : Employee Stock Option amortised cost | - | - |
| | (4,94,84,024) | (52,37,80,231) |
| Weighted average number of equity shares | 2,13,56,028 | 1,80,42,464 |
| Earnings /(Loss) per share | (2.32) | (29.03) |
| Nominal value of an equity share | 10 | 10 |

**Note 43 : Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Principal amount remaining unpaid to any supplier as at the end of the accounting year | 1,35,04,198 | 83,66,518 |
| Interest due thereon remaining unpaid to any supplier as at the end of the accounting year | 28,95,053 | 12,78,955 |
| The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day | - | - |
| The amount of interest due and payable for the year | 28,95,053 | 12,78,955 |
| The amount of interest accrued and remaining unpaid at the end of the accounting year | 28,95,053 | 12,78,955 |
| The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid | - | 61,109 |
| Note :- Dues to Micro and Small Enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors. | | |

**Note 44 : Corporate social responsibility**

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

**Note 45 : Income Tax & Deferred Tax**

**A. Income Tax**

The Company does not have taxable income on current and previous year and hence no tax expenses have been recognised. Further since it is not probable that future taxable amounts will be available to utilize the deferred tax assets in respect of following unused tax losses and unabsorbed depreciation, no deferred tax assets have been recognised except for tax paid under Minimum Alternate Tax (MAT) under Income Tax Act 1961.

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Unused Tax losses for which no deferred tax asset has been recognised | | |
| Business Losses | 1,04,47,59,010 | 1,03,87,29,420 |
| Unabsorbed depreciation | 53,11,03,863 | 53,11,03,863 |
| Potential tax benefit | 27,16,37,343 | 32,09,67,391 |

a) Unused tax losses with respect to unabosorbed depreciation do not have an expiry date.

b) Unused tax losses with respect to Business losses have following expiry date.

| Financial Year | Amount ₹ | Expiry Date |
|---|---|---|
| 2015-16 | 14,92,97,663 | March 31, 2024 |
| 2016-17 | 53,80,59,075 | March 31, 2025 |
| 2017-18 | 34,82,12,444 | March 31, 2026 |
| 2018-19 | 60,29,590 | March 31, 2027 |
| | **1,04,15,98,772** | |

c) The Company has following unutilised MAT credit under the Income Tax Act, 1961 for which deferred tax assets has been recongnised in the Balance Sheet

| Financial Year | Amount ₹ | Expiry Date |
|---|---|---|
| 2009-10 | 63,73,995 | 2024-25 |
| 2010-11 | 47,19,714 | 2025-26 |
| 2011-12 | 4,77,18,986 | 2026-27 |
| 2012-13 | 7,50,74,358 | 2027-28 |
| **Total** | **13,38,87,053** | |

**B. Deferred Tax**

**Autoline Industries Limited**

Deferred Tax assets reflected in the Balance Sheet as follows:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Deferred Tax Asset | | |
| Expenses allowable as deduction in future years | 21,19,51,914 | 21,05,88,427 |
| | 21,19,51,914 | 21,05,88,427 |
| Deferred Tax Liability | | |
| Depreciation | 21,19,51,914 | 21,05,88,427 |
| | 21,19,51,914 | 21,05,88,427 |
| | | |
| **Total Deferred Tax Liability (Net)** | - | - |

**Autoline Design Software Limited**

Deferred Tax assets reflected in the Balance Sheet as follows:

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| Deferred Tax Asset | | |
| Depreciation | - | 3,07,500 |
| Expenses allowed as deduction in future years | 1,28,733 | 1,50,770 |
| Carry Forward Losses | 1,29,747 | 1,98,934 |
| | 2,58,480 | 6,57,204 |
| Deferred Tax Liability | | |
| Depreciation | 2,58,480 | - |
| | 2,58,480 | - |
| | | |
| **Total Deferred Tax Asset/Liability (Net)** | - | 6,57,204 |

Movement in Deferred Tax Assets/ (Liabilities)

| Particulars | Depreciation (Def Tax Asset) | Expenses | Carry Forward Losses | Total (Net) |
|---|---|---|---|---|
| | ₹ | ₹ | ₹ | ₹ |
| **As at April 1, 2017** | 4,71,206 | 91,846 | 13,20,149 | 18,83,201 |
| (Charged)/ credited | | | | |
| - to profit and loss | (1,63,706) | 58,924 | (11,21,215) | (12,25,997) |
| - to other comprehensive income | | | | |
| **As at March 31, 2018** | 3,07,500 | 1,50,770 | 1,98,934 | 6,57,204 |
| (Charged)/ credited | | | | |
| - to profit and loss | (5,65,980) | (22,037) | (69,187) | (6,57,204) |
| - to other comprehensive income | - | - | - | |
| **As at March 31, 2019** | (2,58,480) | 1,28,733 | 1,29,747 | 0 |

**Note 46 : Employee Benefits**

**Defined benefit plans**

The Company offers the following employee benefit schemes to its employees:

## 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 salary per month computed proportionately for 15 days salary mutiplied 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 |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **April 01,2017** | 3,69,06,836 | 1,76,43,761 | 1,92,63,075 |
| Current Service Cost | 57,57,372 | - | 57,57,372 |
| Past service cost | 7,63,959 | - | 7,63,959 |
| Mortality Charges & Taxes | - | (5,35,112) | 5,35,112 |
| Interest Expense/(income) | 25,23,521 | 11,99,112 | 13,24,409 |
| **Total amount recognised in profit or loss** | **90,44,852** | **6,64,000** | **83,80,852** |
| *Remeasurements* | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | 5,755 | (5,755) |
| (Gain)/loss from change in demographic assumptions | - | - | - |
| (Gain)/loss from change in financial assumptions | (15,78,458) | - | (15,78,458) |
| Experience (gains)/losses | 15,37,015 | - | 15,37,015 |
| **Total amount recognised in other comprehensive income** | **(41,443)** | **5,755** | **(47,198)** |
| Employer contributions | | 32,89,870 | (32,89,870) |
| Benefit Payments | (66,01,071) | (66,01,071) | - |
| **March 31,2018** | **3,93,09,174** | **1,50,02,315** | **2,43,06,859** |

| | Present value of obligation | Fair Value of plan assets | Net Amount |
|---|---|---|---|
| | ₹ | ₹ | ₹ |
| **April 01,2018** | 3,93,09,174 | 1,50,02,315 | 2,43,06,859 |
| Current Service Cost | 55,78,051 | - | 55,78,051 |
| Past service cost | - | - | - |
| Mortality Charges & Taxes | - | (3,01,928) | 3,01,928 |
| Interest Expense/(income) | 28,14,572 | 9,38,175 | 18,76,397 |
| **Total amount recognised in profit or loss** | 83,92,623 | 6,36,247 | 77,56,376 |
| *Remeasurements* | | | |
| Return on plan assets, excluding amounts included in interest expense/(income) | - | (361) | 361 |
| (Gain)/loss from change in demographic assumptions | (1,870) | - | (1,870) |
| (Gain)/loss from change in financial assumptions | (43,865) | - | (43,865) |
| Experience (gains)/losses | (15,88,781) | - | (15,88,781) |
| **Total amount recognised in other comprehensive income** | (16,34,516) | (361) | (16,34,155) |
| Employer contributions | | 4,86,691 | (4,86,691) |
| Benefit Payments | (64,96,578) | (64,35,540) | (61,038) |
| **March 31,2019** | 3,95,70,703 | 96,89,352 | 2,98,81,351 |

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

| | As at March 31,2019 | As at March 31,2018 |
|---|---|---|
| | ₹ | ₹ |
| Present Value of funded obligations | 3,95,70,703 | 3,93,09,174 |
| Fair value of plan assets | 96,89,352 | 1,50,02,315 |
| **Deficit of funded plan** | **2,98,81,351** | **2,43,06,859** |
| Unfunded Plans | - | - |
| Deficit of gratuity plan | 2,98,81,351 | 2,43,06,859 |

**Valuation in respect of Gratuity has been carried out by Independent actuary, as at the Balance Sheet date, based on the following assumptions:**

**Autoline Industries Ltd (Holding Company)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | Gratuity | Gratuity |
| Discount rate (Per Annum) | 7.80% | 7.80% |
| Expected rate of return on plan assets (Per Annum) | 7.50% | 7.50% |
| Rate of escalation in salary (Per Annum) | 8.00% | 8.00% |
| Mortality Table referred | IALM(2006-08) ult | IALM(2006-08) ult |
| Age Withdrawal Rate % | 2% | 2% |
| Expected average remaining working lives of employees (in years) | 17.07 | 17.10 |

**Autoline Design Software Ltd. (Subsidiary Company)**

| Particulars | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| | Gratuity | Gratuity |
| Discount rate (Per Annum) | 7.90% | 7.90% |
| Rate of escalation in salary (Per Annum) | 8.00% | 8.00% |
| Expected rate of return on plan assets (Per Annum) | 0.00% | 0.00% |
| Mortality Table referred | IALM(2012-14) ult | IALM(2006-08) ult |
| Age Withdrawal Rate % | 1.00% | 1.00% |
| Expected average remaining working lives of employees (in years) | 21.33 | 21.33 |

**Sensitivity analysis**

Sensitivity analysis indicates the influence of a reasonable change in certain significant assumptions on the outcome of the Present Value of obligation (PVO) and aids in understanding the uncertainty of reported amounts. Sensitivity analysis is done by varying one parameter at a time and studying its impact.

The sensitivity of the Present Value of obligation to changes in the weighted principal assumptions is as follows:

**Change in assumptions and impact on Present Value of obligation as at March 31, 2019**

**Autoline Industries Ltd (Holding Company)**

| Particulars | | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | Change in assumption (in %) | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (3,28,63,817) | 4,28,43,136 |
| Salary growth rate | 1% | 4,22,94,145 | (3,31,78,175) |
| Withdrawal Rate | 1% | (3,73,22,148) | 3,74,89,933 |

**Autoline Design Software Ltd. (Subsidiary Company)**

| Particulars | | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | Change in assumption (in %) | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (18,58,270) | 25,44,225 |
| Salary growth rate | 1% | 24,44,949 | (18,86,961) |
| Withdrawal Rate | 1% | (21,67,027) | 21,73,956 |

**Comparative Figures**

**Change in assumptions and impact on Present Value of obligation as at March 31, 2018**

**Autoline Industries Ltd (Holding Company)**

| Particulars | | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | Change in assumption (in %) | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (3,29,64,477) | 4,28,55,042 |
| Salary growth rate | 1% | 4,23,88,068 | (3,32,33,548) |
| Withdrawal Rate | 1% | (3,73,73,255) | 3,75,50,215 |

**Autoline Design Software Ltd. (Subsidiary Company)**

| Particulars | Change in assumption (in %) | Impact on defined benefit obligation (in %) | |
|---|---|---|---|
| | | Increase in assumption, Increase/ (Decrease) in liability | Decrease in assumption, Increase/ (Decrease) in liability |
| Discount rate | 1% | (15,71,505) | 21,95,309 |
| Salary growth rate | 1% | 21,71,408 | (15,84,019) |
| Withdrawal Rate | 1% | (18,50,630) | 18,56,499 |

The above sensitivity analysis are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied while calculating the defined benefit liability recognized in the balance sheet. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior period.

**Category of Planned assets**

**Autoline Industries Ltd (Holding Company)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Funds Managed by insurer | 100% | 100% |

The company maintains gratuity fund, which is being administered by Life Insurance Corporation of India. Fund value confirmed by Life Insurance Corporation of India as at March 31, 2019 is considered to be fair value.

**Autoline Design Software Ltd. (Subsidiary Company)**

| | As at March 31, 2019 | As at March 31, 2018 |
|---|---|---|
| Funds Managed by insurer | 0% | 0% |

The Company has not funded the liability as on March 31, 2019

**Defined Benefit liability and employer contributions**

The expected contributions to post-employment benefit plans for the year ended March 31, 2020 is Rs.2,77,11,019/-

**The following payments are expected contributions to defined benefit plan in future years**

The weighted average duration of the plan for Autoline Industries Ltd (Holding Company) is 18.19 years and for Autoline Design Software Ltd. (Subsidiary Company) is 19.97 years.

**Expected Future Benefit Payments:**

| Particulars | As at March 31, 2019 | |
|---|---|---|
| | Autoline Industries Ltd (Holding Company) | Autoline Design Software Ltd. (Subsidiary Company) |
| | ₹ | ₹ |
| Defined Benefit Oligation | | |
| Less than a year | 10,46,000 | 26,000 |
| Between 1-2 years | 11,38,000 | 56,000 |
| Between 2-5 years | 63,77,000 | 1,60,000 |
| Over 5 years | 2,28,65,000 | 4,21,000 |
| **Total** | 3,14,26,000 | 6,63,000 |

**Risk Exposure**

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

**1. Interest rate risk:**

The defined benefit obligation is calculated using a discount rate based on government bonds. If bond yields fall, the defined benefit obligation will tend to increase.

**2. Salary inflation risk:**

Higher than expected increases in salary will increase the defined benefit obligation.

**3. Demographic risk:**

For example,as the plan is open to new entrants, an increase in Membership will increase the defined benefit obligation. Also,the plan only provides benefits upon completion of a vesting criteria. Therefore, if turnover rates increase then the liability will tend to fall as fewer employees reach vesting period.

## Note 47 : Interest in other entities

**Subsidiaries**

The group's subsidiary as at March 31, 2019 is set out below. Unless otherwise stated, it has share capital consisting solely of eqity shares that are held directly by the Group, and the proportion of the ownership interest held equals the voting rights held by the group. The country of incorporation or registration is also their principal place of business.

| Name of the Entity | Place of business / country of incorporation | Ownership held by the Group | | Principal Activities |
|---|---|---|---|---|
| | | March 31, 2019 | March 31, 2018 | |
| | | % | % | |
| | | | | |
| Autoline Design Software Ltd. | India | 100 | 100 | Services of design & engineering |
| | | | | |
| Autoline Industrial Parks Ltd. | India | 44.67 | 44.68 | Developing Industrial Parks, Township Projects, etc |
| | | 1.55* | - | |
| Koderat Investments Ltd. | Cyprus | 100 | 100 | Acting as Special Purpose Vehicle |

* held through subsidiary (Autoline Design Software Limited)

**Note 48 : Employee Stock Option Plan**

In the 12th Annual general meeting held on 27th Sept, 2008, the shareholders approved the issue of 8,50,000 options under the Scheme titled “Autoline ESOS 2008” (ESOP A).

The ESOP allows the issue of options to Employees of the Company and it's Subsidiaary Companies (whether in India or abroad) and also to the Directors of the Company /Subsidiary Companies. Each option comprises one underlying equity share.

As per the Scheme, the Remuneration / Compensation Committee grants the options to the employees deemed eligible. The options granted vest over a period of 5 years from the date of the grant in proportions specified in the Scheme. Options may be exercised within 5 years from the date of vesting.

The difference between the fair price of the share underlying the options granted on the date of grant of option and the exercise price of the option (being the intrinsic value of the option) representing Stock compensation expense is expensed over the vesting period.

The options are accounted for as "equity settled share based payment" transactions. Refer the table below as per requirment of Ind AS 102 - Share based payments

**a) Details of Employee Stock Option Scheme**

| | |
|---|---|
| No. of Options granted | 1,75,000 |
| Grant price | Rs. 25 |
| Grant Dates | November 12, 2010 |
| Total Options exercised | 1,36,085 |
| Total Options lapsed | 32,255 |
| Options outstanding at the end of the year | 6,660 |
| Vesting of Options | 3 equal installments. 33.33% of the options vested on April 1, 2012, April 1, 2013 and April 1, 2014 |
| Exercise period | 5 years from the date of vesting |

**b) Employee stock options details as on the Balance Sheet date are as follows:**

| Particulars | During the year ended March 31, 2019 | | During the year ended March 31, 2018 | |
|---|---|---|---|---|
| | Options (Numbers) | Weighted average exercise price per option (₹) | Options (Numbers) | Weighted average exercise price per option (₹) |
| Option outstanding at the beginning of the year: | | | | |
| - ESOP (Employee) | 14,153 | 25 | 14,153 | 25 |
| - ESOP (Director) | 1,666 | 25 | 1,666 | 25 |
| Granted during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Vested during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Exercised during the year: | | | | |
| - ESOP (Employee) | Nil | - | Nil | - |
| - ESOP (Director) | Nil | - | Nil | - |
| Lapsed during the year: | | | | |
| - ESOP (Employee) | 8,325 | 25 | Nil | - |
| - ESOP (Director) | 834 | 25 | Nil | - |
| Options outstanding at the end of the year: | | | | |
| - ESOP (Employee) | 5,828 | 25 | 14,153 | 25 |
| - ESOP (Director) | 832 | 25 | 1,666 | 25 |
| Total Options available for grant: | | | | |
| - ESOP | 7,07,255 | 25 | 6,98,096 | 25 |

**c) Fair Valuation of Options**

| Particulars | March 31, 2019 | March 31, 2018 |
|---|---|---|
| Current Market Price | 52.37 | 61.10 |
| Exercise Price | 25 | 25 |
| Weighted Average Volatility Rate | 45% | 45% |
| Dividend Pay Outs | 0 | 0 |
| Risk free rate | 7% | 7% |
| Average remaining life (as at March 31, 2018) | Less than 1 month | 1-13 months |

## Note 49 : Additional Information required by Schedule III

| Name of the entity in the group | Net Assets (Total assets minus total liabilities) | | Share in Profit or (loss) | |
|---|---|---|---|---|
| | As a % of consolidated net assets | Amount ₹ | As a % of consolidated profit or loss | Amount ₹ |
| **Parent** | | | | |
| Autoline Industries Ltd. | | | | |
| Balance as at March 31, 2019 | 53.16 | 90,21,12,087 | 84.12 | (4,02,51,369) |
| Balance as at March 31, 2018 | 36.45 | 48,04,20,506 | 98.00 | (51,32,87,388) |
| **Subsidiaries** | | | | |
| **Indian** | | | | |
| 1) Autoline Design Software Ltd. | | | | |
| Balance as at March 31, 2019 | 1.96 | 3,32,65,771 | 5.38 | (25,73,931) |
| Balance as at March 31, 2018 | 2.72 | 3,57,95,838 | 0.18 | (9,29,637) |
| 2) Autoline Industrial Parks Ltd. | | | | |
| Balance as at March 31, 2019 | 68.25 | 1,15,81,37,269 | 13.05 | (62,43,520) |
| Balance as at March 31, 2018 | 89.45 | 1,17,90,77,750 | 1.73 | (90,59,588) |
| **Foreign** | | | | |
| 1) Koderat Investments Ltd. | | | | |
| Balance as at March 31, 2019 | (0.17) | (29,63,615) | 0.87 | (4,15,204) |
| Balance as at March 31, 2018 | (0.19) | (25,48,411) | 0.10 | (5,03,620) |

| | | | | |
|---|---|---|---|---|
| **Non Controlling interests in all subsidiaries** | | | | |
| Balance as at March 31, 2019 | 36.70 | 62,28,46,223 | 7.02 | (33,57,765) |
| Balance as at March 31, 2018 | 49.65 | 65,44,44,511 | 0.97 | (50,93,300) |
| **Adjustments arising out of consolidation** | | | | |
| March 31, 2019 | (59.90) | (1,01,64,78,647) | (10.43) | 49,91,920 |
| March 31, 2018 | (78.08) | (1,02,91,09,957) | (0.97) | 50,93,300 |
| **Total after elimination in account of consolidation- 2019** | 100.00 | 1,69,69,19,089 | 100.00 | (4,78,49,870) |
| **Total after elimination in account of consolidation- 2018** | 100.00 | 1,31,80,80,237 | 100.00 | (52,37,80,233) |

**Continued..**

| Name of the entity in the group | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|
| | As a % of consolidated other comprehensive income | Amount ₹ | As a % of consolidated total comprehensive income | Amount ₹ |
| **Parent** | | | | |
| Autoline Industries Ltd. | | | | |
| Balance as at March 31, 2019 | 97.32 | 15,90,290 | 83.65 | (3,86,61,079) |
| Balance as at March 31, 2018 | (408.70) | (1,92,898) | 98.04 | (51,34,80,286) |
| **Subsidiaries** | | | | |
| **Indian** | | | | |
| 1) Autoline Design Software Ltd. | | | | |
| Balance as at March 31, 2019 | 2.68 | 43,865 | 5.47 | (25,30,066) |
| Balance as at March 31, 2018 | 508.70 | 2,40,096 | 0.13 | (6,89,541) |
| 2) Autoline Industrial Parks Ltd. | | | | |
| Balance as at March 31, 2019 | - | - | 13.51 | (62,43,520) |
| Balance as at March 31, 2018 | - | - | 1.73 | (90,59,588) |
| **Foreign** | | | | |
| 1) Koderat Investments Ltd. | | | | |
| Balance as at March 31, 2019 | - | - | 0.90 | (4,15,204) |
| Balance as at March 31, 2018 | - | - | 0.10 | (5,03,620) |
| **Non Controlling interests in all subsidiaries** | | | | |
| Balance as at March 31, 2019 | - | - | 7.27 | (33,57,765) |
| Balance as at March 31, 2018 | - | - | 0.97 | (50,93,300) |
| **Adjustments arising out of consolidation** | | | | |
| March 31, 2019 | - | - | (10.80) | 49,91,920 |
| March 31, 2018 | - | - | (0.97) | 50,93,300 |
| **Total after elimination in account of consolidation- 2019** | 100.00 | 16,34,155 | 100.00 | (4,62,15,715) |
| **Total after elimination in account of consolidation- 2018** | 100.00 | 47,198 | 100.00 | (52,37,33,035) |

**Note 50 : Assets Pledged as Security**

| | March 31, 2019 | March 31, 2018 |
|---|---|---|
| | ₹ | ₹ |
| **Current** | | |
| **Financial Assets** | | |
| First Charge | | |
| Factored Receivables | 2,34,96,939 | 6,98,40,612 |
| Other Receivables | 41,78,55,152 | 38,31,22,747 |
| **Non Financial Assets** | | |
| First Charge | | |
| Inventories | 60,98,59,936 | 62,38,56,268 |
| **Total Current assets pledged as security** | 1,05,12,12,027 | 1,07,68,19,627 |
| **Non-Current** | | |
| Plant and Machinery | 95,77,66,922 | 1,06,40,22,213 |
| Building | 61,72,06,364 | 63,24,27,494 |
| Land | 10,14,76,123 | 10,14,76,123 |
| Others Assets | 2,88,01,278 | 5,72,33,599 |
| **Total Non-current assets pledged as security** | 1,70,52,50,687 | 1,85,51,59,429 |
| **Total Assets pledged as security** | 2,75,64,62,714 | 2,93,19,79,056 |

**Note 51 : The list of standards issued but not yet effective**

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

**Ind AS 116- Leases**

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

**Amendment to Ind AS 12, 'Income taxes' (amendments relating to Income Tax consequences of dividend and uncertainty over Income tax treatments)**

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

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

**Ind AS 109 – Prepayment Features with Negative Compensation**

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

**Ind AS 19 – Plan Amendment, Curtailment or Settlement**

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

**Ind AS 23 – Borrowing Costs**

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

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

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

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

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

**Note 52 : Previous year's figures**

The figures for previous year have been regrouped / rearranged as necessary to confirm to current year's presentation

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For A. R. Sulakhe & Co.
Chartered Accountants
Firm Registration No. 110540W

For and on behalf of the Board of Directors

| | | | |
|---|---|---|---|
| | Prakash Nimbalkar<br>Chairman<br>DIN:00109947 | Shivaji Akhade<br>Managing Director<br>DIN:00006755 | Umesh Chavan<br>Executive Director & CEO<br>DIN:06908966 |
| CA. Anand Sulakhe<br>Partner<br>Mem. No. 33451<br>Place : Pune<br>Date : May 30, 2019 | | Gokul Naik<br>Chief Financial Officer | Ashish Gupta<br>Company Secretary |

**FORM NO. MGT 11**

**PROXY FORM**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN : L34300PN1996PLC104510
Name of the Company : AUTOLINE INDUSTRIES LIMITED
Registered Office : Survey Nos. 313, 314, 320 to 323 Nanekarwadi, Chakan, Tal. Khed, Dist. Pune-410501.
Tel: +91-2135-664865/6, Fax: +91-2135-664864/53
Email : investorservices@autolineind.com
Website : www.autolineind.com

| | |
|---|---|
| Name of the Member(s) | |
| Registered Address | |
| Email ID | |
| Folio No / Client ID | |
| DP ID | |

I / We, being the member(s) of _____ shares of the above named company, hereby appoint

1. Name :
   Address:
   Email ID Signature: _____or failing him / her
2. Name :
   Address:
   Email ID Signature: _____or failing him / her
3. Name :
   Address:
   Email ID Signature: _____

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 23rd Annual General Meeting of the Company to be held on September 28, 2019 at 2:30 p.m. at Survey No. 291 to 295 Nanekarwadi, Chakan, Taluka Khed, Pune 410501 and at any adjournment thereof in respect of such resolutions as are indicated below:

| Resolution No. | Particulars of Resolution |
|---|---|
| **Ordinary Business** | |
| 1 | To receive, consider and adopt the audited financial statements of the Company on a standalone and consolidated basis, for the financial year ended March 31, 2019, the reports of the Board of Directors and Auditors thereon. |

TEAR HERE

| | |
|---|---|
| 2 | To appoint a Director in place of Mr. Umesh Chavan (DIN : 06908966), who retires by rotation at the ensuing Annual General Meeting and being eligible has offered himself for re-appointment. |
| 3 | To appoint Auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the Twenty Sixth Annual General Meeting and to fix their remuneration. |
| **Special Business** | |
| 4 | To re-appoint Mr. Prakash B. Nimbalkar (DIN: 00109947) as an Independent Director |
| 5 | To re-appoint Mr. Vijay K. Thanawala (DIN: 00001974) as an Independent Director |
| 6 | To re-appoint Mr. Umesh N. Chavan (DIN: 06908966) as an Executive Director & CEO. |
| 7 | To approve the remuneration of Mr. Shivaji akhade (DIN:00006755), Managing Director of the Company |
| 8 | To approve the remuneration of Mr. Sudhir Mungase (DIN:00006754), Whole-time Director of the Company |
| 9 | To confirm the appointment of Mr. Krishankant Rathi (DIN: 00040094) as a Nominee Director in the Company |
| 10 | To alter the Articles of Association of the Company as per the provisions of the Companies Act, 2013 |
| 11 | To approve the waiver of recovery of remuneration paid to Mr. Umesh Chavan, Executive Director & CEO (DIN: 06908966) for the period June 25, 2014 to June 24, 2017 |
| 12 | To approve granting of loans, providing any security, giving any guarantees in connection with any loans raised by Autoline Industrial Parks Limited (AIPL), Subsidiary of Autoline Industries Limited (AIL) |

Signed this _____day of _____2019

Signature of member: _____

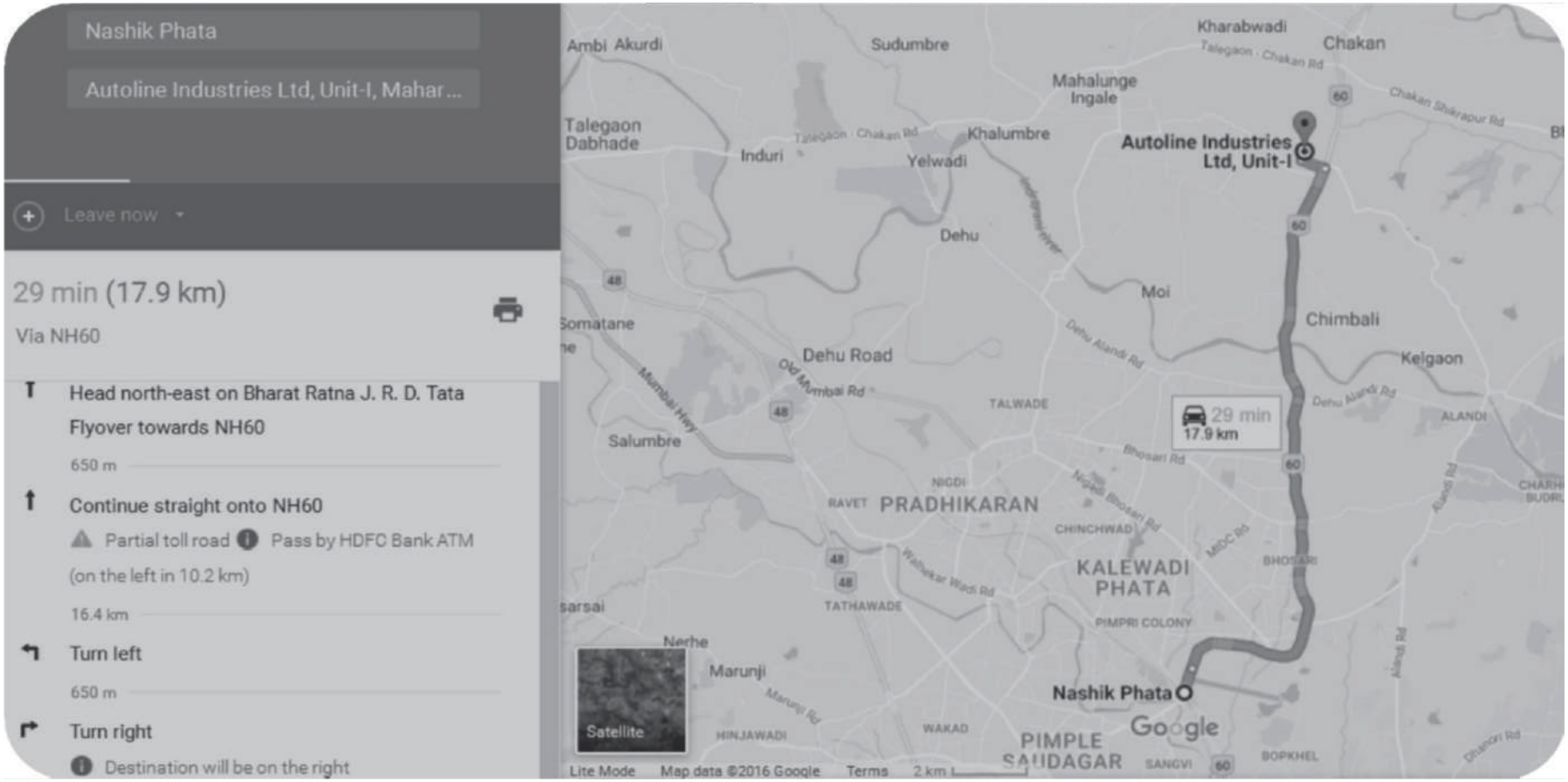
Signature of Proxy holder(s): _____

Affix Revenue Stamp

**Note:**

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. A Proxy need not be a Member of the Company.
3. A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than 10 percent of the total share capital of the Company carrying voting rights. A member holding more than 10 percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
4. Appointing a proxy does not prevent a member from attending the meeting in person if he/she so wishes.

**ROUTE MAP** (FOR AGM VENUE)




Prominent Landmark near the venue of AGM is the factory of Bosch Chassis Systems India Pvt. Ltd.

AUTOLINE

# VISION

## D.R.I.V.E.

Dependable Reliable Innovative solutions to create Value for stakeholders through Effective empowerment

# MISSION

| | | |
|---|---|---|
| ***People*** | → | *Empowering people to act like owners.* |
| ***Customer*** | → | *Exceeding Customer Expectations.* |
| ***Stakeholders*** | → | *Adding value for stakeholders.* |
| ***Workplace*** | → | *Functioning with energy and passion.* |
| ***Environment*** | → | *Driving quality, safety and environmental care .* |
| ***Effectiveness*** | → | *Emphasis Effectiveness through efficient actions.* |

# VALUES

| | | |
|---|---|---|
| ***Respect*** | → | *Treat everyone with dignity and respect.* |
| ***Integrity*** | → | *Say and do only what is right.* |
| ***Diversity*** | → | *Embrace the diverse perspectives.* |
| ***Growth*** | → | *Work towards growth as a way of life.* |
| ***Inclusion*** | → | *Maintain an open & inclusive environment in team Autoline.* |
| ***Quality*** | → | *Right the first time, on time, every time.* |

# About Autoline

A trailblazing story! That is how Autoline could describe its journey in this highly competitive, fast paced and ever changing auto industry.

**COMPANY HISTORY:** Autoline Industries Ltd (AIL) (incorporated on December 16,1996, as Autoline Stamping Private Ltd.) was initially set up in January 1995 as a partnership firm known as "Autoline Pressings" under India Partnership Act, 1932. The Company has grown into a medium sized engineering and auto ancillary company, manufacturing sheet metal components, sub-assemblies and assemblies, Foot Control Modules, parking brakes, hinges, cab stay and cab tilt, exhaust systems, tubular structures, fabrications, etc for large OEMs in the Automobile Industry. The turnover of ₹ 1.10 million in financial year 1995-96 raised up to ₹ 8050 million in financial year 2012-13. AIL is a prominent Pune based leading auto components manufacturer and supplier to Original Equipment Manufacturers (OEMs) and Automobile companies with presence in the Domestic and International Markets.

# Key Customers

Mahindra | Volkswagen | Cummins | TATA | FIAT | BharatBenz | KAMAZ VECTRA | GM | ASHOK LEYLAND | AMW Asia MotorWorks Ltd

AUTOLINE

## AUTOLINE INDUSTRIES LIMITED

CIN : L34300PN1996PLC104510

Regd. Office - S. Nos. 313, 314, 320 to 323, Nanekarwadi, Chakan,
Taluka – Khed, Dist. Pune - 410 501, India.

Tel: +91-2135-664865/6, Fax: +91-2135-664864/53

E-mail: investorservices@autolineind.com | Website : www.autolineind.com

Hindusthan Chakan : 9850788883