

Tata Marcopolo Motors Limited
Annual Financial Statements
For the year ended March 31, 2019

INDEPENDENT AUDITORS' REPORT

To The Members of Tata Marcopolo Motors Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of Tata Marcopolo Motors Limited ("the Company"), which comprise the balance sheet as at 31 March 2019, the statement of profit and loss (including other comprehensive income), the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Ind AS 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 Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibility for the Ind AS Financial Statements

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

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

Independent Auditors' Report (*continued*)

Management's Responsibility for the Ind AS Financial Statements (*Continued*)

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

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

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

Our objectives are to obtain reasonable assurance about whether the 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 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 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures 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 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Independent Auditors' Report (*continued*)

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements (*continued*)

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The balance sheet, the statement of profit and loss (including other comprehensive income), statement of changes in equity and the statement of cash flows dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid Ind AS financial statements comply with the Ind AS prescribed under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
 - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements. Refer Note 25 (b) to the Ind AS Financial statements.

Independent Auditors' Report (*continued*)

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

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8th November 2016 to 30th December 2016 have not been made since they do not pertain to the financial year ended 31 March 2019.
3. With respect to the matter to be included in the Auditors' Report under section 197(16):

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

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

Place: Pune
Date : 06 May 2019

Siddhartha Guha
Partner
Membership No.: 124042

Tata Marcopolo Motors Limited

Annexure A to the Independent Auditors' Report

Referred to in paragraph 1 in Report on Other Legal and Regulatory Requirements of the Independent Auditors' Report of even date to the Members of the Company on the Ind AS financial statements for the year ended 31 March 2019, we report that:

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

(b) The Company has a regular programme of physical verification of its fixed assets, by which all fixed asset are verified in a phased manner over a period of three years. Accordingly, the management has conducted physical verification of certain fixed assets as per programme during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) The Company does not have any immovable properties of freehold or leasehold land. Factory building have been built on the land taken on sub-lease basis from the holding company, after obtaining the necessary permission from the office of Factories Inspectorate and are not required to be registered with the office of the Sub-Register of Land and Revenue. Therefore, factory buildings do not have any title deeds.
- ii. The inventories except for goods-in-transit, have been physically verified by the Management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stocks and the book records were not material and have been appropriately dealt with in the book of account.
- iii. In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013 ("Act"). Accordingly, paragraph 3(iii) (a), (b) and (c) of the Order are not applicable.
- iv. In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which provisions of section 185 and 186 of the Act are applicable.
- v. The Company has not accepted any deposits from the public in terms of directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and the rules made there under. Accordingly, paragraph 3(v) of the Order is not applicable.
- vi. The Central Government of India has not prescribed the maintenance of cost records under Section 148(1) of the Act, for any product sold or services rendered by the Company. Accordingly, paragraph 3(vi) of the Order is not applicable to the Company.

Tata Marcopolo Motors Limited
Annexure A to the Independent Auditors' Report (continued)

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employees' state insurance, Income tax, Duty of customs, Goods and service tax and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities, except for Provident fund dues referred to in note 24 (c) to Ind AS financial statements. As explained to us, the Company did not have any dues on account of Sales tax, Service tax, Value added tax and Duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' state insurance, Income tax, Duty of Customs, Goods and Service Tax and other material statutory dues were in arrears as at 31 March 2019, for a period of more than six months from the date they became payable. We draw attention to note 24 (c) to the Ind AS financial statements which more fully explains the matter regarding non-payment of provident fund contribution pursuant to Supreme Court judgement dated 28 February 2019.

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

Name of statute	Nature of dues	Amount (in INR Lakhs)	Amount paid under protest (in INR Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Excise Laws	Excise duty and penalty	2,269.03	72.32	2008-09 to 2015-16	CESTAT
Central Excise Laws	Excise duty and penalty	165.27	7.82	April 2009 to March 2017	Commissioner (Appeals)
Service Tax Act, 1994	Service tax – CENVAT	133.16	4.99	December 2008 to October 2012	CESTAT
Uttar Pradesh Value Added Tax, 2007	Sales Tax on motor parts	47.34	40.89	2017-18 & 2008-09	Commercial Taxes Tribunal Uttar Pradesh
Uttar Pradesh Value Added Tax, 2007	Sales Tax on motor parts	215.30	43.08	2009-10	Commissioner of Commercial Tax (Appeals)
Uttar Pradesh Value Added Tax, 2007	Value Added Tax	49.07	21.66	2010-11, 2011-12, 2012-13	Joint Commissioner (Appeals)
Karnataka Value Added Tax 2003	Value Added Tax	34.53	10.36	2011-12	DCCT ENF(2)
Karnataka Value Added Tax 2003	Value Added Tax	6.26	6.26	2014-15	CTO Audit(1)

Tata Marcopolo Motors Limited
Annexure A to the Independent Auditors' Report (*continued*)

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to any financial institution or banks or Government. The Company does not have any dues to debenture holders.
- ix. In our opinion and according to the information and explanations given to us, term loans taken by the Company have been applied for the purpose for which they were raised. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments).
- x. According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanation given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with schedule V to the Act.
- xii. According to the information and explanations given to us, the Company is not a Nidhi Company as per the Act. Accordingly, paragraph 3(xii) of the order is not applicable.
- xiii. In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section 177 and 188 of the Act and the details, as required by the applicable accounting standards have been disclosed in the Ind AS financial statements.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partially convertible debentures during the year.
- xv. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with directors or persons connected with them during the year.
- xvi. The Company is not required to register under section 45-IA of the Reserve Bank of India, 1934.

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

Place: Pune
Date : 06 May 2019

Siddhartha Guha
Partner
Membership No.:124042

Tata Marcopolo Motors Limited

Annexure B to the Independent Auditors' Report on Ind AS Financial statements of Tata Marcopolo Motors Limited for the year ended 31 March 2019

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act (Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Opinion

We have audited the internal financial controls with reference to Ind AS financial statements of Tata Marcopolo Motors Limited ("the Company") as of 31 March 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls were operating effectively as at 31 March 2019, based on the internal financial controls with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Ind AS financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to Ind AS financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to 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 with reference to Ind AS financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Ind AS financial statements included obtaining an understanding of such internal financial controls, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk.

Tata Marcopolo Motors Limited

Annexure B to the Independent Auditors' Report on Ind AS Financial statements of Tata Marcopolo Motors Limited for the year ended 31 March 2019 (Continued)

Auditors' Responsibility (Continued)

The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

Meaning of Internal Financial controls with Reference to Ind AS Financial Statements

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

Inherent Limitations of Internal Financial controls with Reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to 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 with reference to Ind AS financial statements to future periods are subject to the risk that the internal financial controls with reference to 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.

For B S R & Co. LLP

Chartered Accountants

Firm Registration No. 101248W/W-100022

Place: Pune

Date : 06 May 2019

Siddhartha Guha

Partner

Membership No.:124042

Tata Marcopolo Motors Limited
Balance sheet as at March 31, 2019

		(₹ in Lakhs)	
		As at March 31,	As at March 31,
		2019	2018
I.	<u>ASSETS</u>	Note No.	
	(1) Non-current assets		
	(a) Property, plant and equipment	2	15,512.60
	(b) Capital work-in-progress		426.03
	(c) Intangible assets	3	381.60
	(d) Intangible assets under development		1,003.60
	(e) Financial assets:		
	(i) Other financial assets	4	1,227.92
	(f) Advance income tax asset (net)	5a	805.90
	(g) Deferred tax assets (net)	5b	-
	(h) Other non-current assets	6	255.59
			19,613.24
	(2) Current assets		
	(a) Inventories	7	4,991.85
	(b) Financial assets:		
	(i) Trade receivables	8	13,471.42
	(ii) Cash and cash equivalents	9	0.74
	(iii) Loans	10	12.90
	(iv) Other financial assets	4	24.70
	(c) Other current assets	11	534.39
			19,036.00
	TOTAL		38,649.24
			19,624.73
II.	<u>EQUITY AND LIABILITIES</u>		
	(1) Equity		
	(a) Equity share capital	12	17,000.00
	(b) Other equity		(4,738.60)
			12,261.40
	(2) Non-current liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	13	4,348.00
	(b) Provisions	16	563.32
			4,911.32
	(3) Current liabilities		
	(a) Financial liabilities:		
	(i) Borrowings	14	10,159.62
	(ii) Trade payables [Includes dues to Micro, Small and Medium Enterprises ₹ 1,083.17 lakhs (as at March 31, 2018 ₹ 1,161.94 lakhs)]		9,597.07
	(iii) Other financial liabilities	15	1,228.17
	(b) Provisions	16	138.34
	(c) Other current liabilities	17	353.32
			21,476.52
	TOTAL		38,649.24
			23,780.63

See accompanying notes forming part of the financial statements

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors

Tata Marcopolo Motors Limited

CIN : U34101MH2006PLC164771

Siddhartha Guha

Partner

Membership Number: 124042

Place: Pune

Date :

Girish Arun Wagh

DIN: 03119361

Chairman

Vaijyanthi Ajit Pandit

DIN: 06742237

Abhay Padmakar Bawale

DIN: 07859752

Asim Kumar Mukhopadhyay

DIN: 06520288

Rohit Srivastava

DIN: 07910693

Andre Vidal Armaganijan

DIN: 08037960

Directors

Directors

Directors

Laxmiprasad Jahagirdar

Manager & Chief Executive Officer

Kaushik Roy

Chief Financial Officer

A B Koyari

Company Secretary

Place: Mumbai

Date : 06 May 2019

Tata Marcopolo Motors Limited
Statement of Profit and Loss for the period ended March 31, 2019

(₹ in Lakhs)

Particulars	Note No.	For the year ended	
		2019	2018
I. Revenue from operations	18	70,574.70	57,230.87
II. Other income	19	1,654.95	84.10
III. Total income (I+II)		72,229.65	57,314.97
IV. Expenses:			
(a) Cost of materials consumed		45,859.65	33,049.86
(b) Changes in inventories of finished goods and work-in-progress	20	(251.73)	(86.72)
(c) Excise duty on sale of products		-	1,616.35
(d) Employee benefits expense	21	8,764.70	7,271.93
(e) Finance costs	22	953.62	697.86
(f) Depreciation and amortisation expense	2 & 3	1,890.40	2,210.36
(g) Other expenses	23	13,915.54	11,584.94
(h) Expenditure transferred to capital and other accounts		(397.11)	(158.85)
Total expenses (IV)		70,735.07	56,185.73
V. Profit before tax (III-IV)		1,494.58	1,129.24
VI. Tax expense :		91.96	149.19
(a) Current tax		-	-
Less : MAT credit entitlement		-	-
(b) Deferred tax		91.96	149.19
VII. Profit for the period (V-VI)		1,402.62	980.05
VIII. Other comprehensive (loss) / income :			
(i) Items that will not be reclassified to profit and loss:			
Remeasurement (losses)/ gains on defined benefit obligations (net)		(263.16)	34.10
(ii) Income tax relating to items that will not be reclassified to Statement of Profit and Loss		91.96	(11.80)
Other comprehensive (loss) / income		(171.20)	22.30
IX. Total comprehensive income for the period (VII+VIII)		1,231.42	1,002.35
X. Earnings per equity share(face value of ₹ 10 per share):			
Weighted average number of equity shares		17,00,00,000	17,00,00,000
Earnings per equity share			
(i) Basic		0.83	0.58
(ii) Diluted		0.83	0.58

See accompanying notes forming part of the financial statements

In terms of our report attached

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

For and on behalf of the Board of Directors
Tata Marcopolo Motors Limited
CIN : U34101MH2006PLC164771

Siddhartha Guha
Partner
Membership Number: 124042
Place: Pune
Date :

Girish Arun Wagh
DIN: 03119361
Chairman

Vaijayanthi Ajit Pandit
DIN: 06742237

Abhay Padmakar Bawale
DIN: 07859752

Asim Kumar Mukhopadhyay
DIN: 06520288

Rohit Srivastava
DIN: 07910693

Andre Vidal Armaganijan
DIN: 08037960

Directors

Directors

Directors

Laxmiprasad Jahagirdar
Manager & Chief Executive Officer

Kaushik Roy
Chief Financial Officer

A B Koyari
Company Secretary

Place: Mumbai
Date : 06 May 2019

Tata Marcopolo Motors Limited
Cash Flow Statement for the period ended March 31, 2019

(₹ in Lakhs)

	For the year ended March 31,	
	2019	2018
Cash flows from operating activities:		
Profit before tax	1,494.58	1,129.24
Adjustments for:		
Depreciation and amortisation expense	1,890.40	2,210.36
Profit on sale of property, plant and equipment	-	(4.09)
Finance costs	953.62	697.86
Interest income	(441.11)	(84.10)
	3,897.49	3,949.27
Cash flows from operating activities before changes in working capital		
Increase in Inventories	(1,328.15)	(329.70)
Decrease / (Increase) in Trade receivables	2,505.86	(658.00)
Increase in Loans and advances	(5.05)	(0.18)
Increase in Other financial assets	(1,135.50)	-
(Increase) / Decrease in Other current assets	(392.43)	1,165.61
(Increase) / Decrease in Other Non current assets	(19.73)	403.30
Increase / (Decrease) in Trade payables	(13.12)	(3,756.77)
(Decrease) / Increase in Other financial liabilities	(813.84)	22.60
Increase / (Decrease) in Provisions	175.43	(1.97)
(Decrease) / Increase in Other current liabilities	(412.21)	106.48
Cash generated from operations	2,458.75	900.64
Income tax received / (paid) (net)	94.23	(8.78)
Net cash generated from operating activities	2,552.98	891.86
Cash flows from investing activities:		
Inter-corporate deposits given	(38,700.00)	(16,330.00)
Inter-corporate deposits repaid	41,225.00	13,805.00
Interest received	416.41	84.10
Payments for property, plant and equipment (including capital work-in-progress)	(543.05)	(158.25)
Proceeds from sale of property, plant and equipment	-	6.24
Payments for Intangible assets	(415.67)	(158.85)
Net cash used in investing activities	1,982.69	(2,751.76)
Cash flows from financing activities:		
Interest paid	(1,042.64)	(666.52)
Repayment of current borrowings (net)	(1,566.11)	(1,821.14)
Inter-corporate deposits repaid (net)	-	(1,000.00)
Repayments of finance lease obligations	(17.24)	(16.08)
(Repayments) / Receipts of non-current borrowings (net)	(1,950.00)	5,400.00
Net cash (used) in / generated from financing activities	(4,575.99)	1,896.26
Net (decrease)/ increase in cash and cash equivalents	(40.32)	36.36
Cash and cash equivalents at the beginning of the period	41.06	4.70
Cash and cash equivalents at the end of the period	0.74	41.06

In terms of our report attached

For **B S R & Co. LLP**

Chartered Accountants

Firm registration number: 101248W/W-100022

For and on behalf of the Board of Directors

Tata Marcopolo Motors Limited

CIN : U34101MH2006PLC164771

Siddhartha Guha

Partner

Membership Number: 124042

Place: Pune

Date :

Girish Arun Wagh

DIN: 03119361

Chairman

Vaijayanthi Ajit Pandit

DIN: 06742237

Abhay Padmakar Bawale

DIN: 07859752

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DIN: 07910693

Andre Vidal Armaganijan

DIN: 08037960

Directors

Directors

Directors

Laxmiprasad Jahagirdar

Manager & Chief Executive Officer

Kaushik Roy

Chief Financial Officer

A B Koyari

Company Secretary

Place: Mumbai

Date : 06 May 2019

Tata Marcopolo Motors Limited
Statement of Changes in Equity for the period ended March 31, 2019

A. Equity share capital (₹ in Lakhs)

Balance as at April 1, 2017	Changes in equity share capital during the year	Balance as at March 31, 2018
17,000.00	-	17,000.00

(₹ in Lakhs)

Balance as at April 1, 2018	Changes in equity share capital during the period	Balance as at March 31, 2019
17,000.00	-	17,000.00

B. Other equity (₹ in Lakhs)

	Reserves and surplus	Other comprehensive income / (loss)	
	Retained earnings	Remeasurement (losses) and gains on defined benefit obligations (net)	Total comprehensive income/ (loss)
Balance as at April 1, 2017 (A)	(6,978.15)	5.78	(6,972.37)
Profit for the year (net of tax)	980.05	-	980.05
Other comprehensive income for the year	-	22.30	22.30
Total comprehensive income for the year (B)	980.05	22.30	1,002.35
Balance as at March 31, 2018 (A+B)	(5,998.10)	28.08	(5,970.02)

Balance as at April 1, 2018 (C)	(5,998.10)	28.08	(5,970.02)
Profit for the period (net of tax)	1,402.62	-	1,402.62
Other comprehensive loss for the period	-	(171.20)	(171.20)
Total comprehensive income for the period (D)	1,402.62	(171.20)	1,231.42
Balance as at March 31, 2019 (C+D)	(4,595.48)	(143.12)	(4,738.60)

In terms of our report attached

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

For and on behalf of the Board of Directors
Tata Marcopolo Motors Limited
CIN : U34101MH2006PLC164771

Siddhartha Guha
Partner
Membership Number: 124042
Place: Pune
Date :

Girish Arun Wagh
DIN: 03119361
Chairman

Vaijayanthi Ajit Pandit
DIN: 06742237

Abhay Padmakar Bawale
DIN: 07859752

Asim Kumar Mukhopadhyay
DIN: 06520288

Rohit Srivastava
DIN: 07910693

Andre Vidal Armaganijan
DIN: 08037960

Directors

Directors

Directors

Laxmiprasad Jahagirdar
Manager & Chief Executive Officer

Kaushik Roy
Chief Financial Officer

A B Koyari
Company Secretary

Place: Mumbai
Date : 06 May 2019

Notes to Financial Statements for the period ended March 31, 2019

Background and Operations

Tata Marcopolo Motors Limited is a joint venture Company of Tata Motors Limited and Marcopolo S.A. Brazil, Tata Motors Limited holds 51% and Marcopolo S.A. 49% of Share capital.

The Company manufactures bus bodies and spare parts. The bus bodies are built on the chassis received mainly from Tata Motors Limited. The bus body built on the chassis are sold mainly to Tata Motors Limited as motor vehicle.

Tata Marcopolo Motors Limited is a public limited company incorporated and domiciled in India and has its registered office at 24 Homi Mody street, Mumbai, Maharashtra, India.

The financials statements for the period ended March 31, 2019 were approved by the Board of Directors and authorised for issue on May 06, 2019.

1 Significant accounting policies

a. Statement of compliance

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

b. Basis of preparation and presentation

These financial statements have been prepared on the historical cost basis except for certain financial instruments measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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 financial statements are presented in Indian Rupees(INR) and all values are rounded to the nearest lakhs (INR 00,000) except when otherwise indicated.

c. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each Balance Sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, is in respect of useful lives of property, plant and equipment, valuation of deferred tax assets, provisions and contingent liabilities.

Useful lives of property, plant and equipment and intangible assets

The Company reviews the useful life of property, plant and equipment and intangible assets at the end of each reporting period. This reassessment may result in change in depreciation / amortisation expense in future periods.

Valuation of deferred tax assets

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period.

Provisions and contingent liabilities

A provision is recognized where the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognized in the financial statements.

d. Functional currency and Presentation currency

The functional currency of the Company is Indian Rupee. Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing on the Balance Sheet date and exchange gains and losses arising on settlement and restatement are recognised in the Statement of Profit and Loss.

e. Revenue recognition

The Company is engaged in the business of manufacture of Bus Bodies (including job work).The Company recognises revenues on the sale of products, net of discounts when the products are delivered to the customer, which is when risks and rewards of ownership pass to the customer and no significant uncertainty as to measurability or collectability exists. The Company recognises revenues on sale of services upon completion of jobs executed for the customer at contracted rates. Sale of products and services is presented net of indirect taxes. Revenues are recognised when collectability of the resulting receivables is reasonably assured. The company recognises interest income from a financial asset when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest Income is accrued on a time proportion basis, by reference to the principal outstanding and the effective interest rate applicable.

Effective April 1, 2018, the company has applied Ind AS 115 which establishes a comprehensive framework for determining whether, how much and when revenue is to be recognised. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. The Company has adopted Ind AS 115 using cumulative effect method. The adoption of the standard did not have any material impact to the financial statements of the Company.

f. Government grants and incentives

Government grants are recognised when there is reasonable assurance that the Company will comply with the relevant conditions and the grant will be received. These are recorded at fair value where applicable. Other income include Government grants of Rs.1,135.50 lakhs for the year ended March 31, 2019.

Government grants are recognised in the statement of profit and loss, on a systematic basis either when the Company recognises, as expenses, the related costs that the grants are intended to compensate or, immediately if the costs have already been incurred.

Government grants related to assets are shown as deferred revenue and amortised over the useful life of the asset. Government grants related to income are presented as an offset against the related expenditure, and government grants that are awarded as incentives with no ongoing performance obligations to the Company are recognised as income in the period in which the grant is received.

g. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Company has a legal or constructive obligation that can be estimated reliably, and it is probable that cash out flows will be required to settle the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it.

i) Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically one to two years.

h. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in the income statement except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognised outside Statement of Profit and Loss

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT). Deferred tax is recognised on temporary differences between the carrying amount of assets and liabilities in the financial statements and corresponding tax bases used in the computation of taxable profit.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognizes a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets - unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

i. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less depreciation. All cost relating to the acquisition and installation of Property, plant and equipment are capitalised and include financing cost relating to borrowed funds attributable to construction or acquisition of fixed assets, upto the date the asset is ready for intended use and further adjusted for exchange differences relating to long-term foreign currency borrowings, where applicable, attributable to depreciable capital asset.

Depreciation is provided on a pro-rata basis over the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act is as under :

<u>Type of Asset</u>	<u>Estimated useful life</u>
Buildings	28 years
Plant, machinery and equipment	20 years
Computers and other IT assets	6 years
Vehicles	4 years
Furniture and fixtures	15 years
Office equipment	5 years
Water system and sanitation	20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

j. Intangible assets

The product development cost incurred on new products will be recognised as an intangible asset, when feasibility has been established, the company has committed technical, financial and other resources to complete the development, and it is probable that asset will generate probable future benefits.

Product development costs are amortised over Straight Line Method(SLM) over a period of 36 months to 120 months.

An Intangible asset is derecognised on disposal or when no future economic benefits are expected from its use or disposal.

k. Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell 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 unit (CGU) to which the asset belongs.

l. Inventories

Inventories are valued at lower of cost or net realisable value.

Cost of raw materials and consumables are ascertained on a moving weighted average basis. Costs, including variable and fixed overheads, are allocated to work-in-progress and finished goods determined on full absorption cost basis.

Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

m. Leases

i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

ii) Operating lease

Leases other than finance lease, are operating leases, and the leased assets are not recognised on the Company's Balance Sheet. Payments under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

n. Financial instruments

Classification, initial recognition and measurement

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 other than equity instruments are classified into categories: financial assets at fair value through profit or loss and held at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognised on the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognised at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognised in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets held at amortised cost

Financial assets that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

These include trade receivables, balances with banks, short-term deposits with banks and other financial assets with fixed or determinable payments.

Financial liabilities

Financial liabilities are measured at amortised cost using the effective interest method.

Derecognition of financial assets and financial liabilities

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

o. Impairment of financial assets held at amortised cost

Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

p. Employee benefits

1) Defined benefit plans

i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company make annual contributions to gratuity funds established as trust and account for the liability of gratuity benefits payable in the future based on an independent actuarial valuation.

ii) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of the Company. The benefits of the plan include pension in certain cases, payable up to the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the appropriate authority. The monthly payment to dependents of the deceased/disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company account for the liability for BKY benefits payable in the future based on an independent actuarial valuation.

iii) Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognised directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to Statement of Profit and Loss.

iv) Measurement date

The measurement date of retirement plans is March 31.

2) Defined contribution plans

i) Provident fund

In accordance with Indian law, eligible employees of the Company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the Tata Motors Limited Provident fund. The pension contribution as specified under the law are made to the Regional Provident Fund Commissioner, Hubli and Lucknow. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return and recognizes such contributions and shortfall, if any, as expenses in the year incurred.

3) Other long - term employee benefits

i) Post-retirement Medicare scheme

Under this unfunded scheme, employees of the Company receive medical benefits subject to certain limits on amounts of benefits, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company account for the liability for post-retirement medical scheme based on an independent actuarial valuation.

ii) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each Balance Sheet date on the basis of an independent actuarial valuation. Actuarial Valuation is carried out using the projected unit credit method (PUCM) and the actuarial gain/(loss) on such valuation is accounted in the Statement of Profit and Loss.

q. Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

r. Borrowing costs

Borrowing costs that are attributable to the acquisition, construction or production of a qualifying asset are capitalised as part of cost of such asset till such time as the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use. All other borrowing costs are recognised as expenses in the period in which they are incurred.

s. Cash & cash equivalents

Cash and cash equivalents are short-term (three months or less from the date of acquisition), highly liquid investments that are readily convertible into cash and which are subject to an insignificant risk of changes in value.

t. Standards issued but not yet effective

IND AS 116 Leases- In March 2019, MCA issued Ind AS 116 - Leases which sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract and replaces the previous standard on leasing, Ind AS 17 -Leases. Ind AS 116, which is not applicable to service contracts, but only applicable to leases or lease components of a contract, defines a lease as a contract that conveys to the customer (lessee) the right to use an asset for a period of time in exchange for consideration. Ind AS 116 eliminates the classification of leases for the lessee as either operating leases or finance leases as required by Ind AS 117 and instead, introduces a single lessee accounting model whereby a lessee is required to recognise assets and liabilities for all leases with a term that is greater than 12 months, unless the underlying asset is of low value, and to recognise depreciation of leased assets separately from interest on lease liabilities in the Statement of Profit and Loss. As Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17, a lessor will continue to classify its leases as operating leases or finance leases and to account for those two types of leases differently.

The Company will be adopting Ind AS 116 with a modified retrospective approach with effect from April 1, 2019. The cumulative effect of initially applying this Standard will be recorded as an adjustment to the opening balance of retained earnings. Figures for comparative periods will not be restated.

The Company will use the exemption option available for existing leases and apply the available exemptions regarding the recognition of short term leases and low value leasing assets. Basis assessment, the Company arrangements under operating leases, which are currently off Balance sheet, will be recorded as right to use assets and the future obligations in respect of such leases will be recorded as a liability in the Balance sheet as at April 1, 2019. The Company has completed an initial assessment of the potential impact on its financial statements but has not yet completed its detailed assessment. The quantitative impact of adoption of Ind AS 116 on the financial statements in the period of initial application is not reasonably estimable as at present.

The Company will use following practical expedients of Ind AS 116 at the date of initial application:

With leases previously classified as operating leases according to Ind AS 117, the lease liability will be measured at the present value of the outstanding lease payments, discounted by the incremental borrowing rate at April 1, 2019. The respective right-of-use asset is generally recognised at an amount equal to the lease liability;

An impairment review is not performed for right of use assets. Instead, right-of-use asset is adjusted by the amount of any provision for onerous leases recognised in the Balance sheet.

Regardless of their original lease term, leases for which the lease term ends latest on March 31, 2020, are recognised as short-term leases;

At the date of initial application, the measurement of a right-to-use asset excludes the initial direct costs; and

Hindsight is considered when determining the lease term if the contract contains options to extend or terminate the leases.

Amendments issued by MCA to existing standards

MCA issued following amendments to certain standards which will be effective from financial year beginning April 1, 2019.

i) Amendments to Ind AS 109, *Financial Instruments*

Prepayment of loans

The amendments notified in Ind AS 109 pertain to classification of financial instruments with prepayment feature with negative compensation. Negative compensation arises where the terms of the contract of the financial instrument permit the holder to make repayment or permit the lender or issuer to put the instrument to the borrower for repayment before the maturity at an amount less than the unpaid amounts of principal and interest. Earlier, there was no guidance on classification of such instruments.

According to the amendments, these types of instruments can be classified as measured at amortised cost, or measured at fair value through profit or loss, or measured at fair value through other comprehensive income by the lender or issuer if the respective conditions specified under Ind AS 109 are satisfied. Similarly, the holder may classify them either measured at fair value through profit or loss or measured at amortised cost in accordance with conditions of Ind AS 109.

ii) Amendments to Ind AS 12, *Income Taxes - Deferred taxes on Dividends*

An entity is required to create a corresponding liability for payment of Dividend Distribution Tax (DDT) when it recognises a liability to pay a dividend. The liability for DDT shall be recorded in statement of profit & loss, other comprehensive income or equity, as the case may be. Currently, the Company is recognizing dividend distribution tax on dividends paid to shareholders in the statement of changes in equity, As per the amendment, the Company will recognize dividend distribution tax on dividend distributed to shareholders as income tax expense in its statement of profit or loss.

iii) Amendments to Ind AS 12, Income Taxes – Uncertain tax treatment

Another amendment relates to tax consequence of an item whose tax treatment is uncertain. Tax treatment of an item is considered as uncertain when there is uncertainty whether the relevant taxation authority will accept the tax treatment of that item or not. For example, if an entity has not included a particular income in taxable profit, it will be considered as uncertain tax treatment if its acceptability by taxation authority is uncertain. The amendment has been brought by introducing a new Appendix C to Ind AS 12.

If there is uncertainty over tax treatment of an item:

1. An entity should determine an approach or method that predicts the resolution of the uncertainty. Based on the approach, the entity shall determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments.

2. It shall assess whether it is probable that the taxation authority will accept the uncertain tax treatment, assuming that the authority has full right to examine the treatment and has full knowledge of all related information.

3. If it is probable that the taxation authority will accept the tax treatment, there will be no impact on the amount of taxable profits/losses, tax bases, unused tax losses/credits and tax rates. In vice-versa case, the entity shall show the effect of the uncertainty for each uncertain tax treatment on amount of related aforesaid items by using either the most likely outcome or the expected outcome of the uncertainty.

iv) Amendment to Ind AS 19, Employee Benefits

Changes in Employee benefit plan

When a change to a plan by way of either an amendment, curtailment or settlement takes place, IND AS 19 requires a company to remeasure its net defined benefit liability or asset.

The amendments to IND AS 19 require a company to use the updated assumptions from this remeasurement to determine current service cost and net interest for the remainder of the reporting period after the change to the plan. Until now, IND AS 19 did not specify how to determine these expenses for the period after the change to the plan.

v) Amendments to Ind AS 28, Investments in Associates and Joint Ventures

Ind AS 109 excludes interest in associates and joint ventures that are accounted for in accordance with Ind AS 28, Investments in Associates and Joint Ventures from its scope. This amendment to IND AS 28 clarifies that Ind AS 109 should be applied to financial instruments, including long-term interests in associates and joint venture, that, in substance, form part of an entity's net investment in associate or joint venture, to which the equity method is not applied.

The Company is evaluating impact of above amendments issued by MCA to existing accounting standards.

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

2 Property, plant and equipment

(₹ in Lakhs)

Property, plant and equipment	Owned assets							Taken on finance lease	Total
	Buildings	Plant and equipment	Water system and sanitations	Office equipments	Furniture and fixtures	Vehicles	Computers	Plant and equipments	
Cost as at April 1, 2017	14,342.87	15,935.66	18.09	37.38	197.32	30.52	751.64	218.99	31,532.47
Additions	48.11	78.17	17.00	1.13	-	-	30.27	-	174.68
Deletions	-	34.63	-	-	-	-	-	-	34.63
Cost as at March 31, 2018	14,390.98	15,979.20	35.09	38.51	197.32	30.52	781.91	218.99	31,672.52
Accumulated depreciation as at April 1, 2017	3,077.10	9,778.92	2.00	18.31	89.03	29.00	598.42	175.20	13,767.98
Depreciation for the period	444.05	1,221.42	1.67	7.03	11.96	-	51.70	21.90	1,759.73
Deletions	-	32.48	-	-	-	-	-	-	32.48
Accumulated depreciation as at March 31, 2018	3,521.15	10,967.86	3.67	25.34	100.99	29.00	650.12	197.10	15,495.23
Net carrying amount as at March 31, 2018	10,869.83	5,011.34	31.42	13.17	96.33	1.52	131.79	21.89	16,177.29
Cost as at April 1, 2018	14,390.98	15,979.20	35.09	38.51	197.32	30.52	781.91	218.99	31,672.52
Additions	743.81	118.10	-	0.70	1.81	-	114.86	-	979.28
Cost as at March 31, 2019	15,134.79	16,097.30	35.09	39.21	199.13	30.52	896.77	218.99	32,651.80
Accumulated depreciation as at April 1, 2018	3,521.15	10,967.86	3.67	25.34	100.99	29.00	650.12	197.10	15,495.23
Depreciation for the period	449.86	1,103.45	1.67	7.16	12.02	-	47.92	21.89	1,643.97
Accumulated depreciation as at March 31, 2019	3,971.01	12,071.31	5.34	32.50	113.01	29.00	698.04	218.99	17,139.20
Net carrying amount as at March 31, 2019	11,163.78	4,025.99	29.75	6.71	86.12	1.52	198.73	-	15,512.60

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

3 Intangible assets

(₹ in Lakhs)

Intangible assets	Computer software	Product development cost	Total
Cost as at April 1, 2017	1,107.77	5,432.78	6,540.55
Additions	-	-	-
Cost as at March 31, 2018	1,107.77	5,432.78	6,540.55
Accumulated amortisation as at April 1, 2017	1,040.54	4,645.77	5,686.31
Amortisation for the year	42.82	407.81	450.63
Accumulated amortisation as at March 31, 2018	1,083.36	5,053.58	6,136.94
Net carrying amount as at March 31, 2018	24.41	379.20	403.61
Cost as at April 1, 2018	1,107.77	5,432.78	6,540.55
Additions	65.46	158.96	224.42
Cost as at March 31, 2019	1,173.23	5,591.74	6,764.97
Accumulated amortisation as at April 1, 2018	1,083.36	5,053.58	6,136.94
Amortisation for the period	27.32	219.11	246.43
Accumulated amortisation as at March 31, 2019	1,110.68	5,272.69	6,383.37
Net carrying amount as at March 31, 2019	62.55	319.05	381.60

(₹ in Lakhs)		
4 Other financial assets	As at March 31, 2019	As at March 31, 2018
Non-current:		
(a) Security deposit	92.42	92.42
(b) Sales tax incentive	1,135.50	-
Total	1,227.92	92.42
Current		
(a) Interest accrued - others	24.70	-
Total	24.70	-

(₹ in Lakhs)		
5a Advance income tax assets (net)	As at March 31, 2019	As at March 31, 2018
Non current tax assets:		
(a) Advance income tax (net)	805.90	1,163.29
Total	805.90	1,163.29

(₹ in Lakhs)		
5b Deferred tax assets (net)	As at March 31, 2019	As at March 31, 2018
(a) Liabilities:		
Depreciation and amortisation	(1,952.33)	(2,047.00)
Product development cost	(350.70)	(283.87)
Total deferred tax liabilities	(2,303.03)	(2,330.87)
(b) Assets:		
Employee benefits expense	103.12	86.67
Unabsorbed depreciation and business loss	2,199.91	2,238.18
Others	-	6.02
Total deferred tax assets	2,303.03	2,330.87
Deferred tax assets (net)	-	-

(₹ in Lakhs)			
i) Income taxes	For the year ended		
	2019	2018	
(a) Current tax expense	-	-	
(b) Deferred tax	91.96	149.19	
Total	91.96	149.19	

(₹ in Lakhs)			
ii) Reconciliation of estimated income tax to income tax expense	For the year ended		
	2019	2018	
Profit before tax	1,494.58	1,129.24	
Income tax expense at tax rates applicable to the entity	522.27	390.81	
Set off of brought forward loss/depreciation net of OCI charge	(173.21)	(391.71)	
Previously recognized deferred tax assets written down	-	160.99	
Others	(257.10)	(10.90)	
Income tax expense reported in statement of Profit and Loss	91.96	149.19	

(₹ in Lakhs)						
iii) Significant components of deferred tax assets and liabilities for the year ended 31st Mar'19 and 31st Mar'18						
	Opening balance as at April 1, 2018	Reclassified during the year	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at March 31, 2019	
Depreciation and amortisation	(2,047.00)	-	94.67	-	(1,952.33)	
Product development expenses	(283.87)	-	(66.83)	-	(350.70)	
Depreciation carried forward	2,238.18	-	(38.26)	-	2,199.92	
Employee benefits expense	86.67	-	(75.52)	91.96	103.11	
Others	6.02	-	(6.02)	-	-	
Net assets/(liabilities)	-	-	(91.96)	91.96	-	
	Opening balance as at April 1, 2017	Reclassified during the year	Recognised in profit or loss	Recognised in other comprehensive income	Closing balance as at March 31, 2018	
Depreciation and amortisation	(2,248.62)	-	201.62	-	(2,047.00)	
Product development expenses	(226.16)	-	(57.71)	-	(283.87)	
Depreciation carried forward	2,396.66	-	(158.48)	-	2,238.18	
Employee benefits expense	66.59	-	31.88	(11.80)	86.67	
Minimum alternate tax carry-forward	431.37	(270.38)	(160.99)	-	-	
Others	11.53	-	(5.51)	-	6.02	
Net assets/(liabilities)	431.37	(270.38)	(149.19)	(11.80)	-	

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)		
iv) Unrecognized deductible temporary differences, unused tax losses and unused tax credits	As at March 31,	As at March 31,
	2019	2018
(a) MAT credit	160.99	160.99
(b) Unabsorbed depreciation	1,573.06	1,746.24
Total	1,734.05	1,907.23

(₹ in Lakhs)		
6 Other non-current assets	As at March 31,	As at March 31,
	2019	2018
(a) Capital advances	50.16	-
(b) Deposits (paid under protest)	198.61	176.65
(c) Prepaid expenses	6.82	9.05
Total	255.59	185.70

(₹ in Lakhs)		
7 Inventories (at lower of cost and net realisable value)	As at March 31,	As at March 31,
	2019	2018
(a) Raw materials	3,198.33	2,155.97
(b) Work-in-progress	1,249.91	992.49
(c) Finished goods	9.54	15.23
(d) Stores and spare parts	471.72	441.16
(e) Consumable tools	44.89	39.95
(f) Goods-in-transit - Raw materials	17.46	18.90
Total	4,991.85	3,663.70

Note:

1 During the year ended March 31, 2019 and March 31, 2018, the Company recorded inventory write-down expenses of Rs. 440.92 Lakhs and Rs. 393.41 Lakhs respectively.

(₹ in Lakhs)		
8 Trade receivables	As at March 31,	As at March 31,
	2019	2018
Trade receivables (unsecured) :		
(a) Considered good	13,471.42	15,977.28
Total	13,471.42	15,977.28

(₹ in Lakhs)		
9 Cash and cash equivalents	As at March 31,	As at March 31,
	2019	2018
(a) Bank balances		
(i) in current accounts	0.31	0.48
(b) Cash on hand	0.43	0.58
(c) Bank deposits	-	40.00
Total	0.74	41.06

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

10 Loans	As at March 31,	As at March 31,
	2019	2018
Current		
Unsecured, considered good:		
(a) Loans to related parties:		
(i) Inter corporate deposits to Holding company	-	2,525.00
(b) Advances to employees and others	12.90	7.85
Total	12.90	2,532.85

(₹ in Lakhs)

11 Other current assets	As at March 31,	As at March 31,
	2019	2018
(a) Advances to suppliers and contractors	18.63	77.61
(b) Other taxes recoverable, statutory deposits and dues from government	446.43	5.47
(c) Prepaid expenses	69.33	58.88
Total	534.39	141.96

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

12 Equity share capital	As at March 31,	As at March 31,
	2019	2018
Authorised:		
(i) 17,00,00,000 Equity shares of ₹10 each (as at March 31, 2018: 17,00,00,000 Equity shares of ₹10 each)	17,000.00	17,000.00
Issued, subscribed and fully paid share capital		
(i) 17,00,00,000 Equity shares of ₹10 each (as at March 31, 2018: 17,00,00,000 Equity shares of ₹10 each)	17,000.00	17,000.00

Notes

(i) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the reporting period:	As at March 31, 2019		As at March 31, 2018	
	No. of Shares	₹ in Lakhs	No. of Shares	₹ in Lakhs
Equity Shares of ₹ 10/- each fully paid Balance as at the beginning of the period/year	17,00,00,000	17,000.00	17,00,00,000	17,000.00
Balance as at the end of the period/year	17,00,00,000	17,000.00	17,00,00,000	17,000.00

(ii) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :	As at March 31, 2019		As at March 31, 2018	
	% of Issued share	No. of shares	% of Issued share	No. of shares
Equity Shares of ₹ 10/- each fully paid				
a) Tata Motors Limited (Holding company)	51.00	8,67,00,000	51.00	8,67,00,000
b) Marcopolo S. A., Brazil (Non-resident shareholder)	49.00	8,33,00,000	49.00	8,33,00,000
Total	100.00	17,00,00,000	100.00	17,00,00,000

(iii) Details of the rights, preferences and restrictions attached to each class of shares

- a) The Company has issued only one class of equity shares having a par value of ₹ 10/- per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of shareholders in the ensuing annual general meeting, except in case of interim dividend. In the event of liquidation of the Company, the holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

13 Non-current borrowings	As at March 31,	As at March 31,
	2019	2018
Secured - at amortised cost:		
(a) Term loan from Bajaj Finance Limited [refer note(i) below]	2,550.00	4,905.00
(b) Karnataka VAT loan [refer note (ii) below]	1,798.00	1,798.00
Total	4,348.00	6,703.00

Notes to Non-current Borrowings

(i) Details of security provided in respect of secured long term borrowings:

Term loan from Bajaj Finance Limited amounting to Rs. 5,400 lakhs is repayable in 20 equal quarterly installments over a period of 6 years with one year moratorium period. The loan is at an interest rate of HDFC Bank's six month marginal cost of funds based lending rate (MCLR) plus 15 bps. The term loan is secured by pari passu first charge on fixed assets.

(ii) Details of terms of repayment for Karnataka VAT loan:

Based on the Incentive scheme 2008, declared by the Government of Karnataka, the government in January 2011, disbursed an adhoc amount of Rs. 1,798 Lakhs as soft loan towards Value Added Tax (VAT) paid by the Company, from October 2008 to August 2010. The said loan was disbursed as the Company, in compliance with the requirements of the incentive scheme, had set up a manufacturing facility and generated employment at Belur industrial area, Dharwad, in the state of Karnataka. The said loan is for a period of 18 years from the date of starting production with a moratorium of 10 years.

Further the Government of Karnataka, vide an order dated June 5, 2012 (Government Order 2012), amended the existing incentive scheme 2008 with a revised incentive scheme 2012. As per the revised incentive scheme the Company, on compliance of certain conditions, would be eligible for a soft loan on gross VAT at 0.1% rate of interest in lump sum and terms of repayment of the soft loan have been revised. The Company is eligible for 100% of the eligible Gross VAT as soft loan for 18 years to be repaid with a moratorium period of 15 years for each installment. The Company had submitted its claim under the new scheme from the date of commencement of commercial production till June 4, 2012.

On March 24, 2014, Government notified the procedures and formats for incentive application and informed to re-submit the claims from inception. In line with the notified procedures and formats, the Company has got its books assessed by the Local VAT officer (LVO) and re-submitted its claim for the period October 2008 to May 2012 to the Joint Director, Department of Industries and Commerce, District Industrial Centre. Further, the Company has also got its books assessed by the LVO for the period June 2012 to December 2013 and the claim has been re-submitted by Tata Motors Limited with reference to the Government Order 2012. The Company has also got its books assessed by the LVO for the period January 2014 to March 2015 and claim has been submitted by Tata Motors Limited. The claims submitted are under process by the Government of Karnataka.

The VAT loan is secured by a guarantee of an equal amount.

(₹ in Lakhs)

14 Current borrowings	As at March 31,	As at March 31,
	2019	2018
Secured - at amortised cost		
Loans repayable on demand from banks		
(a) Cash credit account [refer note (i) below]	1,118.04	-
Unsecured - at amortised cost		
(a) Bills discounting facility from HDFC bank	9,041.58	11,725.73
Total	10,159.62	11,725.73

Notes to current borrowings

Details of security for cash credit

- i) The cash credit facility is secured by hypothecation of book debts, inventories and stores and spares, both present and future.

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

15 Other financial liabilities	As at March 31,	As at March 31,
	2019	2018
Current:		
(a) Current maturities of long-term borrowings	900.00	495.00
(b) Current maturities of finance lease obligations	-	17.24
(c) Interest accrued but not due on borrowings	39.30	72.11
(d) Liability for capital expenditure	146.76	24.41
(e) Deposits and retention money	27.95	41.79
(f) Interest payable	114.16	170.37
(g) Advance from Tata Motors Limited	-	800.00
Total	1,228.17	1,620.92

(₹ in Lakhs)

16 Provisions	As at March 31,	As at March 31,
	2019	2018
Non-current:		
(a) Provision for employee benefits		
(i) Provision for compensated absences	219.86	170.66
(ii) Provision for post retirement medicare scheme	115.28	123.88
(iii) Provision for Bhavishya Kalyan Yojana	228.18	173.43
Total	563.32	467.97
Current:		
(a) Provision for employee benefits		
(i) Provision for compensated absences	20.00	22.12
(ii) Provision for Bhavishya Kalyan Yojana	5.74	4.71
(b) Provision for product warranty (refer note below)	112.60	31.43
Total	138.34	58.26

Note: Movement of provision for product warranty

(₹ in Lakhs)

	As at March 31,	As at March 31,
	2019	2018
Balance at the beginning of the period	31.43	49.11
Provision made during the period	108.57	95.24
Provision used during the period	(27.40)	(112.92)
Balance at the end of the period:	112.60	31.43
Non-current	-	-
Current	112.60	31.43

(₹ in Lakhs)

17 Other current liabilities	As at March 31,	As at March 31,
	2019	2018
(a) Advances received from customers	83.74	98.90
(b) Statutory dues	196.62	614.75
(c) Employee benefits obligations	72.96	51.88
Total	353.32	765.53

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

18 Revenue from operations	Year ended March 31,	
	2019	2018
(a) Sale of products	64,927.95	51,059.82
(b) Sale of services	2,790.70	4,882.90
(c) Sale of spare parts	2,256.23	806.01
(d) Other operating revenues		
i) Sale of scrap	527.14	383.43
ii) Other	72.68	98.71
Total	70,574.70	57,230.87

(₹ in Lakhs)

19 Other income	Year ended March 31,	
	2019	2018
(a) Interest income on security deposit	6.23	6.34
(b) Interest income on income tax refund	123.11	10.21
(c) Interest income on fixed deposit	2.21	15.51
(d) Interest income on Cenvat refund	55.19	-
(e) Interest income on inter corporate deposit	254.37	52.04
(f) Income of State Ind. Promotion Subsidy / Incentive	1,135.50	-
(g) MSMED interest written off	78.34	-
Total	1,654.95	84.10

(₹ in Lakhs)

20 Changes in inventories of finished goods and work-in-progress	Year ended March 31,	
	2019	2018
Inventories at the end of the period		
Finished goods	9.54	15.23
Work-in-progress	1,249.91	992.49
	1,259.45	1,007.72
Inventories at the beginning of the period		
Finished goods	15.23	8.94
Work-in-progress	992.49	912.06
	1,007.72	921.00
	(251.73)	(86.72)

Tata Marcopolo Motors Limited

Notes forming part of the financial statements for the period ended March 31, 2019 (continued)

(₹ in Lakhs)

21 Employee benefits expense	Year ended March 31,	
	2019	2018
(a) Salaries, wages and bonus	7,482.90	5,971.70
(b) Contribution to provident fund and other funds (refer note 31)	359.76	339.35
(c) Staff welfare expenses	922.04	960.88
Total	8,764.70	7,271.93

(₹ in Lakhs)

22 Finance costs	Year ended March 31,	
	2019	2018
(a) Interest expenses		
(i) On term loan	401.30	256.25
(ii) Others	30.68	2.09
	431.98	258.34
(b) Discounting charges	521.64	439.52
Total	953.62	697.86

(₹ in Lakhs)

23 Other expenses	Year ended March 31,	
	2019	2018
(a) Consumption of stores and spare parts	2,449.30	2,181.27
(b) Power and fuel	795.93	841.78
(c) Rent including lease rentals (refer note 25)	389.65	398.46
(d) Repairs to buildings	59.89	45.31
(e) Repairs to plant, machinery etc.	33.08	39.95
(f) Insurance	40.18	27.73
(g) Rates and taxes	1.16	0.87
(h) Technical know how	1,141.22	863.19
(i) Contract labour charges	4,395.27	3,281.41
(j) Warranty and product liability (net)	43.55	95.24
(k) Auditors remuneration (Refer note below)		
- Audit fees	26.40	30.80
- Tax audit fees	1.40	1.39
- Other services	2.06	2.35
- Out of pocket expenses	1.44	5.26
(l) Cost auditors remuneration		
- Cost audit fees	2.00	1.98
- Out of pocket expenses	0.17	0.04
(m) Freight, transportation, port charges, etc.	241.57	94.80
(n) Consulting engineers service fee	601.45	539.82
(o) Cost of deputed employees	744.50	711.35
(p) Travelling and conveyance	340.55	358.57
(q) Gain on exchange rate fluctuation (net)	(6.65)	(19.39)
(r) IT services	477.52	513.48
(s) Corporate social responsibility expenses (refer note 26)	11.77	9.05
(t) Bad Debts/Advances written off	559.84	34.32
(u) Works operation and other expenses	1,562.29	1,525.91
Total	13,915.54	11,584.94

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

24 Commitments and contingencies

a) Estimated amount of contracts remaining to be executed on capital account (tangible) and not provided for (net of advances) is **₹487.47 Lakhs** (March 31, 2018: ₹ 344.07 Lakhs).

b) Claims against the Company not acknowledged as debts: (₹ in Lakhs)

Particulars	As at March 31, 2019	As at March 31, 2018
a) Works contract tax on indirect materials	34.43	34.43
b) Sales tax on local/ interstate/ import of motor parts	318.07	108.07
c) Central Excise/ Service Tax	2,567.48	2,558.66
d) Bonus pertaining to retrospective period as per notification dated January 1, 2016	28.44	28.44
Total	2,948.42	2,729.60

c) The Hon'ble Supreme Court of India ("SC") by their order dated February 28, 2019, set out the principles based on which allowances paid to the employees should be identified for inclusion in basic wages for the purposes of computation of Provident Fund contribution. Subsequently, a review petition against this decision has been filed and is pending before the SC for disposal. Further, there are interpretative challenges and considerable uncertainty, including estimating the amount retrospectively. Pending the outcome of the review petition and directions from the EPFO, the impact for past periods, if any, is not ascertainable reliably and consequently no financial effect has been provided for in the financial statements. The Company has made a provision on a prospective basis, from the date of the SC order.

d) Future cash outflows in respect of above matters are determinable only on receipt of judgments/decisions pending at various forums/authorities.

e) Non-fund based facilities availed of Letter of Credit ₹ Nil (March 31, 2018: ₹ 179.17 lakhs) and Bank guarantees outstanding ₹ 207.10 Lakhs (March 31, 2018: ₹ 71.74 Lakhs) from banks are secured by a first charge by way of hypothecation of current assets including book debts and inventories, both present and future, in respect of cash credit.

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

25 Leases

The Company has taken land, buildings and plant and equipment, under operating and finance leases.

The following is the summary of future minimum lease rental payments under finance lease and non-cancellable operating leases entered into by the Company:

a) Finance lease

(₹ in Lakhs)

Particulars	As at March 31,		As at March 31,	
	2019		2018	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Not later than one year	-	-	18.00	17.24
Later than one year but not later than five years	-	-	-	-
Total minimum lease commitments	-	-	18.00	17.24
Present value of minimum lease payments included in the financial statements as:				
Other financial liabilities - current (refer note 15)		-		17.24
Non-current borrowings (refer note 13)		-		-

Note:

The Company has acquired plant and machinery from a vendor on finance lease.

b) Operating leases

(₹ in Lakhs)

Particulars	As at March 31,	As at March 31,
	2019	2018
	Minimum lease payments	Minimum lease payments
Not later than one year	409.64	521.16
Later than one year but not later than five years	1,121.56	1,843.07
Later than five years	465.30	566.82
Total minimum lease commitments	1,996.50	2,931.05

Notes:

a) Operating lease payments recognised in the Statement of Profit and Loss for the period is ₹ 389.65 lakhs (March 31, 2018: ₹ 398.46 Lakhs) based on utilisation of assets.

b) The Company has entered into operating lease arrangement for use of land at Dharwad location and use of land, building and plant and machinery at its Holding company's Lucknow plant.

26 Corporate Social Responsibility

Gross amount required to be spent by the company as per section 135 of the Act, during the year ₹ 11.41 Lakhs (March 31, 2018 ₹ Nil)

(₹ in Lakhs)

Particulars	For the year ended	
	2019	2018
Amount spent during the year on :		
(a) Health & Hygiene projects	11.77	5.26
(b) Education	-	1.19
(c) Environment	-	2.60
Total	11.77	9.05

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

27 Related party disclosures

A) Related party and their relationship

- 1 Holding company** : Tata Motors Limited ('TML')
2 Investor exercising significant influence over the Company : Marcopolo S.A. Brazil (MP S.A.)

3 Fellow subsidiaries-(with whom the Company has transactions during the period)

- a) Tata Technologies Limited ('TTL')

4 Fellow associates-(with whom the Company has transactions during the period)

- a) Automobile Corporation of Goa Limited ('ACGL')

5 Subsidiary of Investor exercising significant influence-(with whom the Company has transactions during the period)

- a) Marcopolo(Changzhou) Auto Components CO. ('MAC')

6 Key management personnel (KMP)

- a) Sandeep Gupta - Chief financial officer (Upto 20th August, 2018)
b) Kaushik Roy - Chief Financial Officer(With effect from 28th September, 2018)
c) Laxmiprasad Jahagirdar - Manager and chief executive officer
d) A B Koyari - Company Secretary

B) Transactions with the related parties

(Previous year figures are in brackets)

(₹ in Lakhs)

Particulars	Holding Company	Fellow Subsidiaries	Investor exercising significant influence	Fellow Associates	Subsidiary of Investor exercising significant influence	Key Management personnel	Total
	TML	TTL	MP S.A.	ACGL	MAC		
Transactions during the year ended March 31, 2019 (Year ended March 31, 2018 are shown in brackets)							
Interest paid on inter-corporate deposit	-	-	-	-	-	-	-
	(14.55)	-	-	-	-	-	(14.55)
Interest received on inter-corporate deposit	254.37	-	-	-	-	-	254.37
	(52.04)	-	-	-	-	-	(52.04)
Inter-corporate deposit given	38,725.00	-	-	-	-	-	38,725.00
	(16,330.00)	-	-	-	-	-	(16,330.00)
Inter-corporate deposit received back	41,250.00	-	-	-	-	-	41,250.00
	(13,805.00)	-	-	-	-	-	(13,805.00)
Inter-corporate deposit returned	-	-	-	-	-	-	-
	(1,000.00)	-	-	-	-	-	(1,000.00)
Advance returned (net)	800.00	-	-	-	-	-	800.00
	-	-	-	-	-	-	-
Sale of goods/services (inclusive of taxes and net of discounting charges)	80,247.81	-	-	-	-	-	80,247.81
	(67,642.00)	-	-	-	-	-	(67,642.00)
Purchase of goods/services (inclusive of taxes)	45.24	543.92	1,865.36	21.61	-	-	2,476.13
	(247.29)	(591.87)	(1,478.72)	(101.01)	(0.09)	-	(2,418.98)
Purchase of fixed assets	19.14	63.64	-	-	-	-	82.78
	-	-	-	-	-	-	-
Reimbursement of cost	1,305.47	-	-	-	-	-	1,305.47
	(1,471.32)	-	-	-	-	-	(1,471.32)
Recovery of expenses	1.70	-	14.73	-	-	-	16.43
	(182.42)	-	(15.33)	-	-	-	(197.75)
Services received	226.57	-	-	-	-	-	226.57
	(242.45)	-	-	-	-	-	(242.45)
Remuneration paid to KMPs	99.71	-	-	-	-	21.96	121.67
	(35.45)	-	-	-	-	(44.52)	(79.97)
Rent of plant and machinery (including taxes)	139.82	-	-	-	-	-	139.82
	(146.12)	-	-	-	-	-	(146.12)
Common services by TML (including taxes)	136.47	-	-	-	-	-	136.47
	(106.95)	-	-	-	-	-	(106.95)
Rent of land and building (including taxes)	319.97	-	-	-	-	-	319.97
	(303.35)	-	-	-	-	-	(303.35)
Balance as at March 31, 2019 (Balance as at March 31, 2018 is shown in brackets)							
Inter-corporate deposits receivable	-	-	-	-	-	-	-
	(2,525.00)	-	-	-	-	-	(2,525.00)
Amount receivable	13,419.68	-	-	0.14	-	-	13,419.82
	(15,332.07)	-	-	-	-	-	(15,332.07)
Amount payable (including advance)	616.54	148.78	1,297.73	-	-	-	2,063.05
	(1,267.74)	(71.75)	(986.97)	(13.23)	-	-	(2,339.69)

28 Additional Disclosure for transactions with Tata Sons Private Limited, its subsidiaries and Joint ventures

- a) Tata Communications Limited('TCL')
b) Tata Elxsi Limited('TEL')
c) TM Automotive Seating Systems Private Limited('TASSPL')
d) Tata ficoso Automotive System Limited('TFASL')
e) Tata Consultancy Services Limited('TCS')
f) Tata Teleservices Limited('TTSL')

Transactions during the period ended March 31, 2019 (Period ended March 31, 2018 are shown in brackets) (₹ in Lakhs)

Particulars	TCL	TEL	TASSPL	TFASL	TCS	TTSL	Total
Purchase of goods/services (inclusive of taxes)	22.20	1.77	1,585.82	0.66	154.58	0.76	1,766.55
	(20.69)	-	(668.83)	(1.44)	(157.81)	(5.90)	(860.56)
Purchase of fixed assets	12.10	-	-	-	-	-	12.10
	-	-	-	-	-	-	-

Balance as at March 31, 2019 (Balance as at March 31, 2018 is shown in brackets) (₹ in Lakhs)

Particulars	2019	2018
Amount payable	2.48	-
	-	(145.46)
		53.16
		0.13
		(76.30)
		(0.97)
		202.76
		(222.73)

29 Segment Reporting

The Company is engaged in the business of manufacture of Bus Bodies (including job work). These in the context of Indian Accounting Standard 108 (Ind As 108) on segment reporting is considered to constitute single operating segment.

The Company has its entire operations in India and hence entire revenue is generated in India, all the services are rendered to the customers in India and there are no assets which are situated outside India.

Information about major customers:

The majority of the sale of products of the Company is to single customer.

30 Earnings per share

Particulars	For the year ended	
	2019	2018
Profit after tax (₹ in lakhs)	1402.62	980.05
The weighted average number of Equity shares	17,00,00,000	17,00,00,000
Earnings per share (₹) - Basic and Diluted	0.83	0.58
Face value per equity share (₹)	10.00	10.00

31 Employee benefits

- a) Defined Contribution plans:

The Company has recognised ₹ 288.70 Lakhs (March 31, 2018: ₹ 267.25 Lakhs) in the Statement of Profit and Loss under Note 21 in the Contribution to provident fund and other funds, which is maintained with the Office of Regional Provident Fund Commissioner/TML PF trust.

- b) The Company operates post retirement defined benefit plans for Gratuity, Post Retirement Medicare schemes and Bhavishya Kalyan Yojana (BKY).
c) Refer Annexure 1 for additional details

32 The foreign currency exposures that have not been hedged by derivative instruments or otherwise are given below:

Nature of Payables	March 31, 2019		March 31, 2018	
	Foreign Currency in Lakhs	INR Value in Lakhs	Foreign Currency in Lakhs	INR Value in Lakhs
Import of goods and Services				
US Dollar	5.13	354.79	3.91	254.85
Euro	0.58	45.06	0.16	12.93
Japanese Yen	-	-	121.25	75.18

The above disclosures have been made consequent to an announcement by the Institute of Chartered Accountants of India.

33 Micro, Small and Medium Enterprise Development Act, 2006

The Information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of Principal and outstanding are given below:

Particulars		(₹ in Lakhs)	
		2019	2018
Amounts outstanding but not due as at March 31	Principal	1,083.17	1,013.48
Amounts due but unpaid beyond the appointed date as at March 31	Principal	-	148.46
Amounts paid after appointed date during the year	Principal	297.18	2,003.58
Amounts of Interest accrued and paid during the year	Interest	-	-
Amounts of Interest accrued and unpaid as at March 31	Interest	114.16	170.37

34 Contract liabilities as per Ind AS 115

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	2018
Advance received from customers	83.74	-
Total	83.74	

Particulars	(₹ in Lakhs)	
	As at March 31, 2019	2018
Opening contract and refund liabilities	98.90	-
Amount recognized in revenue during the year	(98.90)	-
Amount received during the year	83.74	-
Closing contract and refund liabilities	83.74	-

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

35 Financial instruments

(i) **Capital management**

The Company's objective for capital management is to maximise shareholder value, safeguard business continuity and support the growth of the Company. The Company determines the capital requirement based on annual operating plans and long-term and other strategic investment plans. The funding requirements are met through equity, operating cash flows generated and borrowings – long-term and short-term.

(ii) **Market risk**

Market risk is the risk that changes in market prices - such as foreign exchange rates, interest rates and equity prices - will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

(iii) **Foreign currency exchange rate risk:**

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are not hedged considering the small quantum and short period of such exposure.

The carrying amounts of the Company's foreign currency denominated monetary liabilities at the end of the reporting period, which are not hedged:

(Foreign currency in Lakhs)		
Currency	As at March 31, 2019	As at March 31, 2018
USD	5.13	3.91
EURO	0.58	0.16
JPY	-	121.25

Foreign currency sensitivity analysis

10% appreciation/depreciation of USD, EURO and JPY currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net income before tax by approximately ₹ 35.48 lakhs, ₹ 4.51 lakhs and Nil respectively for financial liabilities for the financial year ended March 31, 2019 and ₹ 25.49 lakhs, ₹ 1.29 lakhs and ₹ 7.52 lakhs for the year ended March 31, 2018.

(iv) **Transfer of financial assets**

The Company transfers trade receivables in securitization transactions and direct assignments. In such transactions the Company surrenders control over the receivables, though it continues to act as an agent for the collection of receivables. In most of these transactions, the Company also provides credit enhancements to the transferee.

The carrying amount of trade receivables and along with the associated liabilities is as follows:

(₹ in Lakhs)				
Name of the asset	As at March 31, 2019		As at March 31, 2018	
	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Trade receivables	9,041.58	9,041.58	11,725.73	11,725.73

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

(v) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from banks.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2019:

(₹ in Lakhs)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Accounts payable and acceptances	9,597.07	9,597.07	-	-	-	9,597.07
Borrowings and accrued interest thereon	15,446.92	11,098.92	900.00	1,650.00	1,798.00	15,446.92
Other financial liabilities	288.87	288.87	-	-	-	288.87
Total	25,332.86	20,984.86	900.00	1,650.00	1,798.00	25,332.86

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2018:

(₹ in Lakhs)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Accounts payable and acceptances	9,610.19	9,610.19	-	-	-	9,610.19
Borrowings and accrued interest thereon	18,995.84	12,292.84	1,080.00	3,240.00	2,383.00	18,995.84
Finance lease obligations	17.24	17.24	-	-	-	17.24
Other financial liabilities	1,036.57	1,036.57	-	-	-	1,036.57
Total	29,659.84	22,956.84	1,080.00	3,240.00	2,383.00	29,659.84

(vi) **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 as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as loans and advances and trade receivables. The company is exposed to concentration of credit risks since its sales of products are to a single customer.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 14,737.68 lakhs as of March 31, 2019, ₹ 18,643.61 lakhs as of March 31, 2018, being the total of the carrying amount of balances with banks, trade receivables and other financial assets.

(vii) **Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations.

As at March 31, 2019 and 2018, financial liability of ₹ 13,609.62 lakhs and ₹ 17,125.73 lakhs, respectively, was subject to variable interest rates. Increase/ decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹ 136.10 lakhs and ₹ 171.26 lakhs for the year ended March 31, 2019 and 2018, respectively.

Tata Marcopolo Motors Limited
Notes forming part of the financial statements for the year ended March 31, 2019 (continued)

(viii) **Fair value of financial assets and financial liabilities that are measured at amortised cost**

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2019:

(₹ in Lakhs)

Financial assets	Carrying value	Fair value
Cash and cash equivalents	0.74	0.74
Trade receivables	13,471.42	13,471.42
Other financial assets:		
- current	37.60	37.60
- non-current	1,227.92	1,227.92
Total	14,737.68	14,737.68

(₹ in Lakhs)

Financial liabilities	Carrying value	Fair value
Accounts payable	9,597.07	9,597.07
Current borrowings (excluding current portion of long-term debt)	10,159.62	10,159.62
Non-current borrowings (including current portion of long-term debt)	5,248.00	5,248.00
Other financial liabilities:		
- current	328.17	328.17
Total	25,332.86	25,332.86

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2018:

(₹ in Lakhs)

Financial assets	Carrying value	Fair value
Cash and cash equivalents	41.06	41.06
Trade receivables	15,977.28	15,977.28
Other financial assets:		
- current	2,532.85	2,532.85
- non-current	92.42	92.42
Total	18,643.61	18,643.61

(₹ in Lakhs)

Financial liabilities	Carrying value	Fair value
Accounts payable	9,610.19	9,610.19
Short-term debt (excluding current portion of long-term debt)	11,725.73	11,725.73
Long-term debt (including current portion of long-term debt)	7,198.00	7,198.00
Other financial liabilities:		
- current	1,125.92	1,125.92
Total	29,659.84	29,659.84

36 Previous year's figures have been regrouped /reclassified wherever necessary to correspond with current year's classification/disclosure.

Annexure 1
Employee benefits

A The disclosure as required under Ind AS-19 regarding the Company's defined benefit plans is as follows :

i) Investment risk:

The present value of the defined benefit plans liability is calculated using the discount rate which is determined by reference to market yields at the end of the reporting period on government bonds. Currently, the fund comprises of investment in other quoted securities.

ii) Interest risk:

A decrease in the bond interest rate will increase the plan's liability.

iii) Longevity risk:

The present value of the defined benefit plan liability is calculated by the reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

iv) Salary risk:

The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

(₹ in Lakhs)

B	Actuarial Disclosure	Gratuity (Funded)		Post Retirement Medicare Schemes	
		2019	2018	2019	2018
I	Total cost recognised in Comprehensive Income				
A	Cost recognised in Statement of Profit and Loss				
1	Current service cost	82.84	73.93	17.73	22.40
2	Past Service Cost-Plant Amendment	42.65	2.59	(45.14)	-
3	Net interest expense	(54.43)	(4.42)	9.54	9.99
4	Recognition of net gain	-	-	-	-
	Cost recognised in Statement of Profit and Loss	71.06	72.10	(17.87)	32.39
B	Remeasurement effects recognised in Other Comprehensive Income (OCI)				
1	Return on plan assets (excluding amounts included in net interest expense)	(2.20)	(5.31)	-	-
2	Actuarial gains arising from changes in demographic assumptions	-	(4.86)	-	(11.77)
3	Actuarial (gains)/losses arising from changes in financial assumptions	11.66	60.19	8.74	(29.81)
4	Actuarial gains arising from experience adjustments	216.13	(14.44)	0.53	(3.75)
	Remeasurement effects recognised in Other Comprehensive Income (OCI)	225.59	35.58	9.27	(45.33)
	Total cost recognised in Comprehensive Income	296.65	107.68	(8.60)	(12.94)
II	Actual contribution and benefit payments for year ended March 31,				
	Actual benefits payments	28.41	13.4	-	-
	Actual contributions	268.02	135.53	-	-
III	Net assets/ (liability) recognised in the Balance Sheet as at March 31,				
1	Present value of defined benefit Obligation	892.96	568.09	(115.28)	(123.88)
2	Fair value of plan assets	883.28	587.04	N/A	N/A
3	Funded status (surplus)/(deficit)	(9.68)	18.95	(115.28)	(123.88)
4	Net assets/ (liability) as at March 31,	(9.68)	18.95	(115.28)	(123.88)
5	(Current liability)/ net assets	(9.68)	18.95	-	-
6	Non-current liability	-	-	(115.28)	(123.88)
IV	Change in Defined Benefit Obligation (DBO) during the year March 31,				
1	Present value of defined benefit obligation (DBO) at the beginning of the year	568.09	432.17	123.88	136.82
2	Current service cost	82.84	73.93	17.73	22.4
3	Past service cost	-	2.59	(45.14)	-
4	Interest cost	42.65	31.91	9.54	9.99
5	Remeasurements gains				
	- Actuarial gains arising from changes in demographic assumptions	-	(4.86)	-	(11.77)
	- Actuarial (gains)/losses arising from changes in financial assumptions	11.66	60.19	8.74	(29.81)
	- Actuarial gains arising from changes in experience	216.13	(14.44)	0.53	(3.75)
6	Benefit payments	(28.41)	(13.40)	-	-
7	Present value of defined benefit obligation (DBO) at the end of year	892.96	568.09	115.28	123.88
V	Change in fair value of assets during the year ended March 31,				
1	Plan assets at the beginning of the year	587.04	423.27	N/A	N/A
2	Expected return on plan assets	2.20	5.31	N/A	N/A
3	Actual return on plan assets	54.43	36.33	N/A	N/A
4	Actual Company contributions	268.02	135.53	N/A	N/A
5	Actuarial gain			N/A	N/A
6	Benefits paid	(28.41)	(13.40)	N/A	N/A
7	Plan assets at the end of the year	883.28	587.04	N/A	N/A
VI	Actuarial assumptions				
1	Discount rate	7.70%	7.70%	7.60%	7.70%
2	Expected return on plan assets (funded)	7.70%	7.50%	NA	NA
3	Salary escalation	6%-8%	6%-8%	NA	NA
4	Medical cost inflation	NA	NA	6%	6%
	The Employees are assumed to retire at the age of 60 years				
	The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate tables				
VII	Expected contribution is Rs. 30.01 Lacs to the gratuity scheme for the next year.				

VIII Sensitivity analysis (Medicare)									
A one percentage point change is assumed healthcare cost trend rate would have following effects on the aggregate of the service cost and defined benefit obligations.									
	Gratuity (Funded)				Medicare				
	One percentage point increase in discount rate		One percentage point decrease in discount rate		One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate		
	2019	2018	2019	2018	2019	2018	2019	2018	2018
1	Change in DBO (Defined benefit obligation)	(141.20)	(89.46)	176.74	113.80	31.94	43.50	(24.79)	(31.95)
2	Change in service cost	(17.31)	(12.29)	21.65	15.63	3.92	5.82	(3.04)	(4.26)
3	Change in interest cost	(30.06)	(20.70)	33.9	23.86	6.65	9.61	(5.15)	(7.05)

Annexure 1
Employee benefits

C	Actuarial Disclosure	Bhavishya Kalyan Yojana	
		2019	2018
I	Total cost recognised in Comprehensive Income		
A	Cost recognised in Statement of Profit and Loss		
1	Current service cost	19.04	21.78
2	Past Service Cost-Plant Amendment		-
3	Net interest expense	13.52	12.76
4	Recognition of net gain		-
	Cost recognised in Statement of Profit and Loss	32.56	34.54
B	Remeasurement effects recognised in Other Comprehensive Income (OCI)		
1	Return on plan assets (excluding amounts included in net interest expense)		-
2	Actuarial gains arising from changes in demographic assumptions		(9.41)
3	Actuarial (gains)/losses arising from changes in financial assumptions	1.11	5.71
4	Actuarial gains arising from experience adjustments	27.19	(20.65)
	Remeasurement effects recognised in Other Comprehensive Income (OCI)	28.30	(24.35)
	Total cost recognised in Comprehensive Income	60.86	10.19
II	Actual contribution and benefit payments for year ended March 31,		
	Actual benefits payments	5.08	-
	Actual contributions	-	-
III	Net assets/ (liability) recognised in the Balance Sheet as at March 31,		
1	Present value of defined benefit Obligation	(233.92)	(178.14)
2	Fair value of plan assets	N/A	N/A
3	Funded status (surplus / (deficit)	(233.92)	(178.14)
4	Net assets/ (liability) as at March 31,	(233.92)	(178.14)
5	(Current liability)/ net assets	(5.74)	(4.71)
6	Non-current liability	(228.18)	(173.43)
IV	Change in Defined Benefit Obligation (DBO) during the year March 31,		
1	Present value of defined benefit obligation (DBO) at the beginning of the year	178.14	172.22
2	Current service cost	19.04	21.78
3	Past service cost	-	-
4	Interest cost	13.52	12.76
5	Remeasurements gains		
	- Actuarial gains arising from changes in demographic assumptions	-	(9.41)
	- Actuarial (gains)/losses arising from changes in financial assumptions	1.11	5.71
	- Actuarial gains arising from changes in experience	27.19	(20.65)
6	Benefit payments	(5.08)	(4.27)
7	Present value of defined benefit obligation (DBO) at the end of year	233.92	178.14
V	Change in fair value of assets during the year ended March 31,		
1	Plan assets at the beginning of the year	N/A	N/A
2	Expected return on plan assets	N/A	N/A
3	Actual return on plan assets	N/A	N/A
4	Actual Company contributions	N/A	N/A
5	Actuarial gain	N/A	N/A
6	Benefits paid	N/A	N/A
7	Plan assets at the end of the year	N/A	N/A
VI	Actuarial assumptions		
1	Discount rate	7.60%	7.70%
2	Expected return on plan assets (funded)	N/A	N/A
3	Salary escalation	6%-8%	6%-8%
4	Medical cost inflation	N/A	N/A
	The Employees are assumed to retire at the age of 60 years		
	The mortality rates considered are as per Indian Assured Lives Mortality (2006-08) (Modified) Ultimate tables		

In terms of our report attached

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

For and on behalf of the Board of Directors
Tata Marcopolo Motors Limited
CIN : U34101MH2006PLC164771

Siddhartha Guha
Partner
Membership Number: 124042
Place: Pune
Date :

Girish Arun Wagh
DIN: 03119361
Chairman

Vaijayanthi Ajit Pandit
DIN: 06742237

Abhay Padmakar Bawale
DIN: 07859752

Asim Kumar Mukhopadhyay
DIN: 06520288

Rohit Srivastava
DIN: 07910693

Andre Vidal Armaganijan
DIN: 08037960

Directors

Directors

Directors

Laxmiprasad Jahagirdar
Manager & Chief Executive Officer

Kaushik Roy
Chief Financial Officer

A B Koyari
Company Secretary

Place: Mumbai
Date : 06 May 2019