

TATA MOTORS FINANCE LIMITED

**DIRECTORS' REPORT
MARCH 2017**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS FINANCE LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **TATA MOTORS FINANCE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

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

Auditor's Responsibility

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

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

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's

judgment, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

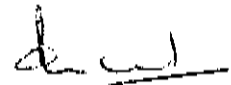
1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

**Deloitte
Haskins & Sells LLP**

- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts ;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the standalone financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company and as produced to us
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



V. SRIKUMAR
(Partner)
(Membership No. 84494)

Place: *Mumbai*
Date: May 19, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1 (f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of **TATA MOTORS FINANCE LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

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

For **DELOITTE HASKINS AND SELLS LLP**
Chartered Accountants
(Firm's Registration No 117366W/W-100018)



V. SRIKUMAR
(Partner)
(Membership No.84494)

Place: *Amritsar*
Date: May 19, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) With respect to immovable properties of land and buildings that are freehold, according to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of such immovable properties are held in the name of the Company as at the balance sheet date.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liabilities Partnership or other parties covered in the registered maintained under section 189 of the Company Act, 2013 and hence reporting under clause (iii) of the CARO 2016 is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the provisions of section 185 of the Act are not applicable to the Company. The Company has complied with the provisions of sub-section (1) of Section 186 of the Companies Act, 2013, as applicable. The Company is engaged in the business of financing of companies, accordingly nothing contained in section 186, except sub-section (1), shall apply.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year and there were no unclaimed deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has been generally regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities. As informed to us, the

W,

provisions of Investor Education and Protection Fund, Employees' State Insurance, Customs Duty and Excise Duty were not applicable to the Company during the year.

- (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

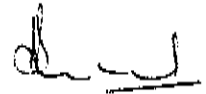
Name of the Statute	Nature of the Dues	Forum where dispute is pending	Period to which Amount Relates	Amount Involved (Rs. in Laksh)	Net of amount paid under protest (In Rs. Lakhs)
Income Tax Act, 1961	Income Tax	Commissioner of Income Tax (Appeals)	FY 2012-13	324.46	324.46

- (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 financial institutions, banks and government and dues to debenture holders. The Company has not taken any loans or borrowings from government.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). Further, in respect of moneys borrowed through term loans, in our opinion and accordingly to information and explanation given to us, the Company has utilized the money for the purpose for which they were borrowed, other than temporary deployment pending application of proceeds.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations 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 Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

10.

- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



V. SRIKUMAR
(Partner)
(Membership No. 84494)

Place: *Mumbai*
Date: May 19, 2017

Balance Sheet as at March 31, 2017

(Rs. in Lakhs)

Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	1753.02.00	1753.02.00
(b) Reserves and surplus	4	1762.30.00	1840.98.04
		3515.40.14	3599.98.12
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	765.02.84	6345.42.53
(b) Other long-term liabilities	6	1.80	407.20.98
(c) Long-term provisions	7	27.05	42.04.43
		765.31.65	6794.76.94
(3) Current Liabilities			
(a) Short-term borrowings	8	1188.80.54	5408.45.77
(b) Trade payables	9	-	-
(i) Total Outstanding dues of micro, small and medium enterprises		-	-
(ii) Total Outstanding dues of creditors other than above		35.22.14	137.92.44
(c) Other current liabilities	10	425.18	4598.15.25
(d) Short-term provisions	7	231.86	70.80.45
		1239.60.72	10213.33.91
Total		5511.41.41	20608.08.97
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	47.52.17	80.50.31
(ii) Intangible assets	12	-	3.52.45
(iii) Capital work-in-progress		37.28	42.81
(b) Non-current investments	13	4030.58.10	1910.52.51
(c) Deferred tax assets (net)	16B	-	389.50.00
(d) Finance receivables	16	-	3817.50.53
(e) Long-term loans and advances	17	101.47.00	422.74.07
(f) Other non-current assets	18	-	15.62.44
		5086.94.83	12358.87.72
(2) Current assets			
(a) Current investments	14	100.00.00	443.15.38
(b) Trade receivables	20	1.49.54	55.31.12
(c) Cash and cash equivalent	21	54.58.84	640.60.20
(d) Finance receivables	16	-	6593.55.57
(e) Short-term loans and advances	10	269.38.50	463.19.04
(f) Other current assets	18	-	5.58.47
		425.46.88	8251.41.25
Total		5511.41.41	20608.08.97
See accompanying notes forming part of the financial statements (1 to 55)			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

V. Srikanth
Partner

Place: Mumbai
Date: May 19, 2017

For and on behalf of the Board of Directors

NASSER MUNJEE
Chairman
(DIN - 00010100)

M.C. RAMAKRISHNAN
Director
(DIN - 00020076)

ANAND BANG
Chief Financial Officer

H. N. SINOR
Director
(DIN - 00374005)

SHYAM MANI
Managing Director
(DIN - 00273598)

VINAY LAVANIIS
Company Secretary

Place: Mumbai
Date: May 19, 2017

Statement of profit and loss for the year ended March 31, 2017

(Rs. in Lakhs)

Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I. Revenue from operations	22	1820,43.39	2252,51.02
II. Other Income	23	80,16.14	286,73.00
III. Total Revenue (I + II)		1900,61.53	2539,24.02
IV. Expenses:			
1. Employee benefits expense	24	154,94.35	164,59.30
2. Finance costs	26	1071,24.12	1262,55.99
3. Depreciation and amortisation expense	11,12	18,35.84	24,16.53
4. Other expenses	25	1320,70.71	966,02.16
Total expenses		2565,25.02	2407,34.00
V. Profit before exceptional and extraordinary items and tax (III-IV)		(664,63.49)	131,90.02
VI. Exceptional items	36	1178,58.80	-
VII. Profit before extraordinary items and tax (V + VI)		513,95.39	131,90.02
VIII. Extraordinary items		-	-
IX. Profit before tax (VII - VIII)		513,95.39	131,90.02
X. Tax expense	16A	466,12.80	36,27.82
XI. Net profit for the year (IX - X)		4,782.59	95,62.20
XII. Earnings per equity share (of Rs. 10/- each)			
Basic (in Rs.)	20	0.26	0.72
Diluted (in Rs.)		0.26	0.72
See accompanying notes forming part of the financial statements (1 to 65)			

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

V. Srikanth
Partner

Place: Mumbai
Date: May 19, 2017

For and on behalf of the Board of Directors,

NASSER MUNJEE
Chairman
(DIN - 00010180)

C. RAMAKRISHNAN
Director
(DIN - 00020076)

ANAND BANG
Chief Financial Officer

Place: Mumbai
Date: May 19, 2017

H. N. SINOR
Director
(DIN - 00074905)

SHYAM MANI
Managing Director
(DIN - 00273598)

VINAY LAVANNIS
Company Secretary

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITY		
Net Profit before tax for the period	813,98.39	131,90.02
Adjustments for:		
Interest income	(1670,41.97)	(1924,88.44)
Interest income on long term trade investments, bank deposits, etc.	(35,71.13)	(40,73.10)
Discounting charges on Commercial Paper	301,41.13	290,47.58
Depreciation and amortisation expense	18,35.84	24,10.53
Net gains on sale/redemption of investments	(8,80.25)	(12,04.38)
Dividend from subsidiary	(7,80.00)	-
Interest expense and other borrowing costs	700,82.99	956,08.43
Loss / (Profit) on sale of fixed assets (net)	138.00	38.73
Provision for employee benefit schemes	(7,58.79)	101.80
Provision for indirect tax	109,93.04	(49,20.85)
Provision for doubtful finance receivables and finance receivables written off	974,00.24	521,24.11
Surplus on slump sale pursuant to Business transfer	(117,858.88)	-
Provisions on standard assets	10,89.90	11,45.00
Provision for doubtful loans and advances	(510.31)	7,75.31
Operating cash flow before working capital changes and discounting charges	(215,38.91)	(85,39.28)
Movements in working capital:		
Other assets	(542,72.79)	25,72.08
Short term advances	23,82.00	(70,54.25)
Finance receivables	(510,97.15)	(3227,05.88)
Long term advances	(29,06.21)	(84,48.92)
Trade receivables	32,54.79	(19,82.66)
Trade payables	(82,30.42)	5,38.05
Other current liabilities	59,04.49	(104,57.08)
Senior Pass Through Certificates - Assignment Receivables	-	(293,68.58)
Other Long term liabilities	(366,48.42)	(143,95.31)
Margin Money/ Cash Collateral with banks*	(58,21.40)	83,80.03
	(1454,32.03)	(3874,93.98)
Current taxes paid (net)	190,17.86	(103,41.42)
Discounting charges/ Premium on commercial papers and Zero coupon bonds paid	(392,52.57)	(205,02.78)
Interest expense	(798,49.30)	(858,75.87)
Interest income	1881,76.15	1983,10.54
Net Cash used in operating activities	(888,78.81)	(3385,42.89)
B. CASH FLOW FROM INVESTING ACTIVITY		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(7,37.69)	(6,73.73)
Proceeds from sale of fixed assets	122.07	45.34
Realisation from Senior Pass Through Certificates	440,64.77	-
Realisation from long term Senior Pass Through Certificates	14.30	35,52.05
Purchase of current investments	(18038,20.00)	(20712,40.91)
Proceeds from sale/redemption of current investments	15047,08.25	20621,80.83
(Purchase)/Redemption of debentures - Non-current	(7,913.21)	1,22.80
Purchase of debenture - current	251.09	-
Dividend from subsidiary	7,80.00	-
Interest income on long term trade investments, bank deposits, etc.	-	4,884.93
Investment in subsidiaries	(295,200.00)	-
Consideration received on sale of business	302,100.00	(405,41.15)
Net cash flow from investing activity	34,370.25	(216,59.24)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share issue expenses	(57.81)	(575.40)
Issue of share capital (including securities premium thereon)	-	434,00.00
Increase / (Decrease) in cash credit (net)	(1363,88.08)	354,25.24
Proceeds / repayments from short term borrowings less than 3 months	440,20.80	1469,73.70
Proceeds from short term borrowings 3 months and above	3479,13.28	4185,09.17
Repayment of short term borrowings 3 months and above	(3151,83.40)	(2347,92.10)
Proceeds from long term borrowings	4736,00.00	3030,00.00
Repayment of long term borrowings	(3427,70.92)	(4380,48.30)
Dividend Paid (including Corporate Dividend Tax)	(54,64.27)	(47,82.02)
Net cash from financing activities	856,89.69	2701,09.62
Net Increase / (decrease) in cash and cash equivalents	11,81.13	(870,92.53)

* Not freely available for use by the Company.

14/


Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash and cash equivalents as at the beginning of the period	149,60.29	1020,62.62
Cash and cash equivalents included on business acquisition	10,602.50	
Cash and cash equivalents as at the end of the period	54,58.54	149,60.29
Net Increase / (decrease) in cash and cash equivalents	11,61.13	(870,92.53)

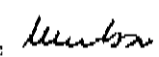
Notes:

1. Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
2. Previous year figures have been regrouped, wherever necessary.

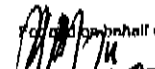
In terms of our report attached

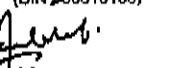
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


V. Sri Kumar
Partner

Place: 
Date: May 19, 2017

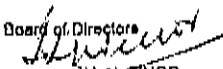
For and on behalf of the Board of Directors



NASSER MUNJEER
Chairman
(DIN - 00010180)



C. RAMAKRISHNAN
Director
(DIN - 00020076)


ANAND BANG
Chief Financial Officer

Place: Mumbai
Date: May 19, 2017


H.N. SINOR
Director
(DIN - 00074905)


SHRI RAMANI
Managing Director
(DIN - 00273598)


VINAY LAVANNIS
Company Secretary

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Significant accounting policies

Note 1 – CORPORATE INFORMATION

The Company is a subsidiary of Tata Motors Limited (TML) and is registered as a Non-Banking Financial (Non-deposit Accepting or Holding) Company with the Reserve Bank of India with effect from August 09, 2006.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), to comply with the Accounting Standards specified under section 133 of Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the directions issued by the Reserve Bank of India (RBI) for Non-Banking Financial Companies (NBFC). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

B. Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets, liabilities and disclosures of contingent liabilities and reported amounts of revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

C. Revenue recognition

1. Income on finance receivables and loans

Interest income is recognised in the statement of profit and loss on an accrual basis, except in the case of non-performing assets (NPA), where it is recognised upon realisation as per RBI norms.

Late payment charges are accounted on receipt basis on account of uncertainty of ultimate collection.

2. Income from securitisation transactions

In accordance with the guidelines issued by the RBI on August 21, 2012, the amount of profit received in cash is recorded as a liability on individual transaction basis and is amortised in the statement of profit and loss based on a formula given in the aforesaid guidelines.

In case of securitisation transactions where the Company retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable from the Special Purpose Vehicle (SPV) is capitalised as an Interest Only Strip (I/O

Strip). The corresponding gain is recognised in the statement of profit and loss when the I/O Strip is redeemed in cash.

Legal and incidental expenses are charged to the statement of profit and loss in the year in which the securitisation is effected.

3. Income from investments

Dividend income is accounted on accrual basis when the right to receive is established.

Interest income on pass-through-certificates and debentures is accounted on accrual basis.

4. Income from service charges

Income from service charges is recognised as per contractual terms on an accrual basis.

5. Compensation towards interest loss

Compensation towards interest loss receivable from parent company is accrued and recognised as per the contractual terms when such loss occurs.

6. Utilisation of delinquency support

The Company accounts upfront the delinquency support (subvention amount) received in the statement of profit and loss.

D. Provision for standard/non-performing assets

The Company classifies its finance receivable and loans into performing and NPAs in accordance with RBI guidelines. The Company provides an allowance for finance receivables and loans based on the prudential norms issued by the RBI relating to income recognition, asset classification and non-performing assets. The Company has early adopted prudential norm for asset classification and provisioning based on 3 months overdue criteria which is effective from financial year ending March 31, 2018. In addition to the provisioning as per the RBI norms, provision is also made for the losses anticipated, if any.

The Company makes a provision on all outstanding standard assets as per the prudential norms issued by the RBI as applicable or early implemented by the Company. The Company has early adopted the provision rate of 0.40 percent for standard asset provisioning which is effective from financial year ending March 31, 2018.

E. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less depreciation, which comprises of purchase price and other directly attributable costs of bringing the assets to their working condition for the intended use.

Depreciation and amortisation is provided on the straight-line method over the useful life of the fixed assets as prescribed in the schedule II to the Companies Act, 2013 except in case of vehicles and certain class of office equipments.

14

- i. Capital assets located in the leasehold premises are depreciated over the estimated useful life or five years, whichever is lower.
- ii. Software of a cost in excess of Rs. 0.25 Lacs is amortised over a period of 5 years or over their estimated useful life, whichever is lower.
- iii. Assets costing less than Rs. 5000/- are expensed off at the time of purchase.

F. Investments

Long term investments are stated at cost less provision for diminution, if any. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

G. Commission to agents

Commission for sourcing of contracts through dealers is amortised over the term of the contract in the ratio of interest earned. Sourcing commission including target based commission for contracts sourced through networks other than dealers is amortised equally over the term of the contract. Further, commission on collection is charged to the statement of profit and loss when incurred.

H. Employee benefits

1. Defined contribution plans

Contributions to the Company's defined contribution plans, as described below, are charged to the statement of profit and loss.

I) Provident fund

The employees are entitled to receive benefits under provident fund, where both, the employees and the Company, make monthly contributions at a specified percentage of the covered employees' basic salary. The contribution is paid to the fund managed by Tata Motors Limited (parent company), except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. The Company is generally liable for annual contribution and any shortfall to the extent of Company's share in the fund managed by parent company, based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

II) Superannuation

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the parent company and is charged to the statement of profit and loss.

2. Defined benefit plans

Provision for the Company's defined benefit plans, as described below, are actuarially determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains and losses are charged to the statement of profit and loss.

i) Gratuity

Contributions are made towards gratuity, covering eligible employees, which provides for a lump sum payment of an amount equivalent to 15 to 30 days salary at the time of resignation or retirement, payable for each completed year of service. Vesting occurs upon completion of five years of service. The actuarially determined liability is compared with the fair value of plan assets and the shortfall or excess is accounted for as a liability or an asset respectively.

ii) Compensated absences

Provision is made for 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 unutilised leave at each balance sheet date.

I. Leases

i) Assets taken on operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased assets are classified as operating leases. Operating lease rent paid is recognised as an expense in the statement of profit and loss on the straight line basis over the lease term.

ii) Assets given on operating lease

Assets given on operating lease are included in fixed assets. Lease income is recognised in the statement of profit & loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss.

J. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is calculated using the weighted average number of equity shares and dilutive potential equity shares during the year, except where the results are anti-dilutive.

K. Taxation

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.

4,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent to that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

L. Provisions, contingent liability and contingent assets

Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

M. Delinquency support

Delinquency support receivable from parent company, being compensation towards provision/write off of finance receivable, is credited to the Statement of Profit and Loss as per the contractual terms when the provision / write off charge on the underlying portfolio of contracts is recognised.

N. Share issue expenses

Share issue expenses are adjusted from securities premium account.

4,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

O. Discount and premium on issue/redemption of debenture

Discount on issue of debentures and premium payable on redemption of debentures is amortised on straight line basis over the period of the Instruments and is adjusted from securities premium account. Expenses incurred on issue of debentures are adjusted from securities premium account.

li,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "3"

Share Capital

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Authorized				
Equity Shares of Rs.10 each with voting rights (Refer note no. 35)	1,500,000,000	1500,00.00	2,000,000,000	2000,00.00
Preference shares of Rs.100 each	75,000,000	750,00.00	75,000,000	750,00.00
	1,575,000,000	2250,00.00	2,075,000,000	2750,00.00
Issued, Subscribed and Fully Paid up				
Equity Shares of Rs.10 each	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08
Cumulative, Non-Participating Compulsorily Convertible Preference Share (CCPS) of Rs. 100 each	43,400,000	434,00.00	43,400,000	434,00.00
Total	1,362,420,771	1753,02.08	1,362,420,771	1753,02.08

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

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08

As at March 31, 2017 and March 31, 2016 all the Equity Shares were held by Tata Motors Limited, the holding company and its nominees.

Cumulative, Non-Participating CCPS	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	43,400,000	434,00.00	-	-
Shares issued during the year	-	-	43,400,000	434,00.00
Shares outstanding at the end of the year	43,400,000	434,00.00	43,400,000	434,00.00

None of the Cumulative non-participating CCPS as at March 31, 2017 and as at March 31, 2016 were held by Tata Motors Limited, their subsidiaries and associates.

b) Details of shares held by each shareholder holding more than 5% of Shares:

Name	As at March 31, 2017		As at March 31, 2016	
	Number of shares held	% of holding in that class of shares	Number of shares held	% of holding in that class of shares
Equity Share with voting rights				
Tata Motors Limited	1,319,020,771	100.00	1,319,020,771	100.00
Cumulative, Non-Participating CCPS				
HDFC Standard Life Insurance Company Limited	13,000,000	29.95	13,000,000	29.95
Apurva Goswami	2,200,000	5.07	2,200,000	5.07

c) Terms/rights attached to equity shares:

The Company has issued only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity share is entitled to one vote per share. The holders of equity shares are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

d) Terms/rights attached to preference shares:

During FY 2015-16, the Company had issued 4,34,00,000 privately placed, cumulative, non-participating compulsorily convertible preference shares (CCPS) bearing a face value of Rs. 100 each aggregating to Rs. 434,00 lakhs at par. The holders of the CCPS are entitled for dividend @ 3% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS allotment date. The Conversion ratio of the CCPS shall be 2.15: 1. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

16,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "4"

Reserves & Surplus

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
a. Securities Premium Account		
Balance as per the last financial statements	1123,20.73	1180,97.02
Less: Debenture/Share issue expenses (Gross Rs. 57.81 lakhs, net of tax of Rs. 20.00 Lakhs ; March 31, 2016 Gross Rs. 5,75.40 Lakhs, net of tax of Rs. Nil)	37.81	5,75.40
Less: Amortisation of premium on redemption and discount on issue of debentures (Gross Rs. 191,94.38 lakhs, net of tax of Rs. 66,42.79 Lakhs ; March 31, 2016 Gross Rs. 79,54.70 Lakhs, net of tax of Rs. 27,52.99 Lakhs) (Refer Note 2(C))	125,51.50	52,01.79
Closing Balance	997,31.33	1123,20.73
b. Special Reserve*		
Balance as per the last financial statements	231,04.13	211,91.69
Add: Transfer from surplus in the statement of Profit and Loss	9,56.52	10,12.44
Closing Balance	240,60.65	231,04.13
c. Surplus in the statement of profit and loss		
Balance as per the last financial statements	482,71.18	464,34.52
Add: Net Profit for the year	47,82.59	95,62.20
Less: Transfer to Special Reserve	9,56.52	10,12.44
Less: Proposed dividend	-	39,57.07
Less: Interim preference share dividend	0,51.17	41.03
Less: Tax on dividend	-	8,14.10
Net surplus in the Statement of Profit and Loss	524,46.08	492,71.18
Total	1762,38.06	1846,96.04

*Transfer to Special reserve

As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of profit and loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal.

Note: The Board of Directors, at its meeting held on October 28, 2016 recommended pro-rata dividend on CGPS @ 3%. The dividend has been paid.

W,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)

Notes forming part of the Financial Statements for the year ended March 31, 2017

Nota "5"

Long-term Borrowings

Particulars	As at March 31, 2017	(Rs. In Lakhs) As at March 31, 2016
(i) Debentures		
(a) Privately placed Non-convertible debentures (Secured) (gross of accreted value of premium on redemption of Rs. Nil; March 31, 2016 Rs. 58,92.54 lakhs)	-	1610,22.53
(b) Privately placed Non-convertible debentures (Unsecured, unlisted) (gross of accreted value of premium on redemption of Rs. 15,02.64 Lakhs; March 31, 2016 Rs. Nil)	765,02.64	-
(c) Privately placed subordinated unsecured redeemable, Non-convertible debentures	-	1134,90.00
(d) Privately placed subordinated unsecured Non-convertible perpetual debentures	-	375,30.00
	765,02.64	3120,42.53
(ii) Term loans from banks		
(a) Secured	-	1500,00.00
(b) Unsecured	-	1725,00.00
	-	3225,00.00
Total	765,02.64	6345,42.53

10,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Nota "6"

Other long-term liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Income received in advance	-	6,63.00
Unrealised gain on loan transfer transactions	-	4.00
Deposits (not covered in Section 2(31) of Companies Act, 2013)	1.86	62.98
Other liabilities	-	400.00.00
Total	1.86	407,29.98

Nota "7"

Provisions

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
A) Long-term provisions		
Provision for employee benefits	9.06	11,83.15
Provision for Indirect tax related contingencies	-	1,93.63
Contingent provisions against standard assets	17.99	28,27.65
Total	27.05	42,04.43
B) Short-term provisions		
Provision for employee benefits	0.28	39.10
Provision for Income tax, net of advances	92.44	1,82.32
Contingent provisions against standard assets	1,39.14	20,45.93
Provision for proposed dividend	-	39,57.07
Provision for proposed preference dividend	-	41.93
Provision for tax on dividend	-	8,14.10
Total	231.86	70,80.45

Movement of provisions (long-term and short-term)

a. Provision for Indirect taxes related contingencies

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Opening Balance	1,93.63	51,14.48
Add: Provision/(Reversal)	109,93.05	(49,20.85)
Less: Utilisation	-	-
Loss: Transfer on account of scheme of arrangement	(111,86.68)	-
Closing Balance	-	1,93.63

The expected settlement period depends on relevant judgement of authorities in similar matters.

W

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)

Notes forming part of the Financial Statements for the period ended March 31, 2017

Terms of repayment of bonds/debentures outstanding as at March 31, 2017

A. Privately Placed Unsecured, Unlisted Non-Convertible Debentures (Including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs each (issued at par, Redeemable at premium on maturity) except otherwise stated

Particulars	(Rs. in lakhs)	Redemption Date
8.60% TMFL Zero Coupon Debentures "E" FY 2016-17	131,24.75	May 12, 2020
8.85% TMFL Zero Coupon Debentures "C" FY 2016-17	230,78.58	April 15, 2020
8.85% TMFL Zero Coupon Debentures "B" FY 2016-17	98,44.98	March 26, 2020
8.60% TMFL Zero Coupon Debentures "D" FY 2016-17	192,08.03	January 24, 2020
8.85% TMFL Zero Coupon Debentures "A" FY 2016-17	322,42.28	January 10, 2020
	974,98.62	
Less: Unamortised premium on redemption	209,95.98	
Total	765,02.64	

These NCDs are in the nature of Unsecured, Unlisted Zero Coupon NCDs Issued at par value and redeemable at premium and the figures stated above are gross of premium on redemption.

6

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "6"

Short-term borrowings

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
(i) Loans repayable on demand		
From Banks		
-Cash credit (secured)	-	1378,33.61
	-	1378,33.61
(ii) Commercial papers (unsecured) (net of unamortised discounting charges Rs. 11,10.46 Lakhs ranging from 8.85% to 7.96%; March 31, 2016 Rs. 89,87.84 Lakhs ranging from 6.97% to 9.60%) (Maximum amount outstanding Rs. 1000,00.00 Lakhs; March 31, 2016: Rs. 4865,00.00 Lakhs)	1188,80.54	4030,12.16
Total	1188,80.54	5408,46.77

Note "9"

Trade payables

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Dues to Micro, Small and Medium enterprises *	-	-
Dues to Others #	35,32.14	137,92.44
Total	35,32.14	137,92.44

* Information in respect of micro enterprises and small enterprises to whom the Company owes dues, which are outstanding as at the balance sheet date and disclosed above as defined under Micro, Small and Medium Enterprises Development Act, 2008 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Includes provision of Rs 72.35 lakhs (Rs 59.97 Lakhs as of March 31, 2016) on account of pending litigation.

Note "10"

Other current liabilities

(Rs. in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt:		
Privately placed non-convertible debentures (secured) (net of unamortised discount on issue of Rs. Nil; March 31, 2016 Rs.1,47.32 lakhs and gross of accreted value of premium on redemption of Rs. Nil; March 31, 2016 Rs. 38,11.36 lakhs) (Refer note 5)	-	1472,49.07
Term loans from banks (Refer note 5)		
-Secured	-	750,00.00
-Unsecured	-	2018,75.00
	-	4241,24.07
Interest accrued but not due on borrowings	-	216,39.44
Income received in advance	-	9,25.13
Unrealised gain on loan transfer transactions	-	1,08.37
Payable to investors of assigned / securitised receivables	-	7,48.47
Current dues of long-term employee benefits	-	4,40.14
Statutory dues	96.14	13,86.18
Other liabilities (Due to related party - Rs. 3,29.04 lakhs; March 2016 - Nil) (Refer note 33)	329.04	102,34.45
Total	425.18	4596,15.25

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "11"
Tangible Assets

Particulars	Gross Block					Depreciation					Net Block	
	Opening balance as at April 1, 2016	Additions	Deletions	Transfer on account of scheme of arrangement	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Depreciation for the year	Deletions	Transfer on account of scheme of arrangement	Closing balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Office Premises/ Residential flat	40,53.62	0.00	-	72.84	39,80.77	2,73.77	63.88	-	11.36	3,26.29	36,54.48	36,54.48
Furniture and fixtures	53,81.41	109.90	1.44	43,27.34	11,62.54	2,10.56	63.22	-	-	2,73.77	37,79.85	37,79.85
Vehicles	55,93.62	1,27.82	3,40.03	-	53,81.41	25,57.00	724.39	0.57	32,02.09	6,42.09	5,20.45	5,20.45
Vehicles - given on operating lease	6,87.98	76.23	2,19.47	5,44.74	-	4,21.29	107.66	1,95.77	333.18	31,20.34	22,61.08	22,61.08
Office equipments	7,87.18	1,19.81	2,19.07	-	6,87.98	4,53.48	1,62.54	1,99.73	-	4,21.29	2,66.69	2,66.69
Data processing machines	12,41.19	194.14	6,21.60	-	8,13.73	4,96.82	256.80	3,87.50	-	3,66.12	4,47.61	4,47.61
	11,21.56	2,15.97	56.34	-	12,41.19	2,77.78	2,68.35	69.30	-	4,56.83	7,44.37	7,44.37
	31,66.78	104.85	-	2,548.94	4,22.70	23,14.85	422.37	-	2,444.13	2,93.09	1,29.51	1,29.51
	31,55.27	1,01.40	93.89	-	31,66.78	16,46.77	7,47.74	79.65	-	23,14.85	8,51.93	8,51.93
	12,25.93	87.59	-	13,13.52	-	10,73.54	46.54	-	11,20.08	-	-	-
	11,45.55	1,21.69	41.72	-	12,25.93	10,85.33	27.85	39.64	-	10,73.54	1,52.39	1,52.39
Total	157,56.91	5,72.73	8,42.51	91,07.38	63,79.74	77,00.62	16,21.64	5,83.83	71,10.84	16,27.59	47,52.15	47,52.15
As at March 31, 2016	158,61.21	6,88.69	7,90.99	-	157,56.91	62,35.91	21,71.63	7,06.92	-	77,00.62	80,56.31	80,56.31

Figures in lakhs pertain to previous year ended March 31, 2016.

* Title of the transfer of residential flat is under process.

Note "12"

Intangible Assets - Other than internally generated

Particulars	Gross Block					Amortisation					Net Block	
	Opening balance as at April 1, 2016	Additions	Deletions	Transfer on account of scheme of arrangement	Closing balance as at March 31, 2017	Opening balance as at April 1, 2016	Amortisation for the year	Deletions	Transfer on account of scheme of arrangement	Closing balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2017
Computer Software	15,33.31	60.00	-	15,93.31	-	11,80.65	2,14.20	-	13,95.06	-	-	-
As of March 31, 2016	15,32.82	0.49	-	-	15,33.31	9,35.95	2,44.90	-	-	11,80.66	3,52.45	3,52.45

1. Figures in lakhs pertain to previous year ended March 31, 2016.

2. Total Depreciation and Amortisation (note 11 and note 12) for the period is Rs. 18,35.84 Lakhs, for the previous year ended March 31, 2017 was Rs. 24,15.53 Lakhs.

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "13"

Non current Investments (at cost unless otherwise stated)

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Investment in equity shares		
Investment in subsidiary companies (unquoted)		
Sheba Properties Limited		
473,28,980 Equity shares (as at March 31, 2016: 75,00,000 Equity Shares of Rs 100 each fully paid up) shares of Rs 100 each fully paid up in Sheba Properties Limited	2707,41.15	405,41.15
Tata Motors Finance Solutions Limited		
15,00,00,000 Equity shares (as at March 31, 2016: 15,00,00,000) shares of Rs. 100 each fully paid up in Tata Motors Finance Solutions Limited	1701,16.05	1501,16.95
Investment in preference shares		
Investment in subsidiary companies (unquoted)		
Sheba Properties Limited		
2,25,00,000 Cumulative, Non-Participating Compulsorily Convertible Preference Shares (CCPS) (as at March 31, 2016: Nil) of Rs 100 each fully paid up in Sheba Properties Limited	45,000.00	-
Investment in debenture (unquoted)		
- Concorde Motors India Limited -5% (Unit 75,000,000 as of March 31, 2017 and Nil as of March 31, 2016) Compulsorily convertible debentures of Rs. 10 each	78,00.00	-
- Fortune Cars Pvt. Ltd -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 300 lakhs each	-	2,02.87
- Pandit Automotive Pvt. Ltd -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 400 lakhs each	-	2,70.49
- Ebony Motors -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 350 lakhs each	-	2,38.89
- Mohandas Motors -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 400 lakhs each	-	2,70.00
Investment in senior pass-through-certificates (unquoted)	-	14.38
Total	4938,58.10	1916,52,61

Note "14"

Current Investments (at cost unless otherwise stated)

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Investment in debenture (unquoted)		
- Fortune Cars Pvt. Ltd -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 300 lakhs each	-	51.74
- Pandit Automotive Pvt. Ltd -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 400 lakhs each	-	88.99
- Ebony Motors -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 350 lakhs each	-	80.38
- Mohandas Motors -14% (Unit nil as of March 31, 2017 and unit 1 as of March 31, 2016) Non-convertible debentures of Rs. 400 lakhs each	-	70.00
Investment in senior pass-through-certificates (unquoted)	-	440,64.77
Less: Provision for diminution in the value of investment	-	-
	-	440,64.77
Investment in Mutual Funds (at Cost or fair value whichever is lower) (Unquoted)		
Entity NAV (in lakhs) Scheme		
Tata Mutual Fund 10,002.83 Tata Money Market Fund - Direct Plan - Growth	100,00.00	-
Total	100,00.00	443,15.88

The aggregate amount of unquoted investments (Note 13 and 14) is Rs. 503,858.10 Lakhs (as at March 31, 2016 Rs. 2359,88.37 Lakhs).

W,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "15A"

Tax Expense

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Current tax	-	18,45.47
Less : MAT credit availed	-	(1,845.47)
Excess provision for tax relating to prior year	-	5.57
Deferred tax expense	488,12.80	38,22.25
Net tax expense	488,12.80	36,27.82

Note "15B"

Deferred tax assets (net)

Major components of deferred tax arising on account of timing differences

(Rs. in Lakhs)

Particulars	As at April 01, 2016	Charge / (credit) for the year	As at March 31, 2017
Assets			
Provision for doubtful finance receivables, other loans and advances and standard assets	418,25.55	(418,25.55)	-
Retirement benefits/expenses allowable on payment basis	2,48.82	(2,48.82)	-
Disallowances u/s 43D of the Income Tax Act.	45.82	(45.82)	-
Depreciation	8,70.47	(8,70.47)	-
Others	1,01.14	(1,01.14)	-
Total	428,92.60	(428,92.60)	-
Liabilities			
DSV/Dealer Commission claimed on incurrence basis	(27,42.80)	27,42.80	-
Total	(27,42.80)	27,42.80	-
Net deferred tax assets/(liabilities)	399,50.00	(399,50.00)	-
previous year	408,19.28	(8,89.28)	39,950.00

W,

Note "15"

Finance Receivables

Particulars	(Rs. in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
A) Finance receivables - Non-current		
Vehicle Loans (#)		
- Other than related parties	-	9517.56.53
-Secured, considered good	-	108,84.03
-Considered doubtful	-	108,84.03
Less: Provision for doubtful loans	-	
Total	-	9517,56.53
B) Finance Receivables - Current		
Vehicle Loans (#)		
- To related parties (secured, considered good) (Note 33)	-	13.89
- To others	-	
-Secured, considered good	-	6593,41.68
-Considered doubtful	-	647,85.73
Less: Provision for doubtful loans	-	647,85.73
	-	6593,41.68
Total	-	6593,55.67

Vehicle loans are secured by hypothecation of the underlying vehicle.

Note "17"

Long-term loans and advances

Particulars	(Rs. in Lakhs)	
	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good		
Capital advances	28.50	10.31
Security deposits	22.39	8,56.39
Other loans and advances		
- Loans to employees	-	0.59
- Prepaid expenses	-	23,95.77
- Advance payment of income tax, net of provisions	100,96.11	292,03.84
- Taxes paid under protest	-	3,54.95
- Loans to others	-	6,95.38
Secured considered good		
- Loans to others	-	87,51.48
Total	101,47.00	422,74.67

W,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "18"

Other Assets

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
A) Other non-current assets		
Unsecured, considered good		
Margin money/ cash collateral with banks (Note 21)	-	15,24.00
Interest only Strip	-	4.00
Interest accrued but not due	-	54.44
Total	-	15,82.44
B) Other Current Assets		
Unsecured, considered good		
Interest only Strip	-	1,08.37
Interest accrued but not due	-	3,54.87
Stamp papers	-	1,95.23
Total	-	6,58.47

Note "19"

Short-term loans and advances

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Unsecured, considered good unless otherwise stated		
Security deposits		
-Considered good	-	2,02.56
-doubtful	-	37.79
Less: Provision for doubtful security deposits	-	37.79
	-	2,02.56
Prepaid expenses	-	47,04.24
Loans/advances to employees	-	54.58
Loans/advances to others		
-To Related parties (Note 33)	-	8,25.09
- To Others - considered good	-	293,65.42
- doubtful	-	4,28.20
Less: Provision for doubtful loans	-	4,28.20
	-	301,90.51
Other advances		
-To Related parties (Note 33)	268,94.99	2,48.86
- To Others - considered good	43.51	113,63.72
- doubtful	-	8,74.94
Less: Provision for doubtful advances	-	8,74.94
	269,38.50	116,12.58
Secured, considered good		
Loan to others	-	25,55.47
Total	269,38.50	493,19.94

W,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "20"

Trade Receivables

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Receivables on account of service charges, incentives and others (unsecured, considered good)		
From related parties (Note 33)		
Due for less than 6 months	1,49.54	62,56.93
From others (due for less than 6 months)	-	2,74.19
Total	1,49.54	65,31.12

Note "21"

Cash and cash equivalents

(Rs. in Lakhs)		
Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents (as per AS 3 "Cash Flow Statements")		
Cash on hand	-	36,17.52
Cheques/drafts on hand	4,31.59	52,72.81
Balances with banks - current accounts	50,27.25	60,69.96
Total - Cash and cash equivalents (as per AS 3 "Cash Flow Statements") (A)	54,58.84	149,60.29
Other Bank Balances		
-Margin Money/ Cash Collateral with banks	-	15,24.00
-Deposits with banks	-	500,00.00
Total - Other Bank Balances (B)	-	515,24.00
Less: Margin money/ cash collateral with banks having residual maturity of more than 12 months (Note 18) (C)	-	15,24.00
Total Cash and cash equivalents (A+B-C)	54,58.84	649,60.29

W,

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "22"

Revenue from operations

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income:		
- Interest Income from finance receivables	1988,42.49	1920,37.15
- Interest from other loans	64,18.36	42,31.41
	1952,60.87	1962,68.56
Net Income on assignment/secured receivables	14,72.00	71,05.87
Loan processing fees and other charges	40,54.99	48,12.95
Interest Income from pass-through-certificates	14,51.00	18,94.22
Interest Income on margin money/cash collateral with banks	3,29.44	7,50.22
Compensation towards interest loss	36.00	4,00.92
Service charges	3,34.50	3,94.65
Support services Income	62,11.14	113,74.75
Others	26,91.89	22,42.98
	167,62.62	289,82.48
Total	1820,43.39	2262,61.02

Note "23"

Other Income

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest Income:		
- on long term investments	1,83.19	1,96.83
- on bank deposits	34,87.94	47,76.27
- on Income tax refund	9,28.93	-
Net gain on sale of current investments	6,88.25	11,98.83
Gain on redemption of long-term investments	-	5.55
Recovery of bank charges (net of bank charges incurred and service tax thereon of Rs.8,65.18 lakhs for the year ended March 31, 2017; March 31, 2016 Rs. 7,29.47 lakhs).	7,09.53	8,21.47
Balance written back (including delinquency support of Rs. Nil for the year ended March 31, 2017; March 31, 2016 Rs. 163,39.95 lakhs)	5,28.51	163,39.95
Provision written back (Note 7(a))	-	49,47.83
Dividend Income	7,80.00	-
Miscellaneous receipts	5,15.79	3,88.47
Total	80,18.14	280,73.00

12/

Notes forming part of the Financial Statements for the year ended March 31, 2017

Note "24"

Employee benefits expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries	137,09.31	136,42.93
Contributions to employee benefit funds	10,38.77	12,05.52
Staff welfare expenses	7,48.27	16,10.65
Total	154,96.35	164,59.10

Note "25"

Other expenses

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Electricity	6,75.02	8,13.80
Rent (net of recoveries)	17,18.00	18,81.02
Repairs and maintenances	3,86.00	3,65.75
Insurance	42.45	58.05
Rates and taxes	73.48	78.22
Incentive/commission	72,22.06	90,13.59
Information technology/consultancy expenses	55,58.94	60,99.77
Service providers fees	90,98.11	118,64.02
Payment to auditors (Note (I))	102.20	105.55
Provisions and write offs:		
-Provision for doubtful loans and advances (others)	(516.51)	7,75.31
-Provision for doubtful finance receivables	(207,16.03)	(50,47.80)
Less: Delinquency support	(7,83.16)	1,889.98
-Finance receivables written off (net of recoveries of Rs. 38,86.54 lakhs for year ended March 31, 2017; Year ended March 31, 2016 Rs.38,54.03 lakhs)	1181,18.27	571,71.71
Less: Delinquency support	1,08.39	(48,98.10)
Total	983,18.94	498,91.30
Crystallised Claim right liability	400,00.00	-
Less: Claim right provision reversal	(400,00.00)	-
Provisions on standard assets	10,90.00	11,45.00
Provision for diminution in the value of investment	-	-
Provision on consumer disputes	72.35	59.97
Loss on sale of assets	138.00	38.73
Support services charges	8,12.23	40,47.83
Corporate Social Responsibility expenses #	1,57.55	61.88
Other expenses	85,83.86	110,58.80
Total	1320,70.71	986,02.18

CSR expenses are spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction/acquisition of an asset of the Company.

(I) Auditors' remuneration (excluding service tax):

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
As Auditors - Statutory audit	71.50	88.00
Tax audit	9.03	7.50
For other services	18.85	28.80
Reimbursement of out of pocket expenses	4.82	6.45
Total	102.20	105.55

Note "26"

Finance Costs

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense	768,96.90	653,60.37
Discounting charges on commercial paper	301,41.13	298,47.58
Other borrowing costs	2,86.09	2,52.06
Total	1071,24.12	1252,59.98

Note "27"

Expenditure in foreign currency (on accrual basis)

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	12.74	46.57
Professional fees	-	-
Total	12.74	46.57

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Notes forming part of the financial statements**28. Earnings per share**

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. The diluted earnings per equity share is computed by dividing the net profit after tax as adjusted for dividend related to dilutive potential equity shares by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the year.

The following table sets forth, for the periods indicated, the computation of earnings per share.

Particulars	Rs. in lakhs, except per share data	
	Year ended March 31, 2017	Year ended March 31, 2016
Basic		
Weighted average no. of equity shares outstanding	1,319,020,771	1,319,020,771
Net profit attributable to equity share holders	33,50.02	95,11.73
Basic earnings per share (Rs.)	0.25	0.72
Diluted		
Weighted average no. of equity shares outstanding	1,319,020,771	1,319,020,771
Net profit	33,50.02	95,11.73
Diluted earnings per share (Rs.)	0.25	0.72
Face value per share (Rs.)	10.00	10.00

The effect of compulsorily convertible preference shares (CCPS) was anti-dilutive. Hence, CCPS has been ignored in calculation of diluted earnings per share.

29. Segment

The Company has been operating only in one segment viz, financial activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

30. Operating lease**a. Assets taken on lease**

The Company has entered into cancellable operating lease arrangements for commercial properties. Total lease payment recognised in the statement of profit and loss for the year ended March 31, 2017 was Rs.15,71.35 Lakhs (March 31, 2016: Rs.17,34.04 Lakhs).

16-

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

b. Assets given on lease

The Company has entered into non-cancellable operating lease arrangements for passenger vehicles. Maturity pattern of future minimum lease receivable is given below.

Particulars	Rs. In lakhs	
	At March 31, 2017	At March 31, 2016
Not later than one year	1,68.87	1,87.66
later than one year and not later than five years	1,59.55	1,69.13
Total	3,28.42	3,56.79

31. Contingent liabilities and commitments**a. Commitments**

- Estimated amount of contracts remaining to be executed on capital account and not provided for Rs. 96.07 lakhs (at March 31, 2016: Rs. 3,07.10 lakhs).
- Loan commitment towards financing Rs. Nil (at March 31, 2016: Rs. 1,21.18 lakhs).

b. Contingent liabilities to the extent not provided for**a) Claims against the Company not acknowledged as debts:**

Particulars	Rs. in lakhs	
	At March 31, 2017	At March 31, 2016
In respect of income tax matters	33.68	32.01
In respect of value added tax and entry tax matters	-	11,25.01
In respect of consumer disputes	-	5,39.69
In respect of bonus under Payment of Bonus (Amendment) Act, 2015	-	26.15
Total	33.68	17,22.86

b) Other money for which the company is contingently liable:

Particulars	Rs. in lakhs	
	At March 31, 2017	At March 31, 2016
Cash collateral with banks in respect of finance receivables assigned/secured	-	15,24.00
In respect of guarantees given by banks for liability against receivables assigned by way of securitisation	-	28,30.00
In respect of subordinated overdues on securitisation transactions	-	0.10
In respect of guarantees given by banks for liability against insurance portal business	-	5,00.00

4,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

32. Employee benefits

Rs. in lakhs

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan yojana
Components of expense recognised in the statement of profit and loss				
Current service cost	3,86.14	1,00.08	-	-
	5,17.07	120.46	22.22	77.05
Interest costs	2,39.68	42.31	-	-
	2,34.43	46.55	12.05	23.37
Expected return on plan assets	(1,02.17)	-	-	-
	(2,17.74)	-	-	-
Actuarial losses/(gains)	(1,57.73)	2,21.82	-	-
	(30.69)	76.54	(23.54)	(57.66)
Total expense recognised in the statement of profit and loss	3,65.92	3,64.21	-	-
	5,03.07	243.55	10.73	42.76
Actual benefit payments and contribution				
Actual benefit payments	(1,10.82)	(1,82.75)	-	-
	(1,20.42)	(1,70.18)	-	-
Actual contributions	(4,49.14)	(1,82.75)	-	-
	(4,17.20)	(1,70.18)	-	-
Net asset/(liability) recognised in the balance sheet at respective year ends and experience adjustments				
Present value of defined benefit obligation				
March 31, 2017	(64.38)	(9.34)	-	-
March 31, 2016	(36,50.63)	(7,25.98)	(1,61.38)	(3,34.89)
March 31, 2015	(29,90.60)	(6,67.00)	(1,50.65)	(2,92.13)
March 31, 2014	(23,50.06)	(5,01.67)	(1,27.87)	(2,42.90)
March 31, 2013	(24,95.57)	(5,92.70)	(125.81)	(2,35.03)
Fair value of plan assets				
March 31, 2017	65.26	N.A.		
March 31, 2016	32,01.49			
March 31, 2015	25,73.41			
March 31, 2014	25,06.63			
March 31, 2013	17,47.49			
Net asset/(liability) recognised in balance sheet				
March 31, 2017	0.88	(9.34)	-	-
March 31, 2016	(4,49.14)	(7,25.98)	(1,61.38)	(3,34.89)
March 31, 2015	(4,17.19)	(6,67.00)	(1,50.65)	(2,92.13)
March 31, 2014	1,56.57	(5,01.67)	(1,27.87)	(2,42.90)
March 31, 2013	(7,48.08)	(5,92.70)	(125.81)	(2,35.03)

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan yojana
Experience adjustments arising on				
a. Plan liabilities [gain/(loss)]				
March 31, 2017	62.14	(221.20)	-	-
March 31, 2016	82.87	76.54	(10.27)	(57.66)
March 31, 2015	(69.11)	165.41	(40.13)	(51.19)
March 31, 2014	60.85	30.16	(30.74)	(25.56)
March 31, 2013	6.21	(204.11)	12.56	25.04
b. Plan assets [gain/(loss)]				
March 31, 2017	99.42	N.A.		
March 31, 2016	-			
March 31, 2015	0.00			
March 31, 2014	0.18			
March 31, 2013	(1.21)			
Change in present value of defined benefit obligation (DBO) for the year ended March 31, 2017				
Present value at the beginning of the year	36,50.63	7,25.98	-	-
	29,90.60	6,67.00	150.65	2,92.13
Current service cost	-	-	-	-
	3,86.14	1,00.08	-	-
Interest cost	5,17.07	1,20.46	22.22	77.05
	2,39.68	42.31	-	-
Transfers to/from other group companies	2,34.43	46.55	12.05	23.37
	-	-	-	-
Actuarial (gains)/ losses	(53.92)	(14.39)	-	-
	(58.31)	2,21.82	-	-
Benefits paid	82.87	76.54	(23.54)	(57.66)
	(1,10.82)	(1,82.75)	-	-
Transfer under the scheme of arrangement	(1,20.42)	(1,70.18)	-	-
	(4,042.94)	(8,98.10)	-	-
Present value at the end of the year	-	-	-	-
	64.38	9.34	-	-
	36,50.63	7,25.98	1,61.38	3,34.89
Change in fair value of plan assets for the year ended March 31, 2017				
Plan assets at beginning of the year	32,01.49	N.A.		
	25,73.41			
Expected return on plan assets	1,02.17	N.A.		
	2,17.74			
Actual Company contributions	4,49.14	N.A.		
	4,17.20			
Actuarial gains/(loss)	99.42	N.A.		
	113.56			
Benefits paid	(1,10.82)	N.A.		
	-			

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan yojana
Transfer under the scheme of arrangement	(36,76.14)	N.A.		
Plan assets at the end of the year	65.26	N.A.		
	33,21.91			
Actuarial assumptions				
Discount rate	7.50%	7.50%	-	-
	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	8.00%	N.A.		
	8.00%			
Salary escalation	9.00%	9.00%	N.A.	-
	9% to 10%	9% to 10%		9% to 10%
Medical cost inflation	N.A.		-	N.A.
			6.00%	
Indian Assured Lives Mortality (2006-08)(modified) ultimate				
The major categories of plan assets as percentage of total plan assets				
Government bonds	38.80%	N.A.		
	45.23%			
Infrastructure bonds	24.30%	N.A.		
	34.70%			
Corporate bonds	29.07%	N.A.		
	16.77%			
Others	7.83%	N.A.		
	3.30%			
Net assets/(liabilities) – current and non-current				
Current	-	(0.28)	-	-
	449.14	36.45	0.24	2.41
Non-current	0.88	(9.06)	-	-
	-	7,25.98	1,61.38	3,34.89
Total	0.88	(9.34)	-	-
	4,49.14	7,25.98	1,61.38	3,34.89
Effect of one percentage point change in assumed medical inflation rate				
	One percentage point increase in medical inflation rate		One percentage point decrease in medical inflation rate	
Revised defined benefit obligation	-		-	
	2,00.78		1,30.80	
Revised service cost	-		-	
	35.30		21.03	
Revised interest cost	-		-	
	54.18		33.17	

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Notes

1. Defined contribution plans –The Company's contribution to defined contribution plan aggregating Rs. 6,69.97 lakhs for the year ended March 31, 2017 (March 31, 2016: Rs. 7,02.46 lakhs) has been recognised in the statement of profit and loss.
2. The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
3. The plan assets in respect of gratuity represent funds are managed by the insurers. The company does not expect any contribution in next financial year. (March 31, 2016: Rs. 4, 49.14 lakhs) towards gratuity fund.
4. Discount rate is based on government bond yields as at the year end.
5. Figures in italics pertain to previous year.

33. Related party transactions**1. Related parties and their relationship****a. Holding Company**

Tata Motors Limited

b. Subsidiaries

Tata Motors Finance Solutions Limited (Formerly known as Rajasthan Leasing Private Limited)
Sheba Properties Limited

c. Fellow subsidiaries (with whom there are transactions)

Concorde Motors (India) Limited
Tata Technologies Limited

d. Key managerial personnel

Mr. Shyam Mani – Managing Director

2. Transactions and balances**a. Holding company**

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
1	Common cost reimbursement	69.41	-
2	Acquisition of a subsidiary	-	405,37.00
3	Dividend paid	39,57.06	39,57.06
4	Service charges – Income	3,78.99	4,27.25
5	Rent – expenditure	27.12	35.41

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
6	Delinquency support	7.40	34,15.04
7	Incentive received	35,40.84	27,37.39
8	Lease charges received	1,08.01	80.62
9	Information technology support service charges	-	2,87.16
10	Security deposit given for leasehold premises	-	4.18
11	Purchase of fixed assets	-	37.93

Net receivable from Tata Motors Limited at March 31, 2017 was Rs. 1.49 lakhs (March 31, 2016: Net payable Rs.337,51.50 lakhs).

b. Subsidiary company

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
Sheba Properties Limited			
1	Infra support charges	11.10	-
2	Dividend received	7,80.00	-
3	Transfer of New vehicle business (refer note 35)	2752,00.00	-
4	Subscription made towards equity shares	2302,00.00	-
5	Subscription made towards Compulsorily Convertible Preference shares	450,00.00	-
Tata Motors Finance Solutions Limited			
1	Service providers fees – Income	15,80.47	20,48.00
2	Interest cost reimbursed	-	6,86.00
3	Reimbursement of refurbishment expenses	1,82.25	1,53.83
4	Reimbursement of other expenses received	68.58	2,76.94
5	Inter Corporate Deposits accepted*	500,00.00	-
6	Inter Corporate Deposits repaid	413,00.00	-
7	Interest paid on Inter Corporate Deposits	4,67.80	-
8	Equity subscription paid	200,00.00	-
9	Transfer of corporate lending business (Refer note 35 b)	269,00.00	-

*of this, inter corporate deposits of Rs. 87,00.00 lakhs has been transferred to Sheba properties Limited pursuant to scheme of arrangement.

Closing balances

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2017	At March 31, 2016
1	Tata Motors Finance Solution Limited - net receivable	268,78.65	3,24.16
2	Sheba Properties Limited - net payable	319.05	-

141

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

c. Fellow subsidiaries

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
Concorde Motors (India) Limited			
1	Commission – expenditure (includes unamortised commission)	208.56	344.37
2	Investment made in compulsory convertible debenture	78,00.00	-
3	Vehicle loan given	-	73.05
4	Vehicle loan principal repayments	13.89	359.64
5	Interest Income on vehicle loan	0.11	14.22
6	Channel financing	16,237.54	18,160.28
7	Channel financing principal repayments	17,222.58	18,271.41
8	Interest Income on channel financing	159.94	112.37
9	Lease charges received	-	148.73
10	Commission received	33.81	267.81
Tata Technologies Limited			
1	Information technology support service charges	542.96	182.77
2	Interest on long term debenture -unsecured rated non-convertible debenture TIER II	46.04	55.00
3	Lease charges received	87.80	138.17

Closing balances

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2017	At March 31, 2016
1	Concorde Motors (India) Limited – net receivable	-	7,81.55
2	Tata Technologies Limited – net payable	-	(6,86.14)

d. Key Managerial Personnel

Remuneration to Mr. Shyam Mani for the year ended March 31, 2017 was Rs. 2,98.91 lakhs (March 31, 2016: Rs. 2,04.55 lakhs). Remuneration excludes provision for encashable leave and gratuity as separate actuarial valuation is not available.

34. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 in accordance with notification G.S.R. 307 (E) issued by Ministry of Corporate Affairs

Particulars	₹ In lakhs		
	SBN	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	8,45.64	1,01.38	9,47.02
Add- Permitted Receipts	-	17,776.21	17,776.21
Less - Permitted Payments	-	47.44	47.44
Less - Amount deposited in the banks	8,45.64	16,817.23	17,662.87
Closing cash in hand as on December 30, 2016	-	10,12.92	10,12.92

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Specified bank notes means bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees.

35. Scheme of Arrangement with Shoba Properties Limited

a) With an objective of converting the Company into Core Investment Company (CIC), the Company has realigned its businesses by transferring it to its subsidiaries. Company shall now engage itself in the business of granting of loans, guarantees and other forms of finance to, leasing and making of investments in securities of Group Companies and to carry on such other activities as may be permitted under the CIC Guidelines.

b) Pursuant to the Scheme of arrangement (Scheme) between the Company and its subsidiary Sheba Properties Limited (Sheba) under section 391 to 394 of the Companies Act, 1956, the assets and liabilities pertaining to New Vehicle Finance business of the Company were transferred to and vested in Sheba. The Scheme was approved by the National Company Law Tribunal, Mumbai on April 17, 2017. The Scheme was filed on May 9, 2017 with Registrar of Companies, Mumbai on which the transfer became effective. As per the approved Scheme, the appointed date of transfer was close of business hours on January 31, 2017.

The agreed total consideration for slump sale of Rs. 2752,00.00 lakhs against the net assets value of Rs.1559,74.36 lakhs has resulted in capital gain to the Company of Rs.1162,25.64 lakhs (net of transfer expenses of Rs. 30,00.00 lakhs), reported as an exceptional item in the statement of profit and loss. Consequently, the results for the current financial year and Balance Sheet figures are not comparable with the previous financial year.

The list of Assets and Liabilities pertaining to the New Vehicle finance business as on 31st January, 2017 were as follows:

Particulars	Amount (Rs. in lakhs)
Liabilities	
Long-term borrowings	8998,13.98
Other long-term liabilities	41,08.41
Long-term provisions	156,63.31
Short-term borrowings	3598,47.81
Trade payables	70,29.88
Other Current liabilities	2692,96.53
Short-term provisions	22,35.06
Total Liabilities	15579,94.98
Assets	
Fixed assets	
Intangible assets	19,95.56
Non-current investments	1,98.25
Non-current finance receivables	30,23.05
Long-term loans and advances	9249,19.44
Other non-current assets	40,15.69
Current investments	97,06.60
	28,82.39

w,

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Particulars	Amount (Rs. In lakhs)
Trade receivables	31,26.79
Cash and cash equivalent	606,82.32
Finance receivables	6391,10.26
Short term loans and advances	83,78.24
Other current assets	559,30.22
Total Assets	17139,68.81
Net assets (Total assets less total liabilities)	1559,73.83
Consideration received	2752,00.00
Less: Transfer expenses	30,00.00
Gain on transfer	1162,26.17

In addition to above, as part of the Scheme, the Authorised Share Capital of the Company to the extent of Rs. 500,00.00 lakhs divided into 5,00,00,000 equity shares of face value Rs.100/- each has also been transferred to Sheba.

C) The Board of Directors of the Company passed a resolution at its meeting held on March 17, 2017 to exit from "Corporate Lending Business" (Transferred Business) by transferring the same to its wholly owned subsidiary (WOS), Tata Motors Finance Solutions Limited for a lump sum consideration of Rs. 269,00.00 lakhs. As per the Memorandum of Understanding dated March 31, 2017, the transfer of businesses became effective from end of business hours of March 31, 2017. The agreed total consideration for slump sale of Rs. 269,00 lakhs against the net assets value of Rs. 252,67.29 lakhs has resulted in capital gain to the Company of Rs.16,32.71 lakhs, reported as an exceptional item in the Statement of Profit and Loss.

Additional disclosures given in terms of the Non-Banking Financial Companies Systematically Important Non-Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

36. Maturity pattern

Particulars	Rs. In lakhs				
	Deposits (note 1)	Advances (note 2)	Investments	Borrowings from banks/financial institutions	Market borrowings (note 3 and 4)
Up to 30/31 days	-	-	100,00.00	-	350,00.00
	-	1541,68.97	21,99.01	12,50.00	1075,75.90
Over 1 months upto 2 months	-	-	-	-	350,00.00
	-	475,66.91	25.93	6,25.00	1434,09.01
Over 2 months upto 3 months	-	-	-	-	500,00.00
	-	473,67.72	330,86.89	93,75.00	1349,85.65
Over 3 months upto 6 months	-	-	-	-	-
	-	1401,72.11	87,02.84	1156,25.00	1020,00.00

 $w,$

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Particulars	Deposits (note 1)	Advances (note 2)	Investments	Borrowings from banks/financial Institutions	Market borrowings (note 3 and 4)
1 year					
Over 1 year	-	-	-	-	612,95.29
upto 3 years	-	7914,20.30	6,26.14	1043,75.00	1529,24.45
Over 3 years	-	-	-	-	362,03.33
upto 5 years	-	2390,11.55	3,68.28	2181,25.00	908,64.99
Over 5 years	-	-	4936,58.10	-	-
	-	409,17.33	1906,58.10	-	860,25.00
Total	-	-	5036,58.10	-	2174,98.62
	515,24.00	17291,95.68	2359,68.38	7372,08.61	8910,91.32

Notes

1. Represents fixed deposits with banks.
2. Advances are gross of provision for non-performing assets.
3. Includes commercial paper, which is considered gross of unamortized discount on issue, respectively.
4. Includes premium payable on redemption of zero coupon debentures.
5. Amounts in Italics pertain to previous year.

37. Disclosure of loan and advances given to parent company, associates etc. as required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

There were no loans and advances in the nature of loan given to parent company, associates etc. (as certified by the management).

a) Capital to Risk Assets Ratio (CRAR)

The ratios calculated in accordance with the Reserve Bank of India guidelines are as under:

Sr. No.	Particulars	Rs. In lakhs	
		At March 31, 2017	At March 31, 2016
1	CRAR (%)	65.66%	16.07%
2	CRAR – Tier I (%)	65.63%	10.14%
3	CRAR – Tier II (%)	0.03%	5.93%
4	Amount of subordinated debt raised as Tier-II capital during the year	-	-
5	Amount raised by Issue of Perpetual Debt Instruments during the year	-	-

38. Real estate sector

The company does not have exposure to the real estate sector.

W/

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

39. Perpetual debt Instruments

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
1	Funds raised through perpetual debt instruments	-	-
2	Amount outstanding at the end of year	-	375,30.00
3	Percentage of amount of perpetual debt instrument of the amount of Tier I Capital (note 1)	N.A.	20.83%
4	Financial year in which interest on perpetual debt instruments is not paid on account of 'Lock-In Clause	N.A.	N.A.

Notes

1. Before adjusting securitisation exposure.

40. Disclosure on securitisation/direct assignment of standard assets

Securitisation of standard assets effected in line with the revised guidelines issued by RBI, dated August 21, 2012

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2017	At March 31, 2016
1	No. of special purpose vehicles (SPVs) sponsored by the Company for securitisation transactions	-	1
2	Total amount of securitised assets as per books of the SPVs sponsored by the Company (as certified by the SPV's auditors)	-	42,16.83
3	Total amount of exposures retained by the company to comply with Minimum Retention Requirement (MRR) as on the date of balance sheet		
	a. Off-balance sheet exposures		
	First loss	-	-
	Others	-	-
	b. On-balance sheet exposures		
	First loss	-	15,24.00
	Others	-	2,07.89
4	Amount of exposures to securitisation transactions other than MRR		
	a. Off-balance sheet exposures		
	i) Exposures to own securitisations		
	First loss	-	-
	Others	-	28,30.00
	ii) Exposures to third party securitisations		
	First loss	-	-
	Others	-	-
	b. On-balance sheet exposures		
	i) Exposures to own securitisations		

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Sr. No.	Particulars	At March 31, 2017	At March 31, 2016
	First loss	-	-
	Others	-	1,16.99
	ii) Exposures to third party securitisations		
	First loss	-	-
	Others	-	-

The above information for March 2016 is based on information submitted by the SPVs, which is duly submitted by the SPV's auditors.

41. Restructured advances

A. The Company has not done any restructuring under CDR mechanism and SME debt restructuring mechanism.

B. Disclosure for movement in restructuring done under 'others mechanism' for the year ended March 31, 2017 is given below.

Sr. No.	Particulars	Rs. in lakhs				
		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts at April 1, 2016					
	No. of borrowers	-	230.00	149.00	-	379.00
	Outstanding	-	4,314.08	1,782.49	-	6,096.57
	Provision	-	885.90	1,331.13	-	2,217.02
2	Fresh restructuring during the year					
	No. of borrowers	-	8.00	11.00	-	19.00
	Outstanding	-	2,27.46	1,38.73	-	3,66.19
	Provision	-	33.78	1,07.54	-	1,41.13
3	Upgradations to restructured standard category during the year					
	No. of borrowers	-	(24.00)	(2.00)	-	(26.00)
	Outstanding	-	(2,51.41)	(12.79)	-	(2,64.20)
	Provision	-	(37.12)	(10.26)	-	(47.39)
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016					
	No. of borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-
5	Downgradations of restructured advances during the year					
	No. of borrowers	-	(85.00)	85.00	-	-
	Outstanding	-	(14,44.48)	9,65.63	-	(4,78.85)
	Provision	-	(2,24.97)	6,99.61	-	4,74.64
6	Write offs of restructured accounts during the year					
	No. of borrowers	-	(65.00)	(71.00)	-	(1,36.00)
	Outstanding	-	(15,35.51)	(9,98.78)	-	(25,34.30)

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Sr. No.	Particulars	Others				
		Standard	Sub-standard	Doubtful	Loss	Total
	Provision	-	(4,01.68)	(7,16.25)	-	(11,17.93)
7	Recovery from restructured accounts during the year					
	No. of borrowers	-	(52.00)	(49.00)	-	(1,01.00)
	Outstanding	-	(10,30.71)	(6,63.37)	-	(16,94.08)
	Provision	-	(2,14.32)	(5,12.57)	-	(7,26.89)
8	Sale of restructured accounts during the year					
	No. of borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-
9	Transfer of restructured accounts as part of scheme of arrangement					
	No. of borrowers	-	12.00	1,23.00	-	1,35.00
	Outstanding	-	2,79.43	12,11.91	-	14,91.34
	Provision	-	41.57	8,99.20	-	9,40.77
10	Restructured accounts at March 31, 2017					
	No. of borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-

Provision on restructured advances includes provision on diminution in fair value amounting to Rs. Nil.

C. Disclosure for movement in restructuring done under 'others mechanism' for the year ended March 31, 2016 is given below.

Rs. in lakhs						
Sr. No.	Particulars	Others				
		Standard	Sub-standard	Doubtful	Loss	Total
1	Restructured accounts at April 1, 2015					
	No. of borrowers	-	462	13	-	475
	Outstanding	-	80,97.78	3,55.45	-	84,53.23
	Provision	-	10,87.87	3,03.77	-	13,91.64
2	Fresh restructuring during the year					
	No. of borrowers	-	135	44	-	179
	Outstanding	-	18,84.09	5,40.75	-	24,24.84
	Provision	-	4,12.12	3,86.16	-	7,98.28
3	Upgradations to restructured standard category during the year					
	No. of borrowers	-	(67)	(1)	-	(68)
	Outstanding	-	(7,57.02)	(9.38)	-	(7,66.40)
	Provision	-	(1,04.21)	(9.40)	-	(1,13.61)
4	Restructured standard advances which cease to attract higher provisioning and/or additional risk weight at March 31, 2016 and hence need not be shown as restructured standard advances at April 1, 2016					
	No. of Borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Sr. No.	Particulars	Others				
		Standard	Sub-standard	Doubtful	Loss	Total
	No. of Borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-
5	Downgradations of restructured advances during the year					
	No. of Borrowers	-	(97)	97	-	-
	Outstanding	-	(13,95.49)	10,79.68	-	(3,15.81)
	Provision	-	(1,89.59)	8,30.94	-	6,41.35
6	Write offs of restructured accounts during the year					
	No. of Borrowers	-	(56)	(1)	-	(57)
	Outstanding	-	(7,16.72)	(0.76)	-	(7,17.48)
	Provision	-	(76.85)	(0.69)	-	(77.54)
7	Recovery from restructured accounts during the year					
	No. of Borrowers	-	(147)	(3)	-	(150)
	Outstanding	-	(27,98.57)	(1,83.24)	-	(29,81.81)
	Provision	-	(2,43.45)	(1,79.64)	-	(4,23.09)
8	Sale of restructured accounts during the year					
	No. of Borrowers	-	-	-	-	-
	Outstanding	-	-	-	-	-
	Provision	-	-	-	-	-
9	Restructured accounts at March 31, 2016					
	No. of Borrowers	-	230	149	-	379
	Outstanding	-	43,14.07	17,82.50	-	60,96.57
	Provision	-	8,85.89	13,31.14	-	22,17.03

Provision on restructured advances includes provision on diminution in fair value amounting to Rs. 2,69.14 lakhs.

42. Provisions and contingencies

Rs. in lakhs

Sr. No.	Particulars	Year ended March 31, 2017		Year ended March 31 2016	
1	Provision for doubtful loan and advances		(5,16.51)		7,75.31
2	Provision for doubtful finance receivables	(207,18.03)		(50,47.60)	
	Less: Delinquency support	(17,63.18)	(224,81.21)	18,89.98	(31,57.62)
3	Finance receivable written-off (net of recoveries of Rs. 38,86.54 lakhs (March 31, 2016: Rs. 18,14.82 lakhs)	1181,18.27		571,71.71	
	Less: Delinquency support	1,98.39	1183,16.66	(48,98.10)	522,73.61
4	Provision on standard assets		10,90.00		1,145.00
5	Provision for consumer disputes		72.35		59.97
6	Provision made towards income tax (tax expense)		466,12.80		36,27.82

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

43. Investments

Rs. in lakhs

Sr. No.	Particulars	At March 31, 2017	At March 31, 2016
Value of investments			
Gross value of investments			
a)	In India	5036,58.10	2359,68.39
b)	Outside India	-	-
Provision for depreciation			
a)	In India	-	-
b)	Outside India	-	-
Net value of investments			
a)	In India	5036,58.10	2359,68.39
b)	Outside India	-	-
Movement of provisions held towards depreciation of investments			
1	Opening balance	-	-
2	Add: Provision made during the year	-	-
3	Less: Write-off/write-back of excess provision during the year	-	-
4	Closing balance	-	-

44. Ratings assigned by credit rating agencies and migrations of ratings during the year

Instrument	CRISIL		ICRA	
	At March 31, 2017	At March 31, 2016	At March 31, 2017	At March 31, 2016
Secured non-convertible debentures (NCDs)	CRISIL AA/Positive	CRISIL AA/Stable	ICRA AA/Positive	N.A.
Unsecured subordinated Tier II NCDs	CRISIL AA/Positive	CRISIL AA/Stable	ICRA AA/Positive	ICRA AA/Stable
Unsecured unlisted NCDs	CRISIL AA/Positive	N.A.	N.A.	N.A.
Unsecured subordinated perpetual NCDs	CRISIL A+/Positive	CRISIL A+/Stable	ICRA A+/Positive	ICRA A+/Stable
Long term bank facilities	CRISIL AA/Positive	CRISIL AA/Stable	CRISIL AA/Positive	ICRA AA/Stable
Short term bank facilities	CRISIL A1+	CRISIL A1+	ICRA A1+	ICRA A1+
Commercial papers	CRISIL A1+	N.A.	ICRA A1+	ICRA A1+

W /

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

45. Details of financing of parent company's products

Rs. in lakhs

Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
	Nos.	Amount	Nos.	Amount
Commercial vehicle	63,068	5,62,731	75,970	7485,11.37
Passenger vehicle	28,572	1,27,246	33,185	1349,94.72

46. Concentration of advances

Rs. in lakhs

Particulars	At March 31, 2017	At March 31, 2016
Total advances to 20 largest borrowers/customers	-	469,78.01
Percentage of advances to twenty largest borrowers to total advances of the NBFC on borrowers	-	2.69%

47. Concentration of exposures

Rs. in lakhs

Particulars	At March 31, 2017	At March 31, 2016
Total exposure on 20 largest borrowers/customers	78,00.00	842,56.68
Percentage of exposures to twenty largest borrowers/customers to total exposure of the NBFC on borrowers/customers	100.00%	4.70%

48. Concentration of NPAs

Rs. in lakhs

Particulars	At March 31, 2017	At March 31, 2016
Total exposure to top four NPAs	-	28,85.68

49. Sector-wise NPAs

Sr. No.	Sector	At March 31, 2017	At March 31, 2016
1	Agricultural and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loan	-	9.81%
7	Other personal loan	-	-

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

50. Details of non-performing financial assets sold

Sr. No.	Particulars	Rs. in lakhs	
		Year ended March 31, 2017	Year ended March 31, 2016
1	No. of account sold	614,38	-
2	Aggregate outstanding (gross of interest income and other charges reversal)	2,35,754.88	-
3	Aggregate consideration received	note 1	-

Notes

1. Transferred to subsidiary company on a slump sale basis through a scheme of arrangement, without values being assigned to individual assets and liabilities.

51. Movement of NPAs

Sr. No.	Particulars	Rs. in lakhs	
		At March 31, 2017	At March 31, 2016
1	Net NPAs to net advances (%)	-	5.71%
2. Movement of gross NPAs#			
a)	Opening balance	1712,31.33	2304,13.98
b)	Addition during the year	1581,05.75	688,01.63
c)	Reduction during the year	(1426,40.90)	(1279,84.28)
d)	Transfer under the scheme of arrangement	(1866,96.18)	-
e)	Closing balance	-	1712,31.33
3. Movement of net NPAs			
a)	Opening balance	953,33.37	1498,67.20
b)	Addition during the year	1,095,98.73	221,17.81
c)	Reduction during the year	(729,87.65)	(766,51.64)
d)	Transfer under the scheme of arrangement	1319,44.45	-
e)	Closing balance	-	953,33.37
4. Movement of provision for NPAs (excluding provision on standard assets)			
a)	Opening balance	758,97.96	805,46.78
b)	Addition during the year	485,07.02	466,83.83
c)	Reduction during the year	(696,53.25)	(513,32.65)
d)	Transfer under the scheme of arrangement	547,51.73	-
d)	Closing balance	-	758,97.96

52. Customer complaints

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	No. of complaints pending at the beginning of the year	26	43
2	No. of complaints received during the year	1,911	2,546
3	No. of complaints redressed during the year	1,844	2,563
4	No. of complaints Transfer under the scheme of arrangement	93	-

N,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
5	No. of complaints pending at the end of the year	-	26

53. Frauds

As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to Rs.127.26 lakhs during the year ended March 31, 2017 (during the year ended March 31, 2016: Rs. 56.61 lakhs) vide form FMR 1.

54. Other disclosures

- a) No penalties were imposed by RBI and other regulators during the financial year 2016-17. (March 31, 2016: Nil).
- b) The Company has not entered in to any assignment transactions during the financial year 2016-17. (March 31, 2016: Nil).
- c) The Company does not have any exposure in capital market at March 31, 2017. (March 31, 2016: Nil).
- d) The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2016-17. (March 31, 2016: Nil).
- e) The Company is only registered with Reserve Bank of India as a Systematically Important Non-Deposit Taking Non-Banking Financial Company.
- f) The Company has not entered in to any derivative contracts during the financial year 2016-17 or holds any exposure in respect of derivative transactions as on March 31, 2017. (March 2016: Nil)
- g) The Company has not drawn down any amounts from the reserves during the financial year 2016-17. (March 31, 2016: Nil).
- h) The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2016-17 (financial year 2015-16: Nil)

W,


TATA MOTORS FINANCE LIMITED

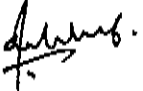
(CIN - U65923MH2006PLC162503)

Notes forming part of the financial statements for the year ended March 31, 2017

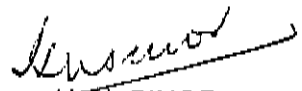
55. Comparative figures


Previous year's amounts have been re-grouped/re-classified wherever necessary to correspond with the current year's classification/disclosure. Current year's information with respect to statement of profit and loss account and corresponding notes are not comparable with previous year's information due to sale of certain businesses on January 31, 2017 under scheme of arrangement (Refer note 35).

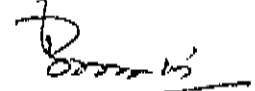

NASSER MUNJEE
Chairman
(DIN - 00010180)


C. RAMAKRISHNAN
Director
(DIN - 0020076)


ANAND BANG
Chief Financial Officer


H. N. SINOR
Director
(DIN - 00074905)


SHYAM MANI
Managing Director
(DIN - 00273598)


VINAY LAVANNIS
Company Secretary

Place: Mumbai

Date: May 19, 2017

Schedule to the Balance Sheet as at March 31, 2017 of a non-deposit taking non-banking financial Company

(Disclosure as per Annexure 1 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015)

(Rs. in lakhs)

Particulars		
Liabilities side:		
	Amount outstanding	Amount overdue
(1) Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid: *		
(a) Debentures : Secured (Note-1)	-	-
: Unsecured	-	-
(other than falling within the meaning of public deposits)		
(b) Deferred Credits	-	-
(c) Term Loans	-	-
(d) Inter-corporate loans and borrowings	-	-
(e) Commercial Papers (Note-2)	-	-
(f) Other Loans	1100,00.54	-
- Working capital demand loan	-	-
- Cash Credit	-	-
- From banks	-	-
- From others	-	-
Assets side:		Amount Outstanding
(2) Break-up of Loans and Advances including bills receivables [other than those included in (4) below]:		
(a) Secured		-
(b) Unsecured		-
(3) Break-up of Leased Assets and stock on hire and other assets towards AFC activities		
(a) Loose assets including lease rentals under sundry debtors :		
(i) Financial lease		-
(ii) Operating lease		4,47.61
(b) Stock on hire including hire charges under sundry debtors :		
(i) Assets on hire		-
(ii) Repossessed Assets		-
(c) Other loans counting towards AFC activities		
(i) Loans where assets have been repossessed		-
(ii) Loans other than (i) above (refer note 1 & note 2 below)		-
(4) Break-up of Investments:		
Current Investments:		
1 Quoted :		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
2 Unquoted:		
(i) Shares : (a) Equity		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		100,00.00
(v) Others		-
Investment in Senior Pass Through Certificates		-
Long Term Investments:		
1 Quoted :		
(i) Shares : (a) Equity (Investment in subsidiary)		-
(b) Preference		-
(ii) Debentures and Bonds		-
(iii) Units of mutual funds		-
(iv) Government Securities		-
(v) Others		-
2 Unquoted:		
(i) Shares : (a) Equity (Investment in subsidiaries)		485,050.10

W,

	(b) Preference			
	(ii) Debentures and Bonds			78,00.00
	(iii) Units of mutual funds			-
	(iv) Government Securities			-
	(v) Others			-
	Investment in Senior Pass Through Certificates			-
(5)	Borrower group-wise classification of assets financed as in (2) and (3) above :			
	Category	Amount net of provisions		
		Secured	Unsecured	Total
1	Related Parties			
	(a) Subsidiaries			
	(b) Companies in the same group	4,47.01	-	4,47.01
	(c) Other related parties			
2	Other than Related Parties			
	Total	4,47.01	-	4,47.01
(6)	Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted).			
	Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)	
1	Related Parties			
	(a) Subsidiaries			
	(b) Companies in the same group	4858,58.10		4858,58.10
	(c) Other related parties			
2	Other than Related Parties			
	<u>Quoted</u>			
	Investment in Equity Shares			
	<u>Unquoted</u>			
	Investment in NCDs	78,00.00		78,00.00
	Investment in Senior Pass Through Certificates			
	Investment in Units of Mutual fund	100,02.03		100,02.03
	Total	5038,60.73		5038,60.73
(7)	Other information			
	Particulars			
(i)	Gross Non-Performing Assets			
	(a) Related parties			
	(b) Other than related parties			
(ii)	Net Non-Performing Assets			
	(a) Related parties			
	(b) Other than related parties			
(iii)	Assets acquired in satisfaction of debt			


For and on behalf of the Board of Directors

C. RAMAKRISHNAN
Director
(DIN - 00020078)

Anand Bang
ANAND BANG
Chief Financial Officer

Lennox
H. N. SNOR
Director
(DIN - 00074905)

SHYAMMANI
Managing Director
(DIN - 00273500)


VINAY LAVANNIS
Company Secretary

Pineau, Mumbai,
May 10, 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTOR FINANCE LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TATA MOTORS FINANCE LIMITED** (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2017, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

W

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2017, and their consolidated loss and their consolidated cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit we report, to the extent applicable, that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
- (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss, and the Consolidated Cash Flow Statement dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
- (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards prescribed under Section 133 of the Act.
- (e) On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2017 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.


W

- (f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Holding company and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Holding company's and subsidiary company's incorporated in India internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
 - ii. Provision has been made in the consolidated financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiary companies.
 - iv. The Holding Company has provided requisite disclosures in the consolidated financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November, 2016 to 30th December, 2016 of the Group entities as applicable. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the relevant books of accounts maintained by those entities for the purpose of preparation of the consolidated financial statements and as produced to us by the Management of the respective Group entities

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)



V. Srikumar
(Partner)
(Membership No. 84494)

Place: 
Date: May 19, 2017

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Consolidated Balance Sheet as at March 31, 2017

₹ in lakhs

Particulars	Notes	As At March 31, 2017	As At March 31, 2016
I. EQUITY AND LIABILITIES			
(1) Shareholders' Funds			
(a) Share capital	3	1753,02.08	1753,02.08
(b) Reserves and surplus	4	(116,19.95)	1227,54.91
		1636,82.13	2980,56.99
(2) Non-Current Liabilities			
(a) Long-term borrowings	5	11077,68.99	9095,42.54
(b) Other long-term liabilities	6	39,09.53	409,64.98
(c) Long-term provisions	7 (a)	160,52.13	43,07.37
		11277,30.65	9548,14.89
(3) Current Liabilities			
(a) Short-term borrowings	8	6321,30.69	5842,57.63
(b) Trade payables	9		
(i) Total outstanding dues of micro, small and medium enterprises		-	3.94
(ii) Total outstanding dues of creditors other than above		183,33.03	164,38.82
(c) Other current liabilities	10	3469,24.14	5390,41.57
(d) Short-term provisions	7 (b)	34,54.04	78,57.88
		10008,41.90	11475,99.84
Total		22922,54.68	24004,71.72
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
(i) Tangible assets	11	72,08.55	86,59.31
(ii) Intangible assets	12	1,56.76	3,52.44
(iii) Capital work-in-progress		37.26	42.81
(b) Goodwill (on consolidation)		205,18.53	205,18.53
(c) Non-current investments	13 (a)	217,37.20	156,65.45
(d) Deferred tax assets (net)	14 (b)	2,13.43	407,06.01
(e) Finance receivables	15 (a)	10002,48.94	10050,12.06
(f) Long-term loans and advances	16	367,04.53	435,26.86
(g) Other non-current assets	17 (a)	91,56.02	15,82.44
		10959,81.22	11360,65.91
(2) Current assets			
(a) Current investments	13 (b)	988,35.96	563,00.08
(b) Trade receivables	18	489,34.35	1490,20.13
(c) Cash and cash equivalents	19	1294,64.09	929,61.91
(d) Finance receivables	15 (b)	8566,59.87	9241,32.67
(e) Short-term loans and advances	20	573,26.11	512,65.36
(f) Other current assets	17 (b)	50,53.08	7,25.66
		11962,73.46	12644,05.81
Total		22922,54.68	24004,71.72
Explanatory notes forming part of the consolidated financial statements (Note 1 to 33)			

In terms of our report attached

For and on behalf of the Board of Directors

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



V. Srikumar
Partner

NASSER MUNJEE
Chairman
(DIN - 00010180)

C. RAMAKRISHNAN
Director
(DIN - 0020076)

H. N. SINOR
Director
(DIN - 00074905)

SHYAMIMANI
Managing Director
(DIN - 00273598)

Place: Mumbai
Date: May 19, 2017

ANAND BANG
Chief Financial Officer

VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 19, 2017

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Consolidated Statement of Profit and Loss for the year ended March 31, 2017

₹ in lakhs

Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I. Revenue from operations	21	2577,74.50	2901,51.84
II. Other income	22	143,50.28	327,05.32
III. Total Revenue (I + II)		2721,24.78	3228,57.16
IV. Expenses:			
Employee benefits expense	23	226,87.36	187,68.98
Finance costs	25	1580,37.18	1704,05.51
Depreciation and amortisation expense	11,12	21,43.74	24,84.84
Other expenses	24	1591,12.64	1010,33.89
Total expenses		3419,80.92	2926,93.22
V. (Loss)/Profit before exceptional and extraordinary items and tax (III-IV)		(698,56.14)	301,63.94
VI. Exceptional items		-	-
VII. (Loss)/Profit before extraordinary items and tax (V + VI)		(698,56.14)	301,63.94
VIII. Extraordinary Items		-	-
IX. (Loss)/Profit before tax (VII- VIII)		(698,56.14)	301,63.94
X. Tax expenses	14 (a)	483,73.07	34,60.47
XI. Net (Loss)/Profit for the year		(1182,29.21)	267,03.47
XII. Earnings per equity share (of ₹ 10/- each)			
Basic (₹)		(9.07)	2.02
Diluted (₹)		(9.07)	2.02
Explanatory notes forming part of the consolidated financial statements (Note 1 to 33)			

In terms of our report attached

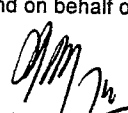
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

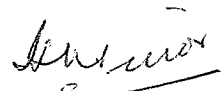


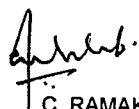
V. Srikumar
Partner

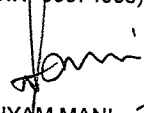
Place: Mumbai
Date: May 19, 2017

For and on behalf of the Board of Directors


NASSER MUNJEE
Chairman
(DIN - 00010180)


H. N. SINOR
Director
(DIN - 00074905)


C. RAMAKRISHNAN
Director
(DIN - 0020076)


SHYAM MANI
Managing Director
(DIN - 00273598)


ANAND BANG
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 19, 2017

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Consolidated Cash Flow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
A. CASH FLOW FROM/(USED IN) OPERATING ACTIVITIES		
Net profit/(loss) before tax	(698,56.14)	301,63.94
Adjustments for:		
Interest income	(2243,91.65)	(2207,74.09)
Interest income on long-term trade investments, bank deposits, etc.	(51,44.50)	(61,43.54)
Discounting charges, amortisation on zero coupon bonds and discounting charges on commercial paper	356,46.98	352,12.69
Depreciation and amortisation expense	21,43.74	24,84.84
Net gains on sale/redemption of investments	(54,10.80)	(26,41.41)
Dividend from long-term investments	(4,85.48)	-
Interest expense and other borrowing costs	1223,90.20	1351,92.82
Write off/loss on sale of fixed assets (net)	1,35.56	38.73
Provision for diminution in the value of Investment	3,24.47	-
Provision for employee benefits schemes/(write back)	(8,94.62)	1,91.86
Provision for indirect tax/(write back)	110,07.15	(49,15.75)
Provision for doubtful finance receivables and finance receivables written-off	1500,93.40	506,68.06
Provisions on standard assets	16,27.75	7,10.00
Provision for doubtful loans and advances and security deposits/(write back)	(5,04.62)	7,75.31
Operating cash flow before working capital changes and discounting charges	166,81.44	209,63.46
Movements in working capital:		
Other assets	(58,66.58)	25,58.02
Short-term advances	(55,56.13)	(92,20.13)
Finance receivables	(779,78.77)	(2121,28.76)
Long-term advances	(102,89.87)	(64,68.08)
Trade receivables	1000,85.78	(106,26.80)
Trade payables	18,90.27	17,15.57
Other current liabilities	161,87.26	(145,95.63)
Senior pass-through-certificates - assignment receivables	(37,06.48)	(366,81.34)
Other long term liabilities	(370,55.45)	(143,95.31)
Margin money/cash collateral with banks (Note 1)	(58,21.40)	83,86.63
	(281,11.37)	(2914,55.83)
Current taxes refund received/(paid) (net)	171,30.04	(118,82.52)
Interest expense	(1257,68.66)	(1341,12.13)
Discounting charges on commercial papers and zero coupon bonds paid	(493,87.53)	(351,34.79)
Interest income	2243,20.07	2244,71.71
Net cash flow/(used in) operating activities	548,63.99	(2271,50.10)
B. CASH FLOW FROM/(USED IN) INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and capital advances)	(9,08.46)	(7,73.33)
Proceeds from sale of fixed assets	1,33.71	46.81
Purchase of /realisation from long-term senior pass-through-certificates	(50,94.73)	35,52.65
Purchase of current investments	(51763,65.14)	(30439,33.91)
Proceeds from sale/redemption of current investments	51442,37.26	30563,20.86
Purchase/redemption of trade investments	(86,29.73)	1,22.81
Purchase of long-term investments	(24.15)	-
Proceeds from sale/redemption of long-term investments	60,41.38	-
Consideration paid for acquisition of subsidiary	-	(405,41.15)
Interest income on long term trade investments, bank deposits, etc.	51,24.35	60,07.57
Dividend from long-term investments	4,85.48	-
Investment in bank deposits (having original maturity of more than 3 months)	-	(100,00.00)
Net cash used in investing activities	(350,00.03)	(291,97.69)

W

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Consolidated Cash Flow Statement for the year ended March 31, 2017

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
C. CASH FLOW FROM/(USED IN) FINANCING ACTIVITIES		
Share issue expenses	(5,50.44)	(5,75.40)
Proceeds from issue of preference shares	-	434,00.00
Increase/(decrease) in cash credit (net)	(201,31.22)	591,09.62
Proceeds from short-term borrowings less than 3 months (net)	949,93.01	1248,15.34
Proceeds from short-term borrowings 3 months and above	3411,85.04	4185,89.17
Repayment of short-term borrowings 3 months and above	(3631,94.22)	(3124,10.50)
Proceeds from long-term borrowings	5786,00.00	4539,00.00
Repayment of long-term borrowings	(5986,40.90)	(6380,48.36)
Dividend paid (including corporate dividend tax)	(56,23.05)	(47,62.62)
Net cash from financing activities	266,38.22	1440,17.25
Net increase/(decrease) in cash and cash equivalents	465,02.18	(1123,30.54)
Cash and cash equivalents at the beginning of the year	229,61.91	1352,52.26
Cash and cash equivalents acquired on acquisition of subsidiary	-	40.19
Cash and cash equivalents as at the end of the year	694,64.09	229,61.91
Net increase/(decrease) in cash and cash equivalents	46,502.18	(1123,30.54)

Notes:

1. Not freely available for use by the Group.
2. Previous year amounts have been re-grouped, wherever necessary.


In terms of our report attached

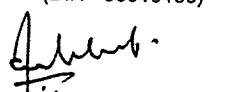
For and on behalf of the Board of Directors

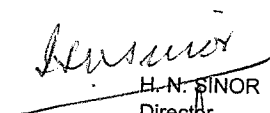
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

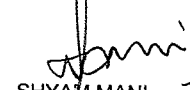


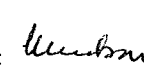
V. Srikumar
Partner


NASSER MUNJEE
Chairman
(DIN - 00010180)


C. RAMAKRISHNAN
Director
(DIN - 0020076)


H.N. SINOR
Director
(DIN - 00074905)


SHYAM MANI
Managing Director
(DIN - 00273598)

Place: 
Date: May 19, 2017


ANAND BANG
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

Place: Mumbai
Date: May 19, 2017

Significant accounting policies

Note 1 – CORPORATE INFORMATION

Tata Motors Finance Limited (the Company) is registered as a Non-Banking Financial (Non deposit accepting or holding) Company with the Reserve Bank of India with effect from August 09, 2006. The Company is a subsidiary of Tata Motors Limited (TML). The Company and its subsidiaries constitute the Group.

Note 2 – SIGNIFICANT ACCOUNTING POLICIES

A. Basis for preparation of financial statements

The Group's financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), to comply with the Accounting Standards specified under section 133 of Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Group follows the directions issued by the Reserve Bank of India (RBI) for Non- Banking Financial Companies (NBFC). In case the accounting policies followed by a subsidiary are different from those followed by the Company, the same have been disclosed in the respective accounting policy.

B. Use of estimates

The preparation of consolidated financial statements requires management to make estimates and assumptions that are considered in the reported amounts of assets, liabilities and disclosures of contingent liabilities and reported amounts of revenue and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively.

C. Principle of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries. The consolidated financial statements have been prepared on the following basis:

1. The financial statements of the subsidiary companies used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2017.
2. The financial statements of the Company and its subsidiaries companies are consolidated on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions are fully eliminated.
3. The excess of cost to the Company of its investments in the subsidiary company over its share of equity of the subsidiary company at the dates on which the investments in the subsidiary companies is made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.

4

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

4. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity subsequent to the dates of investments.

D. The following subsidiary companies are considered in consolidated financial statements.

Sr. No.	Name of the subsidiary companies	Country of incorporation	% of holding either direct or through subsidiaries
			As at March 31, 2017
1	Tata Motors Finance Solutions Limited	India	100%
2	Sheba Properties Limited	India	100%

E. Revenue recognition**1. Income on finance receivables and loans**

Interest income is recognised in the statement of profit and loss on an accrual basis, except in the case of non-performing assets (NPA), where it is recognised upon realisation as per RBI norms.

Late payment charges are accounted on receipt basis on account of uncertainty of ultimate collection.

2. Income from securitisation transactions

In accordance with the guidelines issued by the RBI on August 21, 2012, the amount of profit received in cash is recorded as a liability on individual transaction basis and is amortised in the statement of profit and loss based on a formula given in the aforesaid guidelines.

In case of securitisation transactions where the Group retains the contractual right to receive some of the interest amount due on the transferred assets, the present value of such interest receivable from the Special Purpose Vehicle (SPV) is capitalised as an Interest Only Strip (I/O Strip). The corresponding gain is recognised in the statement of profit and loss when the I/O Strip is redeemed in cash.

Legal and incidental expenses are charged to the statement of profit and loss in the year in which the securitisation is effected.

3. Income from investments

Dividend income is accounted on accrual basis when the right to receive is established.

Interest income on pass-through-certificates and debentures is accounted on accrual basis.

6,

4. Income from service charges

Income from service charges is recognised as per contractual terms on an accrual basis.

5. Compensation towards interest loss

Compensation towards interest loss receivable from parent company is accrued and recognised as per the contractual terms when such loss occurs.

6. Utilisation of delinquency support

The Group accounts upfront the delinquency support (subvention amount) received in the statement of profit and loss.

F. Provision for standard/non-performing assets

The Group classifies its finance receivable and loans into performing and NPAs in accordance with RBI guidelines. The Group provides an allowance for finance receivables and loans based on the prudential norms issued by the RBI relating to income recognition, asset classification and non-performing assets. The Group has early adopted prudential norm for asset classification and provisioning based on 3 months overdue criteria which is effective from financial year ending March 31, 2018. In addition to the provisioning as per the RBI norms, provision is also made for the losses anticipated, if any.

The Group makes a provision on all outstanding standard assets as per the prudential norms issued by the RBI as applicable or early implemented by the Group. The Group has early adopted the provision rate of 0.40 percent for standard asset provisioning which is effective from financial year ending March 31, 2018.

G. Fixed assets and depreciation

Fixed assets are stated at cost of acquisition less depreciation, which comprises of purchase price and other directly attributable costs of bringing the assets to their working condition for the intended use.

Depreciation and amortisation is provided on the straight-line method over the useful life of the fixed assets as prescribed in the schedule II to the Companies Act, 2013 except in case of vehicles and certain class of office equipments.

- i. Capital assets located in the leasehold premises are depreciated over the estimated useful life or five years, whichever is lower.
- ii. Software of a cost in excess of Rs. 0.25 Lacs is amortised over a period of 5 years or over their estimated useful life, whichever is lower.
- iii. Assets costing less than Rs. 5000/- are expensed off at the time of purchase.

H. Investments

Long term investments are stated at cost less provision for diminution, if any. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

W,

I. Commission to agents

Commission for sourcing of contracts through dealers is amortised over the term of the contract in the ratio of interest earned. Sourcing commission including target based commission for contracts sourced through networks other than dealers is amortised equally over the term of the contract. Further, commission on collection is charged to the statement of profit and loss when incurred.

J. Employee benefits

1. Defined contribution plans

Contributions to the Group's defined contribution plans, as described below, are charged to the statement of profit and loss.

i) Provident fund

The employees are entitled to receive benefits under provident fund, where both, the employees and the Group, make monthly contributions at a specified percentage of the covered employees' basic salary. The contribution is paid to the fund managed by Tata Motors Limited (parent company), except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. The Group is generally liable for annual contribution and any shortfall to the extent of Group's share in the fund managed by parent company, based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

ii) Superannuation

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the parent company and is charged to the statement of profit and loss.

2. Defined benefit plans

Provision for the Group's defined benefit plans, as described below, are actuarially determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains and losses are charged to the statement of profit and loss.

i) Gratuity

Contributions are made towards gratuity, covering eligible employees, which provides for a lump sum payment of an amount equivalent to 15 to 30 days salary at the time of resignation or retirement, payable for each completed year of service. Vesting occurs upon completion of five years of service. Gratuity liability for the Group except for a subsidiary, Tata Motors Finance Solutions Limited is funded. The actuarially determined liability for funded part is compared with the fair value of plan assets and the shortfall or excess is accounted for as a liability or an asset respectively.

ii) Compensated absences

Provision is made for 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 unutilised leave at each balance sheet date.

K. Leases

i) Assets taken on operating lease

Leases, where the lessor effectively retains substantially all the risks and rewards incidental to ownership of the leased assets are classified as operating leases. Operating lease rent paid is recognised as an expense in the statement of profit and loss on the straight line basis over the lease term.

ii) Assets given on operating lease

Assets given on operating lease are included in fixed assets. Lease income is recognised in the statement of profit and loss on a straight line basis over the lease term. Costs including depreciation are recognised as an expense in the statement of profit and loss. Initial direct costs such as insurance cost etc. are recognised immediately in the statement of profit and loss.

L. Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is calculated using the weighted average number of equity shares and dilutive potential equity shares during the year, except where the results are anti-dilutive.

M. Taxation

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.

Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent to that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income

W,

available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

In the consolidated financial statements, deferred tax assets and liabilities are computed at an individual entity level and aggregated for consolidated reporting.

N. Provisions, contingent liability and contingent assets

Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

O. Delinquency support

Delinquency support receivable from parent company, being compensation towards provision/write off of finance receivable, is credited to the statement of profit and loss as per the contractual terms when the provision/write off charge on the underlying portfolio of contracts is recognised.

P. Share issue expenses

Share issue expenses are adjusted from securities premium account for entities where balance in securities premium account is available.

Q. Discount and premium on issue/redemption of debenture

Discount on issue of debentures and premium payable on redemption of debentures is amortised on straight line basis over the period of the instruments and is adjusted from securities premium account for entities where balance in Securities Premium Account is available.

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 3 - Share Capital

₹ in lakhs

Particulars	As At March 31, 2017		As At March 31, 2016	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 10 each	1,500,000,000	1500,00.00	2,000,000,000	2000,00.00
Preference shares of ₹ 100 each (redeemable)	75,000,000	750,00.00	75,000,000	750,00.00
	1,575,000,000	2250,00.00	2,075,000,000	275,000.00
Issued, subscribed and fully paid-up				
Equity shares of ₹ 10 each	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08
Cumulative, Non-participating compulsorily convertible preference share (CCPS) of ₹ 100 each	43,400,000	43,400.00	43,400,000	43,400.00
Total	1,362,420,771	1753,02.08	1,362,420,771	1753,02.08

As part of the scheme of arrangement between the Company and its subsidiary Sheba Properties Limited, the Authorised Share Capital of the company to the extent of Rs. 500,00 lakhs divided into 5,00,00,000 equity shares of face value Rs.100/- each has been transferred to Sheba Properties Limited.

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

₹ in lakhs

Equity Shares	As At March 31, 2017		As At March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08
Shares issued during the year	-	-	-	-
Shares outstanding at the end of the year	1,319,020,771	1319,02.08	1,319,020,771	1319,02.08

b) Reconciliation of the preference shares outstanding at the beginning and at the end of the reporting year

₹ in lakhs

Cumulative, Non-participating CCPS	As At March 31, 2017		As At March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	43,400,000	434,00.00	-	-
Shares issued during the year	-	-	43,400,000	434,00.00
Shares outstanding at the end of the year	43,400,000	434,00.00	43,400,000	434,00.00

c) As at March 31, 2017 and March 31, 2016 all equity shares were held by Tata Motors Limited (TML), the holding company and its nominees.

d) None of the Cumulative non-participating CCPS as at March 31, 2017 and March 31, 2016 were held by TML, their subsidiaries and associates.

e) Terms/rights attached to equity shares

The Company has issued only one class of equity shares having a face value of ₹ 10 per share. Each equity share holder is entitled to one vote per share. Equity share holders are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, equity share holders will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

f) Terms/rights attached to preference shares

During FY 2016, the Company had issued 4,34,00,000 cumulative, non-participating Compulsorily Convertible Preference Shares (CCPS) having a face value of ₹ 100 each, at par, aggregating to ₹ 434,00.00 lakhs on private placement basis. The holders of the CCPS are entitled for dividend @ 3% on a yearly basis, in preference to the equity shareholders of the Company, subject to applicable law, availability of profits of the Company, after provision for depreciation. The CCPS shall fully and mandatorily be converted into equity shares of the Company on the date falling at the expiry of 7 years from the CCPS closing date. The conversion ratio of the CCPS shall be 2.15: 1. Fractional equity shares, if any, arising on conversion of the CCPS shall be disregarded.

g) Details of shares held by each shareholder holding more than 5% of shares:

Particulars	As At March 31, 2017		As At March 31, 2016	
	Number	Percentage	Number	Percentage
Equity shares with voting rights				
Tata Motors Limited and its nominees	1,319,020,771	100.00	1,319,020,771	100.00
Cumulative, Non-participating CCPS				
HDFC Standard Life Insurance Company Limited	13,000,000	29.95	13,000,000	29.95
Apurva Goswamy	2,200,000	5.07	2,200,000	5.07

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
Note 4 - Reserves & surplus

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
a. Securities premium account		
Opening balance	1123,20.73	1180,97.92
Less: Equity shares/CCPS/Debentures issue expenses	5,50.44	5,75.40
Less: Amortisation of premium payable on redemption and discount on issue of debentures [gross ₹ 22,712.91 lakhs (March 31, 2016: ₹ 79,54.79 lakhs), net of tax cf ₹ 78,60.48 lakhs (March 31, 2016: ₹ 27,53.00 lakhs)]	148,52.43	52,01.79
Closing balance	969,17.86	1123,20.73
b. Special reserve (note 1)		
Opening balance	232,62.99	211,95.91
Add: Transfer from surplus in the statement of profit and loss	18,34.71	20,67.08
Closing balance	250,97.70	232,62.99
c. Surplus/(deficit) in the statement of profit and loss		
Opening balance	(128,28.81)	(326,52.11)
Add: Net (loss)/profit for the year	(1182,29.21)	267,03.47
Less: Tax on interim dividends on equity shares by subsidiary	91.61	-
Less: Interim preference share dividend	6,51.17	-
Less: Transfer to special reserve	18,34.71	20,67.08
Less: Proposed dividend on CCPS	-	41.93
Less: Proposed dividend on equity shares	-	39,57.06
Less: Tax on dividend on CCPS and equity shares	-	8,14.10
Net (deficit) in the statement of profit and loss	(1336,35.51)	(128,28.81)
Total	(11,619.95)	1227,54.91

1. Represents reserve created in terms of section 45-IC of the Reserve Bank of India Act, 1934.

W

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 5 - Long-term borrowings

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
(i) Debentures		
Secured		
(a) Privately placed non-convertible debentures (Secured) [gross of accreted value of premium on redemption of ₹ 12,117.51 lakhs (March 31, 2016: ₹ 58,92.54 lakhs)]	2356,03.49	1610,22.54
Unsecured		
(a) Privately placed non-convertible debentures (Unsecured, unlisted) [gross of accreted value of premium on redemption of ₹ 15,02.64 lakhs (March 31, 2016: ₹ Nil)]	765,02.64	-
(b) Privately placed non-convertible subordinated debentures	1134,90.00	1134,90.00
(c) Privately placed non-convertible debentures	500,00.00	1000,00.00
(d) Privately placed non-convertible subordinated perpetual debentures	375,30.00	375,30.00
	5131,26.13	4120,42.54
(ii) Term loans from banks		
(a) Secured	3396,42.86	2750,00.00
(b) Unsecured	2550,00.00	2225,00.00
	5946,42.86	4975,00.00
Total	11077,68.99	9095,42.54

1. Nature and extent of security created and maintained for secured NCDs (privately placed)

a. Privately placed non-convertible secured debentures are fully secured by first pari passu charge by way of registered mortgage on:

i) Company's residential flat and

ii) a) All receivables of the Company arising out of loan, lease and hire purchase transactions;

b) All other book debts, trade advances and any other security as identified by the Company and acceptable to the debenture trustee.

b. The minimum security of 100% for the NCDs outstanding has been maintained for these NCDs.

2. Nature of security for term loans from banks

Term loans from banks are secured by a pari-passu charge in favour of the security trustee on:

a) All receivables of the Company arising out of loan, lease and hire purchase transactions;

b) All other book debts;

c) Receivables from senior and junior pass-through-certificates in which Company has invested; and

d) such other current assets as may be identified by the Company from time to time and accepted by the relevant lender/security trustee.

3. Terms of repayment for term loans

Term Loan from banks have different maturity pattern. Tenure of such loans ranges between 1 to 5 years. Majority of the term loans are borrowed at a floating rate of interest linked to bank's base rate plus spread with quarterly/half-yearly/yearly reset option. On the reset date, the Company has an option to repay the loans.

14,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 6 - Other long-term liabilities

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Income received in advance	20,69.87	6,63.00
Unrealised gain on loan transfer transactions	1,573.15	4.00
Deposits (not covered in section 2(31) of Companies Act, 2013)	2,66.51	2,97.98
Other liabilities	-	400,00.00
Total	39,09.53	40,964.98

Note 7 - Provisions

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
A) Long-term provisions		
Provision for employee benefits (note 30)	9,70.36	12,66.00
Provision for Indirect tax related contingencies	112,05.88	1,98.73
Contingent provisions against standard assets	38,75.89	28,42.64
Total	160,52.13	43,07.37
B) Short-term provisions		
Provision for employee benefits	54.49	42.95
Provision for income tax, net of advances	130.53	260.13
Contingent provisions against standard assets	32,69.02	26,74.53
Provision for proposed equity dividend	-	39,57.06
Provision for proposed preference dividend	-	41.93
Provision for tax on proposed dividend	-	8,81.28
Total	34,54.04	78,57.88

Movement of provisions (long-term and short-term)

a. Provision for indirect taxes related contingencies

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Opening Balance	1,98.73	51,14.48
Add: Provision/(reversal)	110,07.15	(49,15.75)
Less: Utilisation	-	-
Closing Balance	112,05.88	1,98.73

The expected settlement period depends on relevant judgement of authorities in similar matters.

14

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Terms of repayment of bonds/debentures outstanding as at March 31, 2017

A. Privately placed Non-Convertible Debentures (including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs

Particulars	₹ In Lakhs	Redemption Date
9.00% Non Convertible Debentures "W" FY 2016-17	1,00.00	July 28, 2021
9.30% Non Convertible Debentures "S" FY 2016-17	22,00.00	June 28, 2021
9.20% Non Convertible Debentures "K" FY 2016-17	42,00.00	June 10, 2021
9.20% Non Convertible Debentures "C" FY 2016-17	20,00.00	April 6, 2021
9.20% Non Convertible Debentures "G" FY 2016-17	10,00.00	April 6, 2021
9.25% Non Convertible Debentures "M" FY 2015-16	40,00.00	December 17, 2020
9.10% Non Convertible Debentures "J" FY 2015-16	10,00.00	November 19, 2019
9.85% Non Convertible Debentures "D" FY 2014-15	100,00.00	October 17, 2019
9.85% Non Convertible Debentures "A" FY 2014-15	55,00.00	October 10, 2019
9.30% Non Convertible Debentures "T" FY 2016-17	69,00.00	June 28, 2019
9.20% Non Convertible Debentures "L" FY 2016-17	20,00.00	June 10, 2019
9.20% Non Convertible Debentures "J" FY 2016-17	20,00.00	May 31, 2019
TMFL Zero Coupon Debentures "H" FY 2015-16*	6,76.02	May 6, 2019
TMFL Zero Coupon Debentures "L" FY 2015-16*	46,93.99	April 11, 2019
9.20% Non Convertible Debentures "B" FY 2016-17	73,00.00	April 8, 2019
10.25% Non Convertible Debentures "X" FY 2013-14	20,00.00	March 20, 2019
10.25% Non Convertible Debentures "AF" FY 2013-14	5,00.00	March 19, 2019
10.25% Non Convertible Debentures "V" FY 2013-14	15,00.00	March 5, 2019
TMFL Zero Coupon Debentures "AC" FY 2013-14*	21,06.27	February 27, 2019
10.25% Non Convertible Debentures "M" FY 2013-14	20,00.00	January 10, 2019
9.25% Non Convertible Debentures "N" FY 2015-16	85,00.00	December 17, 2018
TMFL Zero Coupon Debentures "K" FY 2015-16*	18,21.51	November 26, 2018
7.95% Non Convertible Debentures "Z" FY 2016-17	50,00.00	November 25, 2018
TMFL Zero Coupon Debentures "E" FY 2015-16*	130,10.51	October 15, 2018
TMFL Zero Coupon Debentures "B" FY 2015-16*	42,99.23	October 8, 2018
TMFL Zero Coupon Debentures "D" FY 2015-16*	145,01.97	September 25, 2018
8.58% Non Convertible Debentures "Y" FY 2016-17	100,00.00	August 17, 2018
9.20% Non Convertible Debentures "U" FY 2016-17	230,00.00	July 20, 2018
9.00% Non Convertible Debentures "X" FY 2016-17	50,00.00	June 28, 2018
9.20% Non Convertible Debentures "N" FY 2016-17	10,00.00	June 10, 2018
9.25% Non Convertible Debentures "R" FY 2016-17	50,00.00	March 22, 2018
9.2538% Non Convertible Debentures "Q" FY 2016-17	25,00.00	March 20, 2018
TMFL Zero Coupon Debentures "A" FY 2015-16*	124,05.58	March 9, 2018
9.1611% Non Convertible Debentures "I" FY 2016-17	150,00.00	March 9, 2018
9.77% Non Convertible Debentures "C" FY 2014-15	79,00.00	February 26, 2018
TMFL Zero Coupon Debentures "G" FY 2015-16*	425,99.18	December 22, 2017
9.10% Non Convertible Debentures "I" FY 2015-16	150,00.00	November 20, 2017
9.80% Non Convertible Debentures "B" FY 2014-15	85,00.00	October 10, 2017
TMFL Zero Coupon Debentures "F" FY 2015-16*	29,67.55	September 28, 2017
TMFL Zero Coupon Debentures "P" FY 2013-14*	56,16.30	August 17, 2017
TMFL Zero Coupon Debentures "J" FY 2013-14*	63,00.70	July 25, 2017
TMFL Zero Coupon Debentures "T" FY 2013-14*	9,88.79	April 13, 2017
TMFL Zero Coupon Debentures "Q" FY 2013-14*	4,06.55	April 6, 2017

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Particulars	₹ in Lakhs	Redemption Date
9.20% TMFL Zero Coupon Debentures "M" FY 2016-17*	7,76.58	June 10, 2021
9.00% TMFL Zero Coupon Debentures "V" FY 2016-17*	64,67.50	July 23, 2019
9.20% TMFL Zero Coupon Debentures "A" FY 2016-17*	32,52.29	April 3, 2019
9.35% TMFL Zero Coupon Debentures "E" FY 2016-17*	646,44.95	March 12, 2019
8.05% Non Convertible Debentures "AC" FY 2016-17	100,00.00	December 28, 2018
7.86% Non Convertible Debentures "AA" FY 2016-17	200,00.00	December 2, 2018
9.20% TMFL Zero Coupon Debentures "O" FY 2016-17*	4,76.76	June 8, 2018
9.20% TMFL Zero Coupon Debentures "F" FY 2016-17*	130,66.60	April 27, 2018
9.20% TMFL Zero Coupon Debentures "H" FY 2016-17*	176,21.55	March 30, 2018
9.30% TMFL Zero Coupon Debentures "P" FY 2016-17*	145,73.69	March 20, 2018
9.35% TMFL Zero Coupon Debentures "D" FY 2016-17*	237,51.42	March 15, 2018
	4476,25.49	
Less: Unamortised premium on redemption	263,20.77	
Total	3598,96.40	
Less: Current portion of long-term borrowings	1857,01.23	
Total	2356,03.49	

* These NCDs are zero coupon NCDs issued at par value and redeemable at premium and the figures stated above are

B. Privately Placed Unsecured, Unlisted Non-Convertible Debentures (including Zero Coupon Debentures) - Face value of Rs. 10 Lakhs each (Issued at par, Redeemable at premium on maturity) except otherwise stated

Particulars	₹ in Lakhs	Redemption Date
8.85% TMFL Zero Coupon Debentures "A" FY 2016-17	322,42.28	January 10, 2020
8.85% TMFL Zero Coupon Debentures "B" FY 2016-17	98,44.99	March 26, 2020
8.85% TMFL Zero Coupon Debentures "C" FY 2016-17	230,78.58	April 15, 2020
8.60% TMFL Zero Coupon Debentures "D" FY 2016-17	192,08.03	January 24, 2020
8.60% TMFL Zero Coupon Debentures "E" FY 2016-17	131,24.75	May 12, 2020
	974,98.62	
Less: Unamortised premium on redemption	209,95.98	
Less: Current portion of long-term borrowings	-	
Total	765,02.64	

* These NCDs are in the nature of Unsecured, Unlisted Zero Coupon NCDs issued at par value and redeemable at premium and the figures stated above are gross of premium on redemption.

C. Privately placed Subordinated Non Convertible Unsecured Redeemable Debentures

Face value of Rs. 10 Lakhs each (Redeemable at par)

Particulars	₹ in Lakhs	Redemption Date
9.70% TMFL – Tier II Debentures – C FY 2014-15	150,00.00	December 19, 2024
10.35% TMFL – Tier II Debentures – B FY 2014-15	60,00.00	September 26, 2024
10.60% TMFL – Tier II Debentures – A FY 2014-15	25,00.00	September 12, 2024
10.15% TMFL – Tier II Debentures – A FY 2013-14	55,10.00	May 28, 2023
9.85% TMFL – Tier II Debentures – B FY 2013-14	100,00.00	May 24, 2023
10.46% TMFL – Tier II Debentures – C FY 2012-13	28,00.00	December 28, 2022
Face value of Rs. 5 Lakhs each (Redeemable at par)		
10.65% TMFL – Tier II Debentures – B FY 2012-13	25,00.00	August 3, 2022
11.00% TMFL – Tier II Debentures – A FY 2012-13	37,40.00	May 22, 2022
11.00% TMFL – Tier II Debentures – C FY 2011-12	10,00.00	March 26, 2022
11.00% TMFL – Tier II Debentures – B FY 2011-12	69,15.00	March 2, 2022
11.00% TMFL – Tier II Debentures – A FY 2011-12	75,30.00	September 17, 2021
10.70% TMFL – Tier II Debentures – D FY 2009-10	111,00.00	April 28, 2020
10.70% TMFL – Tier II Debentures – C FY 2009-10	100,00.00	April 10, 2020
10.75% TMFL – Tier II Debentures – B FY 2009-10	88,95.00	March 25, 2020
10.90% TMFL – Tier II Debentures – A FY 2009-10	200,00.00	January 20, 2020
	1134,90.00	

(u)

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

D. Privately placed Non-Convertible Debentures (Face value of ₹ 100 lakhs each redeemable at par)

Particulars	₹ In Lakhs	Face Value (₹)
9.84% Non-convertible	500,00.00	July 30, 2018
9.99% Non-convertible	500,00.00	March 10, 2018
	1000,00.00	
Less: Current portion of long-term borrowings	500,00.00	
Total	500,00.00	

E. Privately placed Subordinated Unsecured Non Convertible Perpetual Debentures

Particulars	₹ In Lakhs	Face Value (₹)
11.35% TMFL Perpetual "A" FY 2010-11	150,00.00	5 Lakhs
11.50% TMFL Perpetual "A" FY 2012-13	26,90.00	5 Lakhs
11.25% TMFL Perpetual "B" FY 2012-13	73,10.00	5 Lakhs
11.03% TMFL Perpetual "A" FY 2013-14	52,70.00	10 Lakhs
11.33% TMFL Perpetual "B" FY 2013-14	22,30.00	10 Lakhs
11.10% TMFL Perpetual "A" FY 2014-15	50,30.00	10 Lakhs
	375,30.00	

Terms of Redemption:

Redemption period is not applicable as the NCDs are perpetual. The Company has a call option which can be exercised, after the prior approval of the Reserve Bank of India, at the expiry of 10 years from the date of allotment and at the end of every month thereafter. In case of non-exercise of the option at the expiry of 10 years from the date of allotment, coupon rate will be increased by 50 bps.

W,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
Note 8 - Short-term borrowings

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
(i) Loans from banks repayable on demand Cash Credit (secured) (refer note 1)	1413,86.77	1615,17.99
(ii) Commercial Papers (Unsecured) [net of unamortised discounting charges ₹ 76,28.32 lakhs (March 31, 2016: ₹ 92,60.36 lakhs) ranging from 6.25% to 9.55% (March 31, 2016: 6.97% to 9.60%) (maximum amount outstanding ₹ 7025,00 lakhs (March 31, 2016: ₹ 6115,00.00 lakhs)]	4907,43.92	4227,39.64
Total	6321,30.69	5842,57.63

1. Cash credit is secured by a pari-passu charge in favour of the security trustee on all receivables of the Company arising out of loan, lease and hire purchase transactions, other book debts, receivables from senior and junior pass through certificates in which Company has invested and such other current assets as may be identified by the Company from time to time and accepted by the security trustee.

Note 9 - Trade payables

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Dues to micro, small and medium enterprises (note 1)	-	3.94
Dues to others (note 2)	183,33.03	164,38.82
Total	183,33.03	164,42.76

1. Amount due to micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been determined on the basis of information available with the Group. This has been relied upon by the auditors.

2. Includes provision of ₹ 79.29 lakhs (March 31, 2016: ₹ 59.97 lakhs) on account of pending litigation.

Note 10 - Other current liabilities

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Current maturities of long-term debt (Refer footnote 1 to note 5)		
Privately placed non-convertible debentures (secured) [net of unamortised discount on issue of ₹ nil (March 31, 2016: ₹ 1,47.32 lakhs) and gross of accreted value of premium on redemption of ₹ 90,81.06 lakhs (March 31, 2016: ₹ 35,36.39 lakhs)]	1857,01.22	1472,49.07
Privately placed non-convertible debentures (Unsecured)	500,00.00	-
Term loans from banks (Refer footnote 2 to note 5)		
Secured	41,07.14	1500,00.00
Unsecured	550,00.00	2018,75.00
	2948,08.36	4991,24.07
Interest accrued but not due on borrowings	202,41.81	236,20.27
Income received in advance	13,46.44	9,25.14
Unrealised gain on loan transfer transactions	41,96.10	1,08.37
Payable to investors of assigned/securitised receivables	73,92.31	7,48.47
Current dues of long term employee benefits	1,46.73	7,57.25
Statutory dues	11,18.31	16,92.32
Other Liabilities	176,74.08	120,65.68
Total	3469,24.14	5390,41.57

W/

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 11 Tangible assets

Note 11 Tangible assets												
Particulars	Gross Block				Depreciation				Net Block			
	Balance as at April 1, 2016	Acquired on subsidiary	Additions	Deletions	Balance as at March 31, 2017	Balance as at April 1, 2016	Acquired on subsidiary	Depreciation for the year	Deletions	Transfer	Balance as at March 31, 2017	Balance as at March 31, 2017
Office Premises/Residential flat	40,53.62	-	-	-	40,53.62	2,73.77	-	63.88	-	-	3,37.65	37,15.97
Office Premises/Residential flat- given on lease	40,53.62	-	-	-	40,53.62	2,10.55	-	63.22	-	-	2,73.77	37,79.85
	7,53.06	-	-	-	7,53.06	3,06.25	-	37.83	-	-	4,08.98	4,08.98
Plant & Machinery - given on lease	-	7,53.06	-	-	7,53.06	-	3,06.25	-	-	-	3,06.25	4,46.81
	3,15.06	-	-	-	3,15.06	3,15.06	-	-	-	-	3,15.06	-
Furniture and fixtures	-	3,15.06	-	-	3,15.06	-	3,15.06	-	-	-	3,15.06	-
	53,81.41	-	1,17.24	1.44	54,97.21	31,20.35	-	8,14.27	0.56	-	39,34.06	15,63.15
Vehicles	55,93.62	-	1,27.82	3,40.03	57,61.41	25,57.00	-	8,81.93	3,18.59	-	31,20.34	22,61.07
	7,39.45	-	1,56.75	2,80.13	6,16.07	4,52.76	-	1,45.22	2,45.83	-	3,52.15	2,63.92
Vehicles given on operating lease	8,68.06	-	1,19.81	2,48.42	7,39.45	5,02.64	-	1,77.79	2,27.67	-	4,52.76	2,86.69
	12,41.21	-	1,94.14	621.60	8,13.75	4,96.82	-	2,56.80	387.51	-	3,66.11	4,47.84
Office equipments	11,21.56	-	2,15.99	96.34	12,41.21	2,77.78	-	2,88.35	69.30	-	4,96.83	7,44.38
	34,53.22	-	1,32.41	-	35,85.63	24,66.94	-	5,10.61	-	-	29,77.55	6,08.08
Data processing machines	33,48.78	-	1,98.33	93.89	34,53.22	17,46.13	-	8,00.47	79.66	-	24,66.94	9,86.28
	12,28.10	-	1,06.03	-	13,34.13	10,73.87	-	59.45	-	-	11,33.32	2,00.81
Total	11,45.06	-	123.86	41.72	12,28.10	10,85.33	-	28.18	39.64	-	10,73.87	154.23
	171,65.13	-	7,06.57	9,03.17	169,68.53	85,05.32	-	18,88.06	6,33.90	-	97,59.98	72,08.55
As at March 31, 2016	161,31.60	10,68.12	7,85.81	8,20.40	171,65.13	63,79.43	6,21.31	22,39.94	7,34.86	-	85,05.82	86,59.31

1. Office premises/residential flat include ₹ 1,000/- being value of investment in 20 shares of ₹ 50/- each in Nilgiri Upvan Co-operative Housing Society Limited., certificate in respect of which is yet to be received.
2. Office premises/residential flat given on lease include ₹ 500/- being value of investment in 10 shares of ₹ 50/- each in Pallonji Mansion Co-operative Housing Society Limited.

Note 12 - Intangible assets - other than internally generated

Note 12 - Intangible assets - other than Internally generated												
Particulars	Gross Block					Amortisation					Net Block	
	Balance as at April 1, 2016	Acquired on acquisition of a subsidiary	Additions	Deletions	Balance as at March 31, 2017	Balance as at April 1, 2016	Acquired on acquisition of a subsidiary	Amortisation for the Year	Deletions	Transfer	Balance as at March 31, 2017	Balance as at March 31, 2017
Computer Software	15,33.30	-	60.00	-	15,93.30	11,80.86	-	2,55.68	-	-	14,36.54	1,56.76
	15,32.82	-	0.48	-	15,33.30	9,35.96	-	2,44.90	-	-	11,80.86	3,52.44
Total	15,33.30	-	60.00	-	15,93.30	11,80.86	-	2,55.68	-	-	14,36.54	1,56.76
As at March 31, 2016	15,32.82	-	0.48	-	15,33.30	9,35.96	-	2,44.90	-	-	11,80.86	3,52.44
total depreciation and amortisation for the year ended March 31, 2017 was ₹ 21,43.74 lacs (year ended March 31, 2016: ₹ 24,84.84 lakhs)												

Total depreciation and amortisation for the year ended March 31, 2017 was ₹ 21,43.74 lacs (year ended March 31, 2016: ₹ 24,84.84 lakhs)

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 13 (a) - Non-current investments (at cost unless otherwise stated)

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Trade investments	4,20.00	4,20.00
Equity shares	4,20.00	14,00.05
Non-trade investments	94,00.46	125,98.38
Equity shares	2,89.98	13,70.03
Preference shares	88,45.49	3,50.00
Debentures and bonds	12,58.37	14,12.68
Trust securities	2,334.13	14.36
Senior pass-through-certificates	221,28.43	147,65.40
	8,11.23	5,00.00
Less - Provision for diminution	213,17.20	142,65.40
	217,37.20	156,65.45

Note 13 (b) - Current investments (at cost unless otherwise stated)

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Debentures and bonds [net of provision of ₹ 12.21 lakhs (March 31, 2016: ₹ nil)]	3,85.34	2,51.10
Mutual funds (at cost or fair value whichever is lower) (Unquoted)	405,90.67	46,69.43
Senior pass-through-certificates [net of provision of ₹ 1.03 lakhs (March 31, 2016: ₹ 248.21 lakhs)]	578,59.95	513,79.55
	988,35.96	563,00.08

Note 14 (a)
Tax Expense

₹ in Lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Current tax	-	23,98.25
Less : MAT credit availed	-	(18,45.46)
Provision/(excess provision) relating to prior years	-	5.57
Deferred Tax Expense	483,73.07	29,02.11
Net tax expense	483,73.07	34,60.47

Note 14 (b)
Deferred tax assets (net)

Major components of deferred tax arising on account of timing differences

₹ in Lakhs

Particulars	As At April 1, 2016	Acquired on acquisition of subsidiary	Charge /(Credit) for the period/year	As At March 31, 2017
Assets				
Provision for doubtful finance receivables, other loans and advances and standard assets	423,46.87	-	421,30.66	2,16.21
	413,02.80	35.87	(10,08.20)	423,46.87
Retirement benefits/expenses allowable on payment basis	2,56.80	-	240.42	16.38
	2,20.42	-	(36.38)	2,56.80
Disallowances u/s 43B of the Income Tax Act, 1961	47.39	-	44.99	2.40
	17,17.21	-	16,69.82	47.39
Depreciation	7,06.26	-	6,70.49	35.77
	3,28.55	-	(3,77.71)	7,06.26
Others	101.13	-	101.13	-
	79.07	-	(22.06)	101.13
Total	43,458.45	-	43,187.69	2,70.76
	436,48.05	35.87	2,25.47	434,58.45
Liabilities				
DSA/Dealer commission claimed on incurrence basis	(27,52.44)	-	(2,695.11)	(57.33)
	(28,28.79)	-	(76.35)	(27,52.44)
Total	(27,52.44)	-	(2,695.11)	(57.33)
	(28,28.79)	-	(76.35)	(27,52.44)
Net deferred tax assets/(liabilities)	407,06.01	-	404,92.58	213.43
Previous year	408,19.26	35.87	1,49.12	407,06.01

W,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
Note 15 - Finance receivables

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
A) Finance receivables - non-current		
Vehicle loans (note 1)		
To others	10002,48.94	10050,12.06
Secured, considered good	171,61.72	152,64.14
Considered doubtful	171,61.72	152,64.14
Less: Provision for doubtful loans		
Total	10002,48.94	10050,12.06
B) Finance receivables - current		
Vehicle loans (note 1)	-	13.89
To related parties (secured, considered good) (note 31)		
To others	8566,59.87	9241,18.78
Secured, considered good	912,42.59	1176,68.18
Considered doubtful	912,42.59	1176,68.18
Less: Provision for doubtful loans		
Total	8566,59.87	9241,32.67

1. Vehicle loans are secured against hypothecation of the underlying vehicle.

Note 16 - Long-term loan and advances

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Unsecured, considered good		
Capital advances	164.24	16.80
Security deposits	13,03.87	8,75.55
Other loans and advances		
Loans to employees	0.42	0.59
Prepaid expenses	3,36.43	23,95.77
Advance payment of income tax, net of provisions	131,76.74	304,36.38
Taxes paid under protest	-	3,54.95
Loans to others	1,77.18	6,95.36
Secured considered good		
Loans to others	215,45.65	87,51.46
Total	367,04.53	435,26.86

14,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
Note 17 - Other non-current and current assets

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
A) Other non-current assets		
Unsecured, considered good		
Margin money/cash collateral with banks (note 19)	73,45.40	15,24.00
Interest only Strip	1,573.15	4.00
Interest accrued but not due on bank deposits, margin money/ cash collateral with banks	237.47	54.44
Total	91,56.02	15,82.44
B) Other current assets		
Unsecured, considered good		
Interest only Strip	41,96.10	1,08.37
Interest accrued but not due on bank deposits, margin money/cash collaterals with banks	4,22.82	4,02.67
Interest accrued on Investments	14.56	4.72
Stamp papers	283.35	2,09.90
Receivables in respect of mutual fund redemption	136.25	-
Total	50,53.08	7,25.66

Note 18 - Trade receivables

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Receivables on account of service charges, incentives and others (unsecured, considered good)		
From related parties (note 31)		
Due for more than 6 months	217,48.87	1205,90.05
Not due	268,75.18	281,55.88
Due for less than 6 months	3,10.30	2,74.20
From others (due for less than 6 months)		
Total	489,34.35	1490,20.13

Note 19 - Cash and cash equivalents

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Cash and cash equivalents (as per AS 3-Cash Flow Statements)		
Cash on hand	28,28.67	36,23.77
Cheques/drafts on hand	104,06.10	52,73.24
Balances with banks - current accounts	236,79.72	140,64.90
Deposits with banks	325,49.60	-
Total - cash and cash equivalents (as per AS 3-Cash Flow Statements) (A)	694,64.09	229,61.91
Other bank balances		
Margin money/ cash collateral with banks	73,45.40	15,24.00
Deposits with banks	600,00.00	600,00.00
Total - other bank balances (B)	673,45.40	615,24.00
Less: Margin money/cash collateral with banks having residual maturity of more than 12 months (Refer note 17) (C)	73,45.40	15,24.00
Total cash and cash equivalents (A+B-C)	1294,64.09	829,61.91

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 20 - Short-term loans and advances

₹ in lakhs

Particulars	As At March 31, 2017	As At March 31, 2016
Unsecured, considered good unless otherwise stated		
Security deposits		
Considered good	1,97.62	2,02.56
Doubtful	36.62	37.79
	2,34.24	2,40.35
Less: Provision for doubtful security deposits	36.62	37.79
	1,97.62	2,02.56
Prepaid expenses	63,26.11	47,28.84
Advance payment of income tax, net of provisions	-	-
Loans/advances to employees	68.70	44.34
Loans/advances		
To related parties (note 31)	-	12,25.09
To others - considered good	187,54.41	293,65.42
- doubtful	-	4,28.20
Less: Provision for doubtful loans	-	4,28.20
	187,54.41	305,90.51
Other advances		
To Others - considered good	208,40.22	131,43.64
- doubtful	7,99.70	8,74.94
Less: Provision for doubtful advances	7,99.70	8,74.94
	208,40.22	131,43.64
Secured, considered good	111,39.05	25,55.47
Total	573,26.11	512,65.36

14,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017

Note 21 - Revenue from operation

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income	2135,97.24	2208,35.26
Interest income from finance receivables	70,46.27	42,31.41
Interest from other loans and advances	2206,43.51	2250,66.67
Net Income on assignment/secured receivables	24,20.21	71,05.87
Loan processing fees and other closure/recovery charges	58,27.98	54,23.69
Interest income on pass-through-certificates investment	33,32.52	22,06.82
Interest income on margin money/cash collateral with banks	415.62	750.22
Compensation towards interest loss	156,09.17	375,49.35
Service charges	4,06.14	3,94.55
Support services income	54,24.06	93,26.75
Others	36,95.29	23,27.92
	371,30.99	650,85.17
Total	2577,74.50	2901,51.84

Note 22 - Other Income

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest Income:	161.34	196.83
On long term investments	23.01	-
On inter-corporate deposits	49,60.15	59,46.71
On bank deposits (gross)	926.93	0.04
On income tax refund	38,25.85	26,35.86
Net gain on sale of current investments	1,584.95	5.55
Gain on redemption of long term investments		
Recovery of bank charges (net of bank charges incurred and service tax thereon of ₹ 11,08.47 lakhs; for the year ended March 2016: ₹ 10,70.39 lakhs)	11,51.60	9,33.87
Balances written back - delinquency support	-	17,642.54
Provision written back	5,47.63	49,47.63
Dividend Income	4,85.48	-
Miscellaneous receipts	6,83.34	3,96.29
Total	143,50.28	327,05.32

Note 23 - Employee benefits expenses

₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Salaries	199,92.09	157,24.74
Contributions to employee benefit funds (Refer note 32)	14,26.12	12,98.98
Staff welfare expenses	12,69.15	17,45.26
Total	226,87.36	187,68.98

14,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)
Explanatory notes forming part of the Consolidated Financial Statements for the year ended March 31, 2017
Note 24 - Other expenses
₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Electricity	7,74.21	8,13.60
Rent (net of recoveries)	21,24.27	18,36.59
Repairs to office premises	521.36	369.22
Insurance	63.20	66.23
Rates and taxes	3,104.00	83.88
Incentive/commission	102,38.99	105,44.93
Information technology/consultancy expense	79,16.86	67,06.78
Service providers Fees	188,49.32	184,75.30
Payment to Auditors (Note (i))	154.48	135.77
Provisions and write-offs:		
Provision for doubtful loans and advances (others)	(5,04.62)	7,75.31
Provision for doubtful finance receivables	(245,28.02)	(387,43.63)
Less: Delinquency support	(7,399.85)	29,880.04
Finance receivables written off (net of recoveries of ₹ 85,28.12 lakhs, for the year ended March 31, 2017: ₹ 38,54.03 lakhs)	1746,21.42	894,11.69
Less: Delinquency support	(439,00.40)	(370,42.69)
Total	982,88.53	442,80.72
Crystalised claim right liability	40,000.00	-
Less - Claim right provision reversal	(400,00.00)	-
Provisions on standard assets	16,27.75	7,10.00
Provision for diminution in the value of investment	3,24.47	-
Provision on consumer disputes	79.29	59.97
Loss on sale of assets (net)	135.56	38.73
Support services charges	8,40.10	40,47.83
Corporate social responsibility expense	162.15	61.98
Other expenses	139,08.10	128,02.36
Total	1591,12.64	1010,33.89

(i) Auditors' remuneration (excluding service tax)
₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
As Auditors - Statutory audit	111.74	90.00
Tax audit	14.78	7.50
For other Services	21.60	30.45
Reimbursement of out of pocket expenses	6.36	7.82
Total	154.48	135.77

Note 25 - Finance costs
₹ in lakhs

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Interest expense	1219,04.54	1348,95.38
Discounting charges on commercial paper	356,46.98	352,12.69
Other borrowing costs	4,85.66	2,97.44
Total	1580,37.18	1704,05.51

W,

Notes forming part of the consolidated financial statements**26. Earnings per share**

Basic and diluted earnings per equity share are computed in accordance with Accounting Standard 20 – Earnings per share. Basic earnings per equity share are computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the period. The diluted earnings per equity share is computed by dividing the net profit after tax as adjusted for dividend related to dilutive potential equity shares by the weighted average number of equity shares and weighted average number of dilutive potential equity shares outstanding during the period.

The following table sets forth, for the periods indicated, the computation of earnings per share.

Particulars	₹ in lakhs, except per share data	
	Year ended March 31, 2017	Year ended March 31, 2016
Basic		
Weighted average no. of equity shares outstanding	1,319,020,771	1,319,020,771
Net profit attributable to equity share holders	(1196,60.63)	266,53.00
Basic earnings per share (₹)	(9.07)	2.02
Diluted		
Weighted average no. of equity shares outstanding	1,319,020,771	1,322,026,072
Net profit	(1196,60.63)	267,03.47
Diluted earnings per share (₹)	(9.07)	2.02
Face value per share (₹)	10.00	10.00

The effect of compulsorily convertible preference shares (CCPS) was anti-dilutive. Hence, CCPSs has been ignored in calculation of diluted earnings per share.

27. Operating lease**a. Assets taken on lease**

The Group has entered into cancellable operating lease arrangements for commercial properties. Total lease payment recognised in the statement of profit and loss for the year ended March 31, 2017 was ₹ 19, 97.98 lakhs (March 31, 2016: ₹ 17,34.04 Lakhs).

b. Assets given on lease

The Group has entered into non-cancellable operating lease arrangements for passenger vehicles. Maturity pattern of future minimum lease receivable is given below.

Particulars	₹ in lakhs	
	At March 31, 2017	At March 31, 2016
Not later than one year	1,68.87	1,87.66
later than one year and not later than five years	1,59.55	1,69.13
Total	3,28.42	3,56.79

14,

28. Contingent liabilities and commitments

a. Commitments

- i. Estimated amount of contracts remaining to be executed on capital account and not provided for ₹ 3,49.91 lakhs (at March 31, 2016: ₹ 3,07.10 lakhs).
- ii. Loan commitment towards vehicle financing ₹ 63.09 lakhs (at March 31, 2016: ₹ 2,33.35 lakhs).
- iii. Commitment to invest in trust securities amounted to ₹ 63.17 lakhs (at March 31, 2016: ₹ 87.32 lakhs).

b. Contingent liabilities to the extent not provided for

1) Claims against the Group not acknowledged as debts:

₹ in lakhs		
Particulars	At March 31, 2017	At March 31, 2016
In respect of income tax matters	33.68	32.01
In respect of value added tax and entry tax matters	6,45.06	11,25.01
In respect of pending consumer disputes	8,85.90	6,81.91
In respect of statutory bonus under Payment of Bonus (Amendment) Act, 2015	26.15	26.15
Total	15,90.79	18,65.08

2) Other money for which the Group is contingently liable:

₹ in lakhs		
Particulars	At March 31, 2017	At March 31, 2016
Cash collateral with banks in respect of finance receivables assigned/securitised	73,45.40	15,24.00
In respect of guarantees given by banks for liability against receivables assigned by way of securitisation	109,85.00	28,30.00
In respect of subordinated overdues on securitisation transactions	-	0.10
In respect of guarantees given by banks for liability against insurance portal business	3,10.00	5,00.00
In respect of guarantees given by banks for CST and VAT registration	13.60	13.60

29. Segment

The Group has been operating only in one segment vis, financing activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

30. Employee benefits

₹ in lakhs

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan Yojana
Components of expense recognised in the statement of profit and loss				
Current service cost	5,46.80	1,44.59	-	-
	5,51.14	1,24.11	22.22	77.05
Interest cost	3,12.12	58.94	-	-
	2,53.44	49.85	12.05	23.37
Expected return on plan assets	(1,52.72)	-	-	-
	(2,17.74)	-	-	-
Actuarial losses/(gains)	(2,05.93)	229.05	-	-
	(67.18)	1,11.49	(23.54)	(57.66)
Total expense recognised in the statement of Profit and Loss	5,00.27	4,32.58	-	-
	5,19.66	2,85.45	10.73	42.76
Actual contribution and benefit payments				
Actual benefit payments	(2,32.50)	(1,61.02)	-	-
	(1,20.42)	(1,91.92)	-	-
Actual contributions	(5,28.35)	(2,12.44)	-	-
	(4,17.20)	(1,91.92)	-	-
Net asset/(liability) recognised in the balance sheet at respective year ends and experience adjustments				
Defined benefit obligation				
March 31, 2017	(36,42.03)	(7,82.96)	N.A.	N.A.
March 31, 2016	(39,58.74)	(8,12.68)	(1,61.38)	(3,34.89)
March 31, 2015	(32,28.20)	(6,67.00)	(1,50.65)	(2,92.13)
March 31, 2014	(23,50.06)	(5,01.67)	(1,27.87)	(2,42.90)
March 31, 2013	(24,95.57)	(5,92.70)	(1,25.81)	(2,35.03)
Fair value of plan assets				
March 31, 2017	43,70.94	N.A.	N.A.	N.A.
March 31, 2016	32,01.49	N.A.	N.A.	N.A.
March 31, 2015	25,73.41	N.A.	N.A.	N.A.
March 31, 2014	25,06.63	N.A.	N.A.	N.A.
March 31, 2013	17,47.49	N.A.	N.A.	N.A.
Net asset/(liability) recognised in balance sheet				
March 31, 2017	(1,39.73)	(7,83.10)	-	-
March 31, 2016	(7,57.25)	(8,12.68)	(1,61.38)	(3,34.89)
March 31, 2015	(6,69.79)	(7,19.15)	(1,50.65)	(2,92.13)
March 31, 2014	(1,56.56)	(5,01.67)	(1,27.87)	(2,42.90)
March 31, 2013	(7,48.08)	(5,92.70)	(1,25.81)	(2,35.03)

W,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan Yojana
Experience adjustments arising on				
a. Plan liabilities [gain/(loss)]				
March 31, 2017	1,53.50	(1,80.91)	-	-
March 31, 2016	46.38	1,11.49	(10.27)	(57.66)
March 31, 2015	(69.11)	1,65.41	(40.13)	(51.19)
March 31, 2014	60.85	30.16	(30.74)	(25.56)
March 31, 2013	6.21	(2,04.11)	12.56	25.04
b. Plan assets [gain/(loss)]				
March 31, 2017	1,59.96	N.A.	N.A.	N.A.
March 31, 2016	-	N.A.	N.A.	N.A.
March 31, 2015	-	N.A.	N.A.	N.A.
March 31, 2014	0.18	N.A.	N.A.	N.A.
March 31, 2013	(1.21)	N.A.	N.A.	N.A.
Change in present value of defined benefit obligation (DBO) for the year ended March 31, 2017				
Present value at the beginning of the year	39,58.74	8,12.68	-	-
	32,28.20	7,19.15	1,50.65	2,92.13
Current service cost	5,46.80	1,44.59	-	-
	5,51.14	1,24.11	22.22	77.05
Interest cost	3,12.12	58.94	-	-
	2,53.44	49.85	12.05	23.37
Actuarial (gains)/ losses	(45.97)	2,29.05	-	-
	46.38	1,11.49	(23.54)	(57.66)
Benefits paid	(2,61.02)	(2,20.40)	-	-
	(1,20.42)	(1,91.92)	-	-
Present value at the end of the year	45,10.67	10,24.86	-	-
	39,58.74	8,12.68	1,61.38	3,34.89
Change in fair value of plan assets for the year ended March 31, 2017				
Plan assets at beginning of the year	32,01.49	N.A.		
	25,73.41			
Expected return on plan assets	1,52.72			
	2,17.74			
Acquisition Adjustments	-			
	-			
Actual Company contributions	11,03.53			
	4,17.20			
Actuarial gains/(loss)	1,59.96			
	1,13.56			
Benefits paid	(2,46.76)			
	(1,20.42)			
Plan assets at the end of the year	43,70.94			
	32,01.49			

w,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

Particulars	Gratuity	Compensated absence	Post employment medicare scheme	Bhavishya kalyan Yojana
Actuarial assumptions				
Discount rate	7.50%	7.50%	N.A.	N.A.
	8.00%	8.00%	8.00%	8.00%
Expected rate of return on plan assets	8.00%	N.A.		
	8.00%			
Salary escalation	9.00%	9.00%	N.A.	N.A.
	9.00%	9.00%		9.00%
Medical cost inflation	N.A.		N.A.	N.A.
			6.00%	
Indian Assured Lives Mortality (2006-08)(modified) ultimate				
The major categories of plan assets as percentage of total plan assets				
Government bonds	38.08%	N.A.		
	45.23%			
Infrastructure bonds	22.70%			
	34.70%			
Corporate bonds	30.94%			
	16.77%			
Others	8.29%			
	3.30%			
Net assets/(liabilities) – current and non-current				
Current	(1,46.73)	(54.49)	-	-
	757.25	40.30	0.24	2.41
Non-current	7.00	(9,70.37)	-	-
	-	7,72.38	1,61.14	3,32.48
Total	(1,39.73)	(10,24.86)	-	-
	7,57.25	8,12.68	1,61.38	3,34.89

Notes

1. Defined contribution plans – The Group's contribution to defined contribution plan aggregating ₹ 9,18.87 lakhs for the year ended March 31, 2017 (March 31,2016: ₹ 794.33 lakhs) has been recognised in the statement of profit and loss.
2. The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
3. The plan assets in respect of gratuity represent funds are managed by the insurers. The Group expects to contribute ₹ 1,02.09 lakhs in next financial year (March 31, 2016: ₹ 7,57.25 lakhs) towards gratuity fund.
4. Discount rate is based on government bond yields as at the year end.
5. Figures in italics pertain to previous year.

6,

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

31. Related party transactions**1. Related parties and their relationship****a. Holding Company**

Tata Motors Limited

b. Fellow subsidiaries & associates of ultimate holding company (with whom there are transactions)

Concorde Motors (India) Limited
Tata Technologies Limited
Tata Motors Insurance Broking and Advisory Services Limited
Tata Marcoplo Motors Limited
Tal Manufacturing Solution Limited
Tata Precision Industries (India) Limited
Automobile Corporation of Goa Limited

c. Key managerial personnel

Mr. Shyam Mani – Managing Director

2. Transactions and balances**a. Holding company**

₹ in lakhs

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
1	Dividend Paid	39,57.06	39,57.06
2	Acquisition of a subsidiary	-	405,37.00
3	Service charges – income	4,54.53	4,27.25
4	Rent – expenditure	32.20	35.41
5	Delinquency support	541,08.60	325,15.33
6	Interest cost recovery – other income	10,970.57	12,196.68
7	Incentive received	39,32.04	27,37.39
8	Lease charges received	1,17.39	80.62
9	Information technology support service charges	-	2,87.16
10	Security Deposit given for leasehold premises	-	4.18
11	Purchase of Asset-Mobile Van	-	37.93
12	Reimbursement of expenses	1,89.29	58.28
13	Common cost reimbursed	94.38	-

Net receivable from Tata Motors Limited at March 31, 2017 was ₹ 480,83.30 lakhs (March 31, 2016: net receivable ₹ 1097,00.86 lakhs).

w,

TATA MOTORS FINANCE LIMITED
(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

b. Fellow subsidiaries

₹ in lakhs

Sr. No.	Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Concorde Motors (India) Limited			
1	Commission – expenditure (includes unamortised commission)	2,49.97	3,44.37
2	Investment made in compulsory convertible debenture	78,00.00	-
3	Vehicle loan given	-	73.05
4	Vehicle loan principal repayments	13.89	3,59.64
5	Interest Income on vehicle loan	0.11	14.22
6	Interest income on inter corporate deposit	23.01	-
7	Channel financing	162,37.54	181,60.28
8	Channel financing principal repayments	172,22.58	182,71.41
9	Interest income on channel financing	1,59.94	1,12.37
10	Inter corporate deposit repaid	400.00	-
11	Lease charges received	-	1,48.73
12	Insurance commission	33.81	2,67.81
Tata Technologies Limited			
1	Information technology support service charges	7,85.25	2,91.69
2	Interest on long term debenture -unsecured rated non-convertible debenture TIER II	54.93	55.00
3	Lease charges received	87.80	1,38.17
4	Dividend received	284.20	-
Tata Precision Industries (India) Limited			
1	Interest Income on investment in non-cumulative Debentures	35.00	-
Automobile Corporation of Goa Limited			
1	Dividend Income	2.42	-

Closing balances

₹ in lakhs

Sr. No.	Particulars	At March 31, 2017	At March 31, 2016
1	Concorde Motors (India) Limited – net receivable	5,85.34	7,81.55
2	Tata Technologies Limited – net payable	5,01.48	(6,86.14)

c. Key Managerial Personnel

Remuneration to Mr. Shyam Mani for the year ended March 31, 2017 was ₹ 2,98.91 lakhs (March 31, 2016: ₹ 2,04.55 lakhs). Remuneration excludes provision for encashable leave and gratuity as separate actuarial valuation is not available.

W

TATA MOTORS FINANCE LIMITED

(CIN - U65923MH2006PLC162503)

Notes forming part of the consolidated financial statements for the year ended March 31, 2017

32. Disclosure of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December 30, 2016 in accordance with notification G.S.R. 307 (E) issued by Ministry of Corporate Affairs

₹ in lakhs

Particulars	SBN	Other denomination Notes	Total
Closing cash in hand as on November 8, 2016	8,58.15	1,01.66	9,59.81
Add- Permitted Receipts	-	17,910.68	17,910.68
Less - Permitted Payments	-	47.44	47.44
Less - Amount deposited in the banks	8,58.15	16,943.69	17,801.84
Closing cash in hand as on December 30, 2016	-	10,21.21	10,21.21

Specified bank notes means bank notes of existing series of denomination of the value of five hundred rupees and one thousand rupees.

33. Additional information to consolidated accounts

Additional information to consolidated accounts at March 31, 2017 (Pursuant to Schedule III of the Companies Act, 2013) is given below.

₹ in lakhs

Name of the entity	Net assets		Profit/(loss)	
	% of total net assets	Amount (₹ in lakhs)	% of total net profit	Amount (₹ in lakhs)
Parent				
Tata Motors Finance Limited	2,14.77	3515,40.14	(4.05)	47,82.59
Subsidiaries				
Sheba Properties Limited	1,87.25	3064,96.60	(3.71)	43,90.95
Tata Motors Finance Solution Private Limited	72.57	1187,88.18	41.54	(491,12.47)
Intra-group elimination	(3,74.59)	(6131,42.79)	66.22	(782,90.28)
Total	100.00	1636,82.13	100.00	(1182,29.21)

Additional information to consolidated accounts at March 31, 2016 (Pursuant to Schedule III of the Companies Act, 2013) is given below.

Name of the entity	Net assets		Profit/(loss)	
	% of total net assets	Amount (₹ in lakhs)	% of total net profit	Amount (₹ in lakhs)
Parent				
Tata Motors Finance Limited	1,20.78	3599,98.12	35.81	95,62.20
Subsidiaries				
Sheba Properties Limited (note 1)	6.63	197,60.72	-	-

W/

TATA MOTORS FINANCE LIMITED


(CIN - U65923MH2006PLC162503)

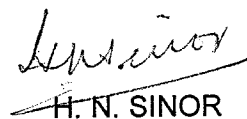
Notes forming part of the consolidated financial statements for the year ended March 31, 2017

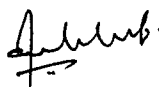
Name of the entity	Net assets		Profit/(loss)	
	% of total net assets	Amount (₹ in lakhs)	% of total net profit	Amount (₹ in lakhs)
Tata Motors Finance Solution Private Limited	49.62	1479,00.65	2.89	7,72.02
Intra-group elimination	(77.03)	(2296,02.50)	61.30	163,69.25
Total	100.00	2980,56.99	100.00	267,03.47

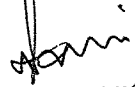
Note 1 - The Company has acquired entire equity share capital in Sheba Properties Limited on March 31, 2016, hence, profit and loss account was not consolidated.


For and on behalf of the Board of Directors

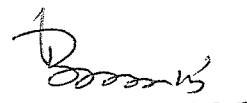

NASSER MUNJEE
 Chairman
 (DIN - 00010180)


H. N. SINOR
 Director
 (DIN - 00074905)


C. RAMAKRISHNAN
 Director
 (DIN - 0020076)


SHYAM MANI
 Managing Director
 (DIN - 00273598)


ANAND BANG
 Chief Financial Officer


VINAY LAVANNIS
 Company Secretary

Place: Mumbai
 Date: May 19, 2017