

TML Distribution Company Limited

2014 – 15

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre
Tower 3, 27th - 32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai - 400 013
Maharashtra, India

Tel: +91 (022) 6185 4000
Fax: +91 (022) 6185 4501/4601

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF TML DISTRIBUTION COMPANY LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TML DISTRIBUTION COMPANY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2015, 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 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 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 notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with the ethical requirements and plan and perform the audit to

obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. 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 financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in Annexure I a statement on the matters specified in paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with rule 7 of Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act.

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(f) 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, 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 financial statements - Refer Note 20.6 to the financial statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Mohammed Bengali

Partner

(Membership No. 105828)

Place: Mumbai

Date: May 8, 2015

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ANNEXURE I TO THE INDEPENDENT AUDITORS' REPORT

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

- (i) Having regard to the nature of the Company's business / activities during the year, clauses 3 (i), (v), (vi), (x) and (xi) of the Order are not applicable to the Company.
- (ii) In respect of its inventories:
 - (a) As explained to us, physical verification of inventory has been conducted during the year by Management at reasonable intervals. In case of inventories lying with third parties, certificates confirming stocks have been received periodically for stocks held during the year and for substantial portion of such stocks held at the year-end.
 - (b) In our opinion and according to the information and explanation give to us, the procedures of physical verification of inventory followed by the management were reasonable and adequate in relation to the size of the company and the nature of its business.
 - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iii) According to the information and explanation given to us, the Company has granted inter corporate deposits to companies covered in the Register maintained under Section 189 of the Companies Act, 2013. In respect of such loans:
 - (a) The receipt of principal amounts and interest have been regular.
 - (b) There is no overdue amount in excess of Rs 1 lakh remaining outstanding as at the year-end.
- (iv) In our opinion and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory and for the sale of goods and services. The nature of the Company's business is such that it does not involve purchase of fixed assets. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in such internal control system.
- (v) According to the information and explanations given to us in respect of statutory dues:
 - (a) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
 - (b) Details of dues of VAT, CST and Income Taxes which have not been deposited as on March 31, 2015 on account of any disputes are given below:

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Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount involved
Entry Tax	Second appeal filed before Appellate Board, Bhopal.	2008-09	1,640,969
VAT/CST	Additional commissioner, West Bengal	2008-09	1,280,481
VAT/CST	First Appeal filed before Appellate Authority, Goa	2008-09	3,231,014
Entry Tax	Second appeal filed before Appellate Board, Bhopal.	2009-10	4,813,091
VAT/CST	Additional Commissioner, Kolkata	2009-10	1,835,353
VAT/CST	Additional Commissioner, Kolkata	2010-11	61,517
VAT/CST	Assessing Authority, Lucknow	2010-11	910,261
Entry Tax	Appeal before Joint Commissioner, Thally	2008-09	327,375
Entry Tax	Appeal before Joint Commissioner, Thally	2009-10	1,214,750
CST	Appeal before Joint Commissioner, Sanand	2011-12	9,077,588
VAT	Joint Commissioner of Sales Tax (Appeals), Maharashtra	2009-10	24,855,917
CST	Joint Commissioner of Sales Tax (Appeals), Maharashtra	2009-10	9,480,936
VAT	Joint Commissioner of Sales Tax (Appeals), Maharashtra	2010-11	9,08,82,525
CST	Joint Commissioner of Sales Tax (Appeals), Maharashtra	2010-11	8,68,10,897
Income Tax	Income Tax Appellate Tribunal	2009-10	1,38,000

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- (c) There were no amounts payable in respect of Provident Fund, Income-tax, Service tax, Cess and other material statutory dues in arrears as at March 31, 2015 for a period of more than six months from the date they became payable.
- (vi) The Company does not have accumulated losses at the end of the financial year and the Company has incurred cash losses during the financial year covered by the audit and has also incurred cash losses during the immediately preceding financial year.
- (vii) In our opinion and according to the information and explanations given to us, there were no dues payable to the financial institutions and banks. The Company has not issued any debentures. Therefore, the provisions of paragraph 3 (ix) of the Order are not applicable to the Company.
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

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

Mohammed Bengali
Partner
(Membership No. 105828)

Place: Mumbai
Date: May 8, 2015

TML DISTRIBUTION COMPANY LIMITED
BALANCE SHEET AS AT MARCH 31, 2015

(₹ In crores)

	Notes	As at March 31, 2015	As at March 31, 2014
I EQUITY AND LIABILITIES			
(1) SHAREHOLDERS' FUNDS			
(a) Share Capital	3	225.00	225.00
(b) Reserves & Surplus	4	44.08	54.07
		269.08	279.07
(2) NON CURRENT LIABILITIES			
(a) Long-Term Provisions	5	2.19	1.68
		2.19	1.68
(3) CURRENT LIABILITIES			
(a) Short-Term Borrowings	6	3.62	23.23
(b) Trade Payables	7	6.69	91.46
(c) Other Current Liabilities	8	18.60	7.02
(d) Short-Term Provisions	9	0.30	0.15
		29.21	121.86
TOTAL		300.48	402.61
II ASSETS			
(1) NON CURRENT ASSETS			
(a) Deferred Tax Asset	20.2	21.03	8.90
(b) Long-Term Loans & Advances	10	40.71	84.32
		61.74	93.22
(2) CURRENT ASSETS			
(a) Inventories	11	46.69	134.62
(b) Trade Receivables	12	74.89	134.31
(c) Cash & Cash Equivalents	13	2.30	7.24
(d) Short-Term Loans & Advances	14	114.86	33.22
		238.74	309.39
TOTAL		300.48	402.61
III SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 TO 20		

In terms of our report attached


For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


MOHAMMED BENGALI
Partner

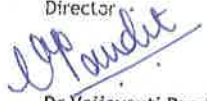
For and on behalf of the Board of Directors



Mayank Pareek
Chairman


Asim Mukhopadhyay
Director



R. Ramakrishnan
Director

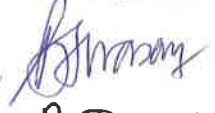

Mani Raman
Director


Dr. Vaijayanti Pandit
Director


Prem K. Verma
Manager &
Chief Executive Officer


Shruti Sanghavi
Company Secretary


Alok Salunja
Chief Financial Officer


R. T. Wasan
Director

Mumbai, May 8, 2015

TML DISTRIBUTION COMPANY LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2015

		(₹ In crores)	
Particulars	Notes	For the Year ended March 31, 2015	For the Year ended March 31, 2014
I REVENUE FROM OPERATIONS	15	464.33	603.40
II OTHER INCOME	15	15.24	8.71
III TOTAL REVENUE (I + II)		479.57	612.11
IV EXPENSES :			
(a) Purchase of stock-in-trade		312.56	367.22
(b) Changes in Inventories of Stock-in-trade		87.94	180.07
(c) Employee Benefit Expenses	16	12.29	11.98
(d) Finance Cost	17	2.34	8.31
(e) Other Expenses	18	79.93	68.94
TOTAL EXPENSES		495.06	636.52
V LOSS BEFORE TAX		(15.49)	(24.41)
VI TAX EXPENSE			
(a) Current Tax		6.64	-
(b) Deferred Tax	20.2	(12.14)	(8.21)
LOSS FOR THE YEAR		(9.99)	(16.20)
VII EARNINGS PER SHARE (Face value of ₹ 10 each)	19		
(a) Basic	₹	(0.44)	(0.72)
(b) Diluted	₹	(0.44)	(0.72)
VIII SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS	1 TO 20		


In terms of our report attached


For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



MOHAMMED BENGALI
Partner


For and on behalf of the Board of Directors

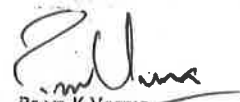

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Chairman


R Ramakrishnan
Director

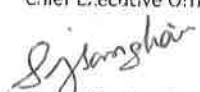

Asim Mukhopadhyay
Director

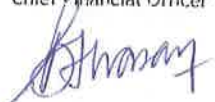

Mani Raman
Director


Dr Vajjayanti Pandit
Director


Prem K Verma
Manager &
Chief Executive Officer


Alok Saluja
Chief Financial Officer


Shreeta Sanghavi
Company Secretary


R T Wazam
Director

Mumbai, May 8, 2015

TML DISTRIBUTION COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2015

(₹ In crores)


	For the Year ended March 31, 2015	For the Year ended March 31, 2014
A. Cash flow From Operating Activities		
Profit/(Loss) before tax	(15.49)	(24.41)
<u>Adjustments for :</u>		
Finance cost	2.34	8.31
Interest received	(15.24)	(8.71)
Provision for doubtful trade receivables	35.27	24.43
	22.37	24.03
Operating Profit / (Loss) before Working Capital changes	6.88	(0.38)
<u>Adjustments for :</u>		
Trade receivable	24.15	(43.62)
Short-term loans & Advances	(41.61)	161.51
Inventories	87.93	180.07
Long-term loans & Advances	44.29	(74.49)
Trade payables	(84.77)	(193.70)
Long-term provisions	0.51	(0.69)
Short term provision	0.15	(0.02)
Other current liabilities	11.58	(6.41)
	42.23	22.65
Cash generated from / (used in) operations	49.11	22.27
Net Income Tax paid (net)	(7.32)	(3.28)
Net Cash generated from / (used in) Operating Activities	41.79	18.99
B. Cash Flow from Investing Activities		
Inter-Corporate Deposits (Net)	(41.50)	
Interest received		
- From Tata Motors Limited	1.64	1.42
- From Concorde Motors (I) Limited	0.62	0.67
- Others	12.98	6.62
Net Cash generated from / (used in) Investing Activities	(26.26)	8.71
C. Cash Flow from Financing Activities		
Increase / (Decrease) in short term loans	(19.61)	(21.61)
Interest paid		
- To Tata Motors Limited		(0.96)
- To Sheba Properties Limited	(0.01)	
- Others [Including discounting charges paid - NIL (Previous year ₹ 2.67 crores)]	(0.85)	(4.81)
Net Cash generated from / (used in) Financing Activities	(20.47)	(27.38)
Net Increase / (decrease) in Cash and cash equivalents	(4.94)	0.32
Cash and cash equivalents (Opening Balance)	7.24	6.92
Cash and cash equivalents (Closing Balance)	2.30	7.24

SEE ACCOMPANYING NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1 TO 20


In terms of our report attached


For DELOITTE HASKINS & SELLS LLP
Chartered Accountants


MOHAMMED BENGALI
Partner

For and on behalf of the Board of Directors


Mayank Pareek
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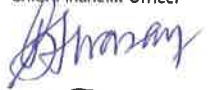

Shruti Sanghavi
Company Secretary


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Director


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Director


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Director


Alok Saluja
Chief Financial Officer


R T Wasan
Director

Mumbai, May 8, 2015

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 1

Corporate Information

The Company provides distribution and logistics support to Tata Motors Limited (TML) throughout India. It provides distribution and logistics support for vehicles manufactured at TML's facilities and has stockyards at some of TML's plants and at different places throughout India. The Company helps TML in improving planning, inventory management, transport management and timely delivery.

NOTE 2

Significant Accounting Policies

(a) Basis of accounting and preparation of financial statements

The financial statements of the Company 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 the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act") / Companies Act, 1956 ("the 1956 Act"), as applicable. The financial statements have been prepared on accrual basis under the historical cost convention. 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 the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

(c) Inventories

Inventories of finished goods are valued at the lower of cost and net realisable value.

The cost of inventories comprise all costs of purchase and other cost incurred in bringing the inventories to their present location and condition.

(d) Cash Flow Statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

(e) Sales

Sales are recognised, net of returns and trade discounts, on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Sales exclude sales tax and value added tax. Sales are inclusive of income from services related to logistics operations. Revenue from services is recognised as and when services are rendered.

(f) Business segment

The Company is engaged mainly in the business of distribution, logistics and sale of automobile products consisting of all types of commercial and passenger vehicles. These, in the context of Accounting Standard 17 (AS 17) on Segment Reporting, as specified in the Companies (Accounts) Rules, 2014 are considered to constitute one single primary segment. Further there is no reportable secondary segment i.e geographical segment.

(g) Taxes on Income

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 recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the 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 that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are 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 and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realisability.

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(h) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

(i) Employee benefit

(i) Gratuity

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

(ii) Superannuation

The Company has two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee of Tata Motors Limited, the parent company on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company accounts for the liability for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

With effect from April 1, 2003, this plan was amended by the Tata Motors Limited, the parent company and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company contributes every year upto 15% of the eligible employees' salary to the separate irrevocable trust maintained by Tata Motors Ltd, the parent company. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iii) Bhavishya Kalyan Yojana (BKY)

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

(iv) Post-retirement Medicare Scheme

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

(v) Provident fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the Regional Provident Fund Commissioner and the Central Provident Fund under the State pension scheme. The Company is generally liable for annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(vi) Compensated absences

The Company provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 3

SHARE CAPITAL

Authorised:

22,50,00,000 Equity Shares of ₹ 10 each (Previous year : 22,50,00,000 Equity Shares)

Issued and subscribed & fully paid up :

22,50,00,000 Equity Shares of ₹ 10 each (Previous year : 22,50,00,000 Equity Shares)

Note : All the Equity shares are held by Tata Motors Limited, the holding Company.

Right attached to Equity Share :

Each holder of equity share is entitled to one vote per share. 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.

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
225.00	225.00
225.00	225.00
225.00	225.00

NOTE 4

RESERVES & SURPLUS

- Surplus

(₹ In crores)			
As at March 31, 2014	Additions [Profit/(Loss) for the year]	Deductions (Transfers)	As at March 31, 2015
54.07	(9.99)	-	44.08
70.27	(16.20)	-	54.07

* Previous years figures are in Italics

NOTE 5

LONG-TERM PROVISIONS

(a) Provision for Employee benefits

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
2.19	1.68
2.19	1.68

NOTE 6

SHORT-TERM BORROWINGS

Secured

(a) Cash Credit from Banks (Note 20.8)

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
3.62	23.23
3.62	23.23

NOTE 7

TRADE PAYABLES

(a) Acceptances

(b) Other than Acceptances

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
-	79.50
6.69	11.96
6.69	91.46

NOTE 8

OTHER CURRENT LIABILITIES

(a) Advance from customers

(b) Statutory dues

(c) Liability for receivable factoring

(d) Liability for deposits & retention

(e) Other payables

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
9.94	5.94
6.78	0.29
1.34	0.79
0.45	-
0.09	-
18.60	7.02

NOTE 9

SHORT-TERM PROVISIONS

(a) Provision for Employee benefits

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
0.30	0.15
0.30	0.15

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 10

LONG-TERM LOANS & ADVANCES - UNSECURED CONSIDERED GOOD

- (a) Loans to employees
- (b) Non-Current Income tax Asset (Net)
- (c) VAT Receivable
- (d) Others

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
0.04	0.06
8.48	7.81
30.63	75.54
1.56	0.91
40.71	84.32

NOTE 11

INVENTORIES

Stock-in-Trade (acquired for trading)

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
46.69	134.62
46.69	134.62

NOTE 12

TRADE RECEIVABLES

- (a) Over Six Months from the date they were due for payment: (Unsecured)
 - Considered good [includes ₹ NIL (Previous Year - ₹ 3.79 Crores) receivable from Tata Motors Ltd., the parent company]
 - Considered doubtful
- Less: Allowance for doubtful trade receivables
- (b) Others : (Unsecured)
 - Considered good [includes ₹ 7.84 Crores (Previous Year - ₹ 24.52 Crores) receivable from Tata Motors Ltd., the parent company]
 - Considered doubtful
- Less: Allowance for doubtful trade receivables

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
15.76	34.37
56.15	23.66
71.91	58.03
(56.15)	(23.66)
15.76	34.37
59.13	99.94
3.55	0.77
62.68	100.71
(3.55)	(0.77)
59.13	99.94
74.89	134.31

NOTE 13

CASH & CASH EQUIVALENTS

- (a) Cheques on hand
- (b) Current Account with banks (#)
- (#) includes :
 - Remittance in transit

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
0.23	1.28
2.07	5.96
2.30	7.24
1.36	1.48

NOTE 14

SHORT-TERM LOANS & ADVANCES - UNSECURED CONSIDERED GOOD

- (a) Advance to Suppliers, viz., Tata Motors Limited
- (b) VAT, Statutory deposits and dues from govt. (Including VAT receivable of ₹ 59.81 Crores (Previous year ₹ 17.86 Crores))
- (c) Inter-Corporate Deposits:
 - Tata Motors Limited
 - Concorde Motors (I) Limited
- (d) Prepaid expenses
- (e) Others

(₹ In crores)	
As at March 31, 2015	As at March 31, 2014
3.53	-
67.07	22.69
30.50	-
11.00	-
1.53	4.91
1.23	5.62
114.86	33.22

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(₹ In crores)

NOTE 15

- 1 REVENUE FROM OPERATIONS**
(a) Sale of Products
(b) Sale of Services
(c) Other Operating Revenue

For the year ended March 31, 2015	For the year ended March 31, 2014
409.02	552.77
55.18	49.88
0.13	0.75
464.33	603.40
10.12	6.15
1.64	1.42
0.19	-
0.12	-
3.15	-
0.02	1.14
15.24	8.71

2 OTHER INCOME

- (a) Interest received on:
(i) Overdue trade receivables
(ii) Interest on Inter-Corporate Deposits:
- Tata Motors Limited
- Concorde Motors (I) Limited
(iii) Interest on Income Tax Refund
(iv) Interest on VAT Refund
(v) Others

(₹ In crores)

NOTE 16

EMPLOYEE BENEFIT EXPENSES

- (a) Salaries, wages and bonus
(b) Contribution to provident fund and other funds
(c) Staff welfare expenses

For the year ended March 31, 2015	For the year ended March 31, 2014
10.55	11.21
1.21	0.38
0.53	0.39
12.29	11.98

(₹ In crores)

NOTE 17

FINANCE COST

- (a) Interest expenses on:
(i) Short Term Borrowings
(ii) Interest on Income Tax
(iii) Bill Discounting Charges
(iv) Inter-Corporate Deposits:
- Tata Motors Limited
- Sheba Properties Limited
(v) Others

For the year ended March 31, 2015	For the year ended March 31, 2014
0.85	1.95
-	0.02
1.47	5.21
-	0.96
0.01	-
0.01	0.17
2.34	8.31

(₹ In crores)

NOTE 18

OTHER EXPENSES

- (a) C&F Charges
(b) Insurance
(c) Rent
(d) Provision and Write off for Trade Receivables
(e) Yard Management Expenses
(f) Security Expenses
(g) Payments to Auditors:
To Statutory Auditors:
For Audit
For Taxation Matters
(Including Out of Pocket expenses - ₹ 12,060/- (Previous year : ₹ 26,621)
(h) Corporate Social Responsibility Expenses
(i) Works Operation and Other Expenses

For the year ended March 31, 2015	For the year ended March 31, 2014
12.78	11.41
0.45	1.04
5.17	6.17
43.37	24.43
3.38	5.73
4.69	5.07
0.10	0.10
0.02	0.01
0.45	-
9.52	14.98
79.93	68.94

NOTE 19

EARNING PER SHARE

- (a) Profit/(Loss) after Tax
(b) The Weighted Average number of Equity Shares for Basic EPS
(c) The nominal value per Equity Share
(d) Earning Per Share (Basic)
(e) Profit/(Loss) after Tax (for Diluted EPS)
(f) The Weighted Average number of Equity Shares for Basic EPS
(g) Total Weighted average number of Equity Shares for Diluted EPS
(h) Earning Per Share (Diluted)

For the year ended March 31, 2015	For the year ended March 31, 2014
₹ In Crores (9.99)	(16.20)
Nos. 225,000,000	225,000,000
₹ 10.00	10.00
₹ (0.44)	(0.72)
₹ In Crores (9.99)	(16.20)
Nos. 225,000,000	225,000,000
Nos. 225,000,000	225,000,000
₹ (0.44)	(0.72)

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

NOTE 20

OTHER NOTES TO THE ACCOUNTS

(20.1) Related Party Disclosure :

- A Parent Company : Tata Motors Limited
B Fellow Subsidiaries : Tata Technologies Limited
: Sheba Properties Limited
: Concorde Motors (I) Ltd

C Key Management Personnel : Mr. P. K. Verma

D Transactions with the related parties :

(₹. In crores)

	Parent Company	Fellow Subsidiaries	Total
Purchase of Goods (#)	355.53 414.70	- -	355.53 414.70
Sale of Goods (@)	- -	55.64 75.04	55.64 75.04
Services Received (#)	3.70 4.57	2.45 3.27	6.15 7.84
Services Provided (@)	61.30 55.54	- -	61.30 55.54
Inter corporate deposits placed	197.95 182.31	11.00 -	208.95 182.31
Inter corporate deposits received back	167.45 182.31	- -	167.45 182.31
Inter corporate deposits receivable	30.50	11.00	41.50
Inter Corporate Deposit received and refunded	- 80.00	7.00 -	7.00 80.00
Rent Paid (#)	2.21 3.59	- -	2.21 3.59
Interest paid/(received) (net)	(1.64) (0.46)	(0.61) (0.67)	(2.25) (1.13)
Amount receivable	11.37 28.31	2.44 5.36	13.81 33.67
Amount Payable	- -	0.24 0.44	0.24 0.44

* Previous years figures are in Italics

(#) includes VAT/Service tax of ₹ 47.27 crores (Previous year ₹ 55.87 crores)

(@) includes VAT/Service tax of ₹ 7.80 crores (Previous year ₹ 8.70 crores)

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

E Disclosure in respect of material transactions with related parties		
Description of the nature of transaction	2014-15	(₹. In crores) 2013-14
(i) Purchase of Goods (#)		
Tata Motors Ltd	355.53	414.70
(ii) Sale of Goods (@)		
Concorde Motors (I) Limited	55.64	75.04
(iii) Services Received (#)		
Tata Motors Ltd	3.70	4.57
Tata Technologies Limited	2.45	3.27
(iv) Services Provided (@)		
Tata Motors Ltd	61.30	55.54
(v) Inter corporate deposits placed		
Tata Motors Ltd	197.95	182.31
Concorde Motors (i) Limited	11.00	-
(vi) Inter corporate deposits received back		
Tata Motors Ltd	167.45	182.31
(vii) Inter corporate deposits receivable		
Tata Motors Ltd	30.50	-
Concorde Motors (I) Limited	11.00	-
(viii) Inter Corporate Deposit received and refunded		
Tata Motors Ltd	-	80.00
Sheba Properties Ltd	7.00	-
(ix) Rent (#)		
Tata Motors Ltd	2.21	3.59
(x) Interest paid		
Tata Motors Ltd	-	0.96
Sheba Properties Ltd	0.01	-
(xi) Interest received		
Tata Motors Ltd	1.64	1.42
Concorde Motors (I) Limited	0.62	0.67
(xii) Amount Receivable		
Tata Motors Ltd	11.37	28.31
Concorde Motors (I) Limited	2.44	5.36
(xiii) Amount Payable		
Tata Technologies Limited	0.24	0.44

(#) includes VAT/Service tax of ₹ 47.27 crores (Previous year ₹ 55.87 crores)

(@) includes VAT/Service tax of ₹ 7.80 crores (Previous year ₹ 8.70 crores)

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(20.2) Deferred Tax Assets and Liabilities :

The component of Deferred Tax arising on account of the timing differences are as under

	(₹ in crores)	
	As at March 31, 2015	As at March 31, 2014
Deferred Tax Assets :		
Employee Benefit / Expenses allowable on payment basis	0.58	0.40
Provision for Doubtful Debts	20.29	8.30
Others	0.16	0.20
Total	21.03	8.90

The sum of ₹ 12.14 Crores (Previous year ₹ 8.21 Crores) has been credited to statement of Profit & Loss

(20.3) Information in regard to opening stock and closing stock :

	(₹ in crores)			
	2014-15		2013-14	
	Quantity (Nos)	Value	Quantity (Nos)	Value
(a) Opening Stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	7190	134.62	12703	314.69
(b) Closing stock - Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	2434	46.69	7190	134.62

(20.4) Information in regard to Sales effected by the Company (excluding inter divisional transfers, settlements for damaged goods and goods capitalized)

	(₹ in crores)			
	2014-15		2013-14	
	Quantity (Nos)	Value	Quantity (Nos)	Value
Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	21656	409.02	26190	552.77

(20.5) Information regarding purchases effected by the Company (excluding inter divisional transfers, settlements for damaged goods and goods capitalized)

	(₹ in crores)			
	2014-15		2013-14	
	Quantity (Nos)	Value	Quantity (Nos)	Value
Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon	16901	312.56	20708	367.22

(20.6) Claims against the company not acknowledged as Debt

	(₹ in crores)	
	As at March 31, 2015	As at March 31, 2014
Sales Tax - Gross	24.03	5.20
- Net of Tax	15.86	3.51
Income Tax in respect of matters: - Pending in appeal	0.01	0.01

(20.7) Dues to Micro, Small and Medium enterprises : Nil (Previous year : Nil)

(20.8) Cash Credit from Banks are secured by hypothecation of existing current assets of the company viz. stock-in-trade, book debts and all other movable current assets except Cash and Bank balances of the company both present and future.

TML DISTRIBUTION COMPANY LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(20.9) Defined benefit plans/long term compensated absences- As per actuarial valuation as at March 31, 2015

(₹ in crores)

	Gratuity, Superannuation & BKY						Compensated Absences						Post Retirement Medical Scheme					
	2015	2014	2013	2012	2011	2010	2015	2014	2013	2012	2011	2010	2015	2014	2013	2012	2011	2010
I Components of employer expense																		
Current Service cost	0.17	0.25	0.23	0.21	0.13	0.10	0.12	0.18	0.13	0.10	0.06	0.04	0.01	0.01	0.01	0.02	0.02	0.01
Interest cost	0.22	0.26	0.26	0.21	0.15	0.12	0.11	0.14	0.14	0.10	0.07	0.05	0.02	0.02	0.01	0.03	0.02	0.01
Expected return on plan assets	(0.25)	(0.26)	(0.25)	(0.19)	(0.15)	(0.12)	-	-	-	-	-	-	-	-	-	-	-	-
Actuarial Losses/(Gains)	0.52	(0.78)	(0.29)	0.15	0.57	0.16	0.33	(0.18)	(0.03)	0.39	0.32	0.23	0.02	(0.02)	0.04	(0.21)	0.03	0.12
Acquisitions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total expense/ (Income) recognised in the Statement of Profit & Loss in Note 13	0.66	(0.53)	(0.05)	0.38	0.70	0.26	0.56	0.14	0.24	0.59	0.45	0.32	0.05	0.01	0.06	(0.16)	0.07	0.14
	Note 16 (1) (b) & (c)						Note 16 (1) (a)						Note 16 (1) (c)					
II Actual Contribution and Benefit Payments for year ended 31 March																		
Actual benefit payments	(0.09)	(0.31)	(0.15)	0.05	0.09	0.03	(0.10)	(0.26)	(0.16)	0.09	0.08	0.05	-	-	-	-	-	-
Actual Contributions	0.02	0.03	0.03	0.83	0.27	0.29	0.10	0.26	0.16	0.09	-	0.05	-	-	-	-	-	-
III Net Assets/(Liability) recognised in balance sheet as at March 31																		
Present Value of Defined Benefit Obligation	3.27	2.61	3.38	3.17	2.50	1.89	1.69	1.24	1.85	1.76	1.25	0.87	0.26	0.21	0.22	0.16	0.32	0.25
Fair value of plan assets	3.15	3.13	3.43	3.16	2.02	1.82	-	-	-	-	-	-	0.26	(0.21)	(0.22)	(0.16)	(0.32)	(0.25)
Net asset/(liability) recognised in balance sheet	(0.12)	0.52	0.05	0.01	(0.48)	(0.07)	(1.69)	(1.24)	(1.85)	(1.76)	(1.25)	(0.87)	-	-	-	-	-	-
IV Change In Defined Benefit Obligations (DBO) during the year ended March 31																		
Present Value of DBO at beginning of year	2.61	3.38	3.17	2.50	1.89	1.46	1.24	1.85	1.76	1.25	0.87	0.60	0.21	0.22	0.16	0.32	0.25	0.11
Liability transferred to Holding Company on transfer of employees	-	(0.72)	-	-	-	-	-	(0.50)	-	-	-	-	-	(0.03)	-	-	-	-
Current Service cost	0.17	0.25	0.23	0.21	0.13	0.10	0.12	0.18	0.13	0.10	0.06	0.04	0.01	0.01	0.01	0.02	0.02	0.01
Interest cost	0.22	0.26	0.26	0.21	0.15	0.12	0.11	0.14	0.14	0.10	0.07	0.05	0.02	0.02	0.01	0.03	0.02	0.01
Actuarial (gains)/ losses	0.36	(0.26)	(0.11)	0.30	0.42	0.24	0.33	(0.18)	(0.03)	0.39	0.32	0.23	0.02	(0.02)	0.04	(0.21)	0.03	0.12
Benefits paid	(0.09)	(0.31)	(0.15)	(0.05)	(0.09)	(0.03)	(0.11)	(0.26)	(0.16)	(0.09)	(0.08)	(0.05)	-	-	-	-	-	-
Present Value of DBO at the end of year	3.27	2.61	3.38	3.17	2.50	1.89	1.69	1.24	1.85	1.76	1.25	0.87	0.26	0.21	0.22	0.16	0.32	0.25
V Change In Fair Value of Assets during the year ended March 31																		
Plan assets at beginning of year	3.13	3.43	3.13	2.02	1.82	1.36	-	-	-	-	-	-	-	-	-	-	-	-
Liability transferred to Holding Company on transfer of employees	-	(0.80)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Expected return on plan assets	0.34	0.26	0.25	0.19	0.15	0.12	-	-	-	-	-	-	-	-	-	-	-	-
Actual Company contributions	0.02	0.03	0.03	0.83	0.27	0.29	0.10	0.26	0.15	0.09	0.08	0.05	-	-	-	-	-	-
Benefits paid	(0.09)	(0.31)	(0.15)	(0.08)	(0.08)	(0.03)	(0.10)	(0.26)	(0.15)	(0.09)	(0.08)	(0.05)	-	-	-	-	-	-
Actuarial gain/(loss)	(0.25)	0.52	0.18	0.17	(0.14)	0.08	-	-	-	-	-	-	-	-	-	-	-	-
Plan assets at the end of year	3.15	3.13	3.43	3.13	2.02	1.82	-	-	-	-	-	-	-	-	-	-	-	-
VI Actuarial Assumptions																		
Discount Rate (%)	8.75%-8.00%	6.75%-9.20%	6.75%-8.35%	6.75%-8.5%	6.75%-8.5%	6.75%-8.5%	8.00%	9.20%	8.35%	8.50%	8.50%	8.50%	8.00%	9.20%	8.35%	8.50%	8.50%	8.50%
Expected Return on plan assets (%)	8%	8%	8%	8%	8%	8%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Medical Cost Inflation(%)	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	6%	6%	5%	4%	4%	4%
VII The Major category of plan assets as percentage of total plan assets																		
Debt Security	65.68%	71.18%	72.81%	77.11%	74.31%	74.12%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
Balances with approved Insurance Companies/Banks	34.32%	28.82%	27.19%	22.89%	25.69%	25.88%	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
VIII 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					
	2015	2014	2013	2012	2011	2010	2015	2014	2013	2012	2011	2010	2015	2014	2013	2012	2011	2010
Revised DBO as at March 31	0.04	0.03	0.03	0.18	0.37	0.29	0.03	0.03	0.03	0.03	0.02	0.01	0.00	0.00	0.00	0.02	0.01	0.00
Revised service cost for the year	0.00	0.01	0.00	0.03	0.02	0.01	0.00	0.01	0.00	0.03	0.02	0.01	0.00	0.00	0.00	0.02	0.01	0.00
Revised interest cost for the year	0.01	0.01	0.00	0.03	0.03	0.01	0.00	0.01	0.00	0.03	0.02	0.01	0.00	0.00	0.00	0.02	0.02	0.01

(a) Defined Contribution Plans

The company's contribution to defined contribution plan aggregated to ₹ 0.59 Crores (Previous year ₹ 0.89 Crore) for the year ended March 31, 2015 has been recognized in the statement of Profit & Loss Account under item (b) in Note 16.

The expected rate of return on plan asset is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

The assumption of future salary increases considered in the actuarial valuation, take account of inflation, seniority, promotion and other relevant factors such as supply and demand in the employment market.

The company expects to contribute ₹ 0.20 Crores to the funded pension plan in the year 2015-16

(17.11) Consequent to the issuance of Schedule III, the Company has re-grouped / re-classified previous year's figures, where necessary to conform to current year's classification.