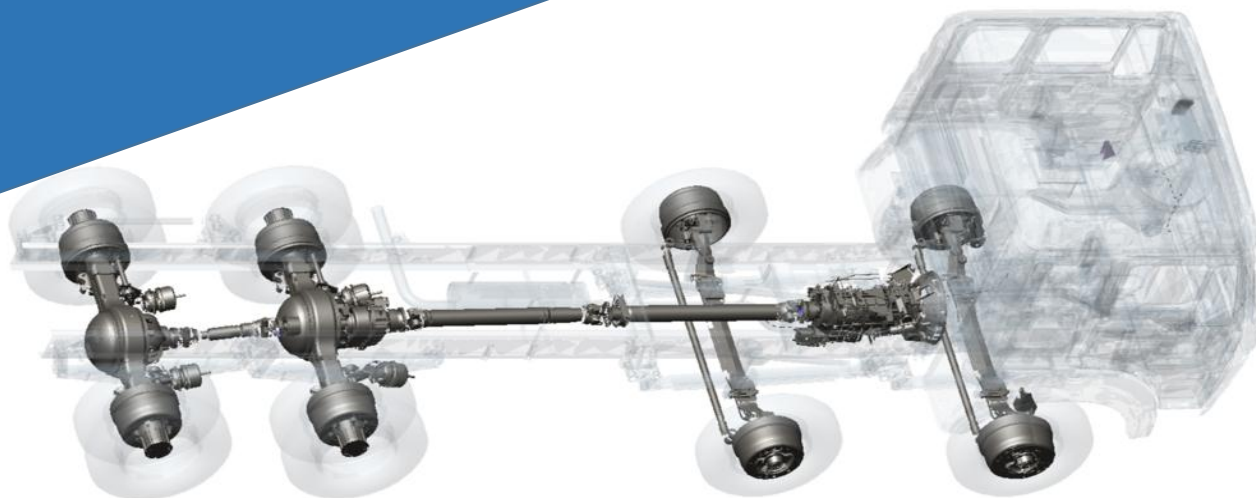
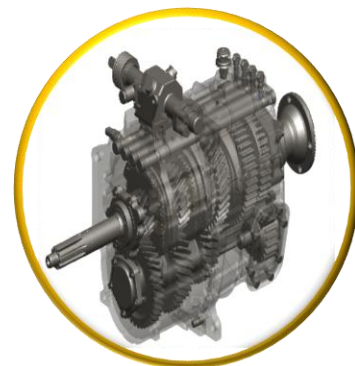
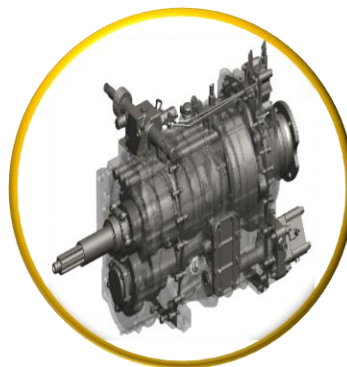
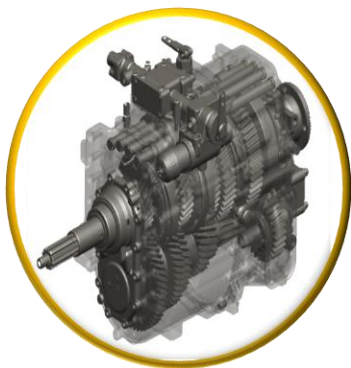




# ANNUAL REPORT

## 2016

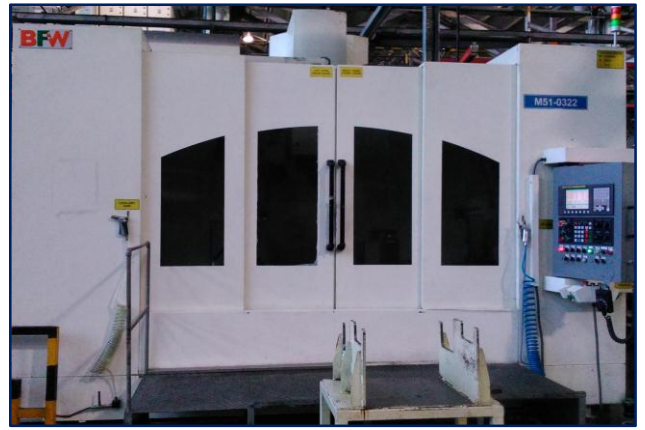


**TML DRIVELINES LIMITED**  
(A Subsidiary of TATA Motors Limited)

# BUILDING CAPABILITIES FOR ADVANCED PRODUCTS



HMC for FA Beam



BFW VMC BMV 60 ++



TAL Vertical Turning Lathe



MICROMATIC – Pinion Grinding Machine



BFW VMC



BOSCH – Main Shaft Sub Assembly Line



DYNASPEDE – Test Rig



CMM – Inspection Machine



TRUCKCAM

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## **Annual Report 2015-16**

### **Corporate Information**

#### **BOARD OF DIRECTORS**

**Mr Satish B Borwankar**

*Non-Executive Director and Chairman*

**Mr Hoshang K Sethna**

*Non-Executive Director*

**Mr Abhijit A Gajendragadkar**

*Non-Executive Director and Chairman of Audit Committee*

**Mr Niranjan S Kulkarni**

*Non-Executive Director*

**Dr Ajit K Jindal**

*Non-Executive Director*

**Mr Prasann K Chobe**

*Non-Executive Director and Chairman of Corporate Social Responsibility Committee*

**Dr Vaijayanti Pandit**

*Non-Executive Independent Director*

**Mr Rakesh Makhija**

*Non-Executive Independent Director and Chairman of Nomination and Remuneration Committee*

#### **CHIEF EXECUTIVE OFFICER**

Mr Sampath K Morri

#### **CHIEF FINANCIAL OFFICER**

Mr Gurvinder S Ahuja

#### **COMPANY SECRETARY**

Mr Vispi S Patel

#### **AUDITORS**

Deloitte Haskins & Sells LLP

(Registration No.117366W/W-100018)

#### **BANKERS**

HDFC Bank

State Bank of India

#### **REGISTERED OFFICE**

Nanavati Mahalaya, 18, Homi Mody Street,  
Hutatma Chowk, Mumbai - 400 001

Tel: 022 6665 8282

Website: [www.tmldrivelines.com](http://www.tmldrivelines.com)

#### **WORKS AND ADMINISTRATIVE OFFICE**

Tata Motors Limited, Jamshedpur, Jharkhand - 831010  
Tel : 0657-2286197 Fax : 0657-2286526

#### **CORPORATE IDENTIFICATION NUMBER (CIN)**

U34100MH2000PLC124874



## Annual Report 2015-16

### Notice

NOTICE IS HEREBY GIVEN THAT THE SIXTEENTH ANNUAL GENERAL MEETING OF TML DRIVELINES LIMITED will be held on Wednesday, July 27, 2016 at 3:00 p.m. at the Registered Office of the Company at Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai - 400001 to transact the following business:

#### Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended March 31, 2016 together with the Reports of the Board of Directors and the Auditors thereon.
2. To confirm payment of Interim Dividend of ₹2.50 per share and to declare a final dividend of ₹0.50 per share for the Financial Year 2015-16 on Equity Shares.
3. To appoint a Director in place of Mr S B Borwankar (DIN: 01793948), who retires by rotation and is eligible for re-appointment.
4. To appoint a Director in place of Mr P K Chobe (DIN: 06375666), who retires by rotation and is eligible for re-appointment.

#### 5. Ratification of Appointment of Statutory Auditors and fixing their remuneration

To consider and, if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution:-

“RESOLVED that pursuant to the provisions of Section 139 and such other applicable provisions, if any, of the Companies Act, 2013 and the Rules framed thereunder, as amended from time to time and pursuant to the resolution passed by the Members at the Fourteenth Annual General Meeting (AGM) held on August 5, 2014 in respect of appointment of the auditors, Deloitte Haskins & Sells LLP, Chartered Accounts (ICAI Firm Registration No.117366W/W-100018) (DHS) till the conclusion of the AGM to be held in the year 2017, the Company hereby ratifies and confirms the appointment of DHS, as Auditors of the Company to hold office from the conclusion of this AGM till the conclusion of the Seventeenth AGM of the Company to be held in the year 2017 to examine and audit the accounts of the Company on such remuneration as may be mutually agreed between the Board of Directors of the Company and the Auditors.”

#### Notes:

- a) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item No. 5 set out above is annexed hereto.
- b) A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
- c) The Record Date for the purpose of payment of dividend would be July 31, 2016.

By Order of the Board of Directors

Vispi S Patel

Company Secretary

Mumbai, May 4, 2016

#### Registered Office:

Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai - 400 001  
Tel: 022 6665 8282 Fax: 022 6665 7260 Website: www.tmldrivelines.com  
CIN U34100MH2000PLC124874

### Explanatory Statement

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 (“the Act”), sets out all material facts relating to the business mentioned at Item No. 5 of the accompanying Notice dated May 4, 2016:

#### Item No. 5:

This Explanatory Statement is provided though strictly not required as per Section 102 of the Act.

Deloitte Haskins & Sells LLP, Chartered Accountants, Mumbai (ICAI Firm Registration No. 117366W/W-100018) were appointed as the statutory auditors of the Company for a period of three years at the Annual General Meeting (AGM) of the Company held on August 5, 2014. As per provisions of Section 139(1) of the Act, their appointment for the above tenure is subject to ratification by Members at every AGM.

Accordingly, ratification of the Members is being sought for the proposal contained in the Resolution set out at Item No.5 of the accompanying Notice. The Board commends the Resolution at Item No.5 of the accompanying Notice for ratification by the Member of the Company.

None of the Directors or Key Managerial Personnel (KMP) or their respective relatives are concerned or interested in the Resolution at Item No.5 of the accompanying Notice.

By Order of the Board of Directors

Vispi S Patel

Company Secretary

Mumbai, May 4, 2016

#### Registered Office:

Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai - 400 001.  
Tel: 022 6665 8282 Fax: 022 6665 7260, Website: www.tmldrivelines.com  
CIN U34100MH2000PLC124874

## Annual Report 2015-16

## Financial Highlights

|   | 2015-16* | 2014-15* | 2013-14* | 2012-13* | 2011-12* |
|---|----------|----------|----------|----------|----------|
| <b>CAPITAL ACCOUNTS (₹crores)</b>   |          |          |          |          |          |
| (a) Capital   | 77.00    | 77.00    | 77       | 77       | 77       |
| (b) Reserves & Surplus  | 736.21   | 709.26   | 685.58   | 673.46   | 626.12   |
| (c) Borrowings  | -        | -        | -        | -        | -        |
| (d) Gross Fixed Assets  | 1,298.85 | 1,261.80 | 1,187.90 | 1,123.76 | 954.93   |
| (e) Depreciation  | 747.89   | 701.95   | 623.99   | 551.99   | 489.51   |
| (f) Net Fixed assets( without CWIP)                                       | 550.96   | 559.85   | 563.91   | 571.77   | 465.42   |
| (g) Investments**   | -        | -        | -        | -        | -        |
| (h) Net Working capital   | 242.59   | 186.27   | 143.88   | 179.72   | 258.59   |
| <b>REVENUE ACCOUNTS (₹crores)</b>   |          |          |          |          |          |
| (a) Revenue   | 545.09   | 525.74   | 401.15   | 401.56   | 627.77   |
| (b) Other Income  | 21.80    | 15.46    | 22.12    | 34.20    | 20.69    |
| (c) Manufacturing & Other Expenses  | 413.54#  | 381.78#  | 310.14#  | 237.83   | 276.20   |
| (d) Interest & Depreciation   | 73.61    | 96.94    | 90.24    | 79.19    | 90.39    |
| (e) Profit/( Loss) before taxes   | 79.74    | 62.47    | 22.89    | 118.75   | 281.87   |
| (f) Taxes   | 24.98    | 15.62    | 4.02     | 39.88    | 91.44    |
| (g) Profit / (loss) after taxes   | 54.76    | 46.85    | 18.87    | 78.88    | 190.43   |
| (h) Dividend & tax thereon  | 27.80    | 23.17    | 6.76     | 31.53    | 58.17    |
| <b>Ratios</b>   |          |          |          |          |          |
| (a) Profit before tax to Total Revenue(%)                                 | 14.07    | 11.54    | 5.41     | 27.25    | 43.47    |
| (b) Earnings per share  | 7.11     | 6.08     | 2.45     | 10.24    | 24.73    |
| (c) Net worth per share (₹)   | 105.61   | 102.11   | 99.04    | 97.46    | 91.31    |
| (d) Fixed assets turnover (Times) (Excl. IPR, Customer Rights & Goodwill) | 1.08     | 1.02     | 0.85     | 0.9      | 1.66     |
| (e) Current Ratio   | 2.77     | 2.52     | 2.37     | 2.68     | 3.15     |
| (f) Return on Capital employed (%)  | 9.97     | 8.07     | 3.03     | 16.34    | 44.12    |

\* HV Axles has been merged with HV Transmissions in FY 2011-12 & renamed as TML Drivelines Limited.

\*\* Investments of ₹ 25 crores in 2015-16, 2014-15 & 2013-14 and ₹ 114.42 crores in 2012-13 has been clubbed under Current Assets as per Revised Schedule VI.

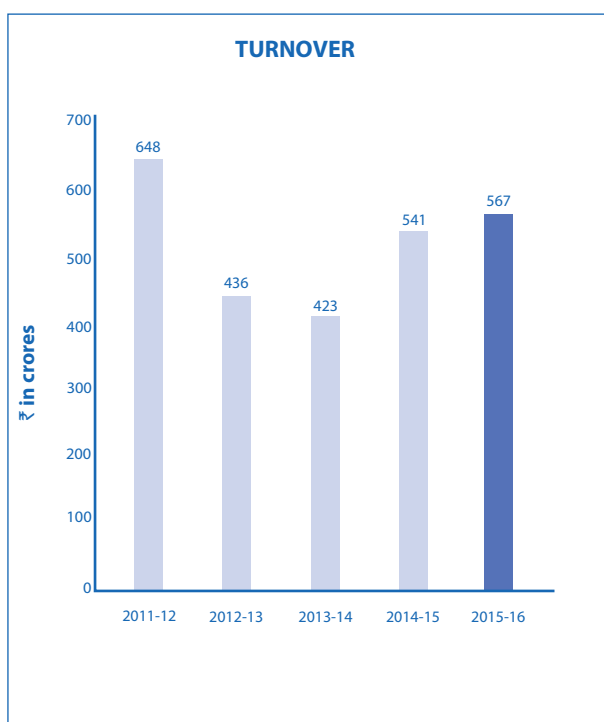
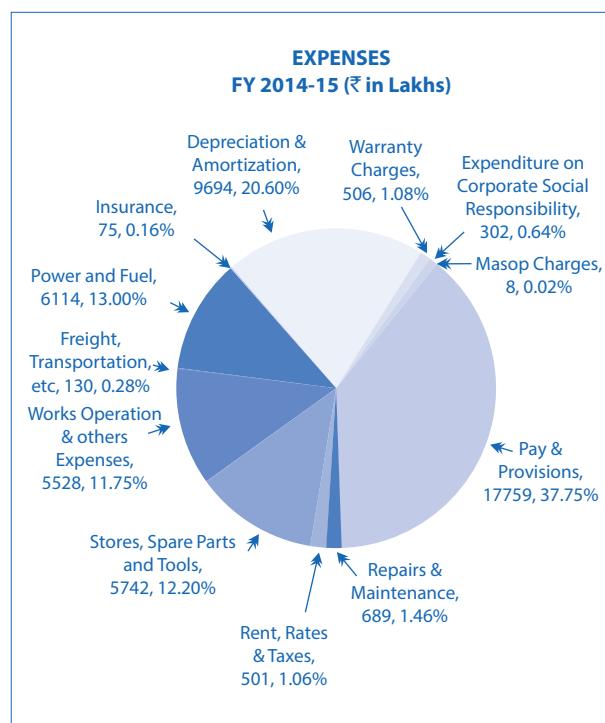
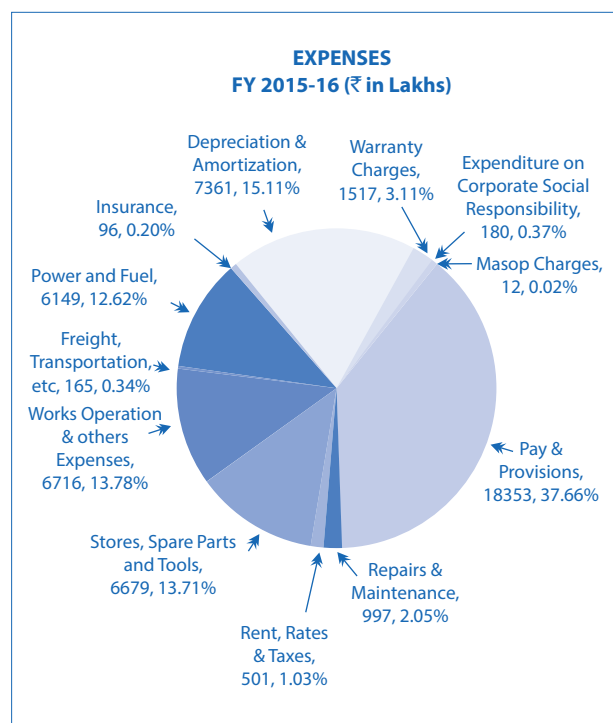
# Includes Employees Separation Cost (Exceptional Item).

## Financial Highlights

| 2010-11 | 2009-10  | 2008-09 | 2007-08  | 2006-07 | 2005-06  | 2004-05  | 2003-04  | 2002-03  |
|---------|----------|---------|----------|---------|----------|----------|----------|----------|
|         |          |         |          |         |          |          |          |          |
| 45      | 45       | 45      | 45       | 45      | 45       | 45       | 45       | 45       |
| 286.67  | 223.84   | 186.23  | 168.93   | 133.79  | 101.55   | 73.24    | 45.9     | 44.99    |
| -       | 30       | 70      | 94.47    | 9.68    | 11.13    | 0        | 37.87    | 68       |
| 467.42  | 458.07   | 440.19  | 369.77   | 222.64  | 177.48   | 150.36   | 153.53   | 152.83   |
| 216.00  | 170.61   | 131.38  | 101.37   | 78.47   | 66.42    | 54.02    | 42.9     | 31.05    |
| 251.42  | 287.46   | 308.82  | 268.40   | 144.17  | 111.06   | 96.34    | 110.62   | 121.78   |
| -       | 52.76    | 6.09    | 26.09    | 32.39   | 66.4     | 39.92    | 33.01    | -        |
| 93.76   | (-)11.01 | 9.42    | (-)17.10 | (-)1.37 | (-) 6.78 | (-) 1.48 | (-) 7.37 | 8.75     |
|         |          |         |          |         |          |          |          |          |
| 303.69  | 235.93   | 154.62  | 199.57   | 190.71  | 139.45   | 141.86   | 116.53   | 98.93    |
| 9.33    | 3.61     | 5.62    | 3.68     | 5.96    | 4.44     | 2.1      | 3.9      | 0.16     |
| 127.62  | 101.47   | 80.23   | 88.12    | 84.56   | 62.05    | 65.62    | 55.29    | 70.52    |
| 45.59   | 42.78    | 39.09   | 28.97    | 15.79   | 12.48    | 13.33    | 15.89    | 21.15    |
| 139.80  | 95.29    | 40.93   | 86.15    | 96.32   | 69.29    | 64.96    | 47.96    | 4.75     |
| 45.59   | 31.44    | 13.09   | 22.74    | 38.43   | 23.02    | 22.22    | 18.26    | 4.89     |
| 94.21   | 63.85    | 27.84   | 63.41    | 57.9    | 46.27    | 42.74    | 29.69    | (-) 0.14 |
| 31.38   | 26.24    | 10.53   | 26.33    | 25.86   | 17.96    | 15.39    | 7.61     | -        |
|         |          |         |          |         |          |          |          |          |
| 44.66   | 39.78    | 25.54   | 42.38    | 48.98   | 48.15    | 45.12    | 40.16    | 4.79     |
| 20.93   | 14.19    | 6.19    | 14.09    | 12.87   | 10.28    | 9.5      | 6.6      | (-) 3.77 |
| 73.70   | 59.74    | 51.38   | 47.54    | 39.73   | 32.56    | 26.28    | 20.2     | 19.99    |
| 1.61    | 1.12     | 0.72    | 1.15     | 1.36    | 1.28     | 1.49     | 1.09     | 0.81     |
| 1.16    | 0.83     | 1.26    | 0.74     | 0.98    | 0.91     | 0.95     | 0.72     | 1.66     |
| 44.35   | 31.76    | 13.43   | 34.68    | 55.65   | 50.22    | 52.60    | 33.45    | 2.71     |

## Annual Report 2015-16

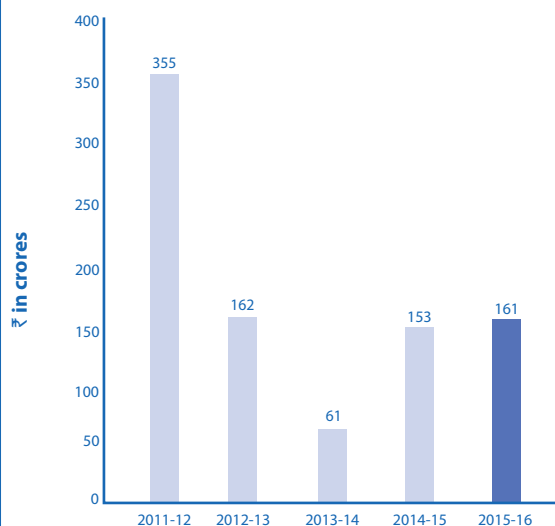
### Graphs



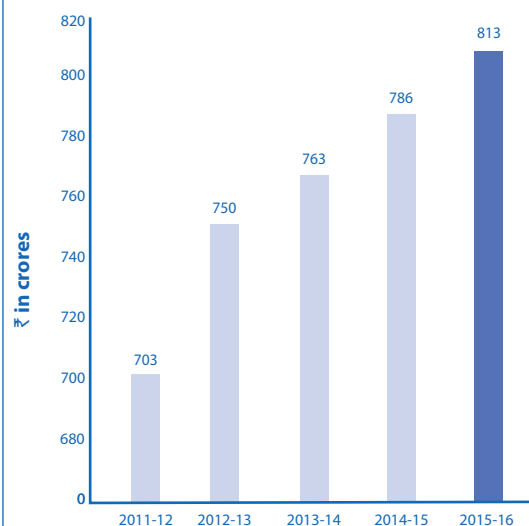


## Graphs

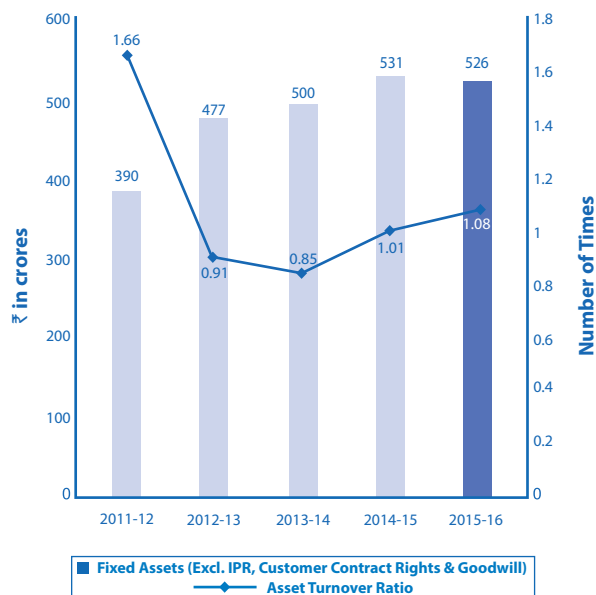
### CASH GENERATED FROM OPERATIONS



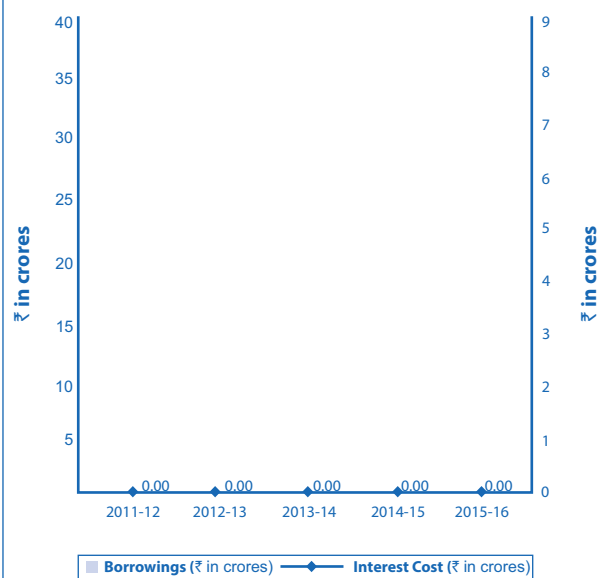
### SHAREHOLDERS FUND



### FIXED ASSETS AND ASSET TURNOVER RATIO

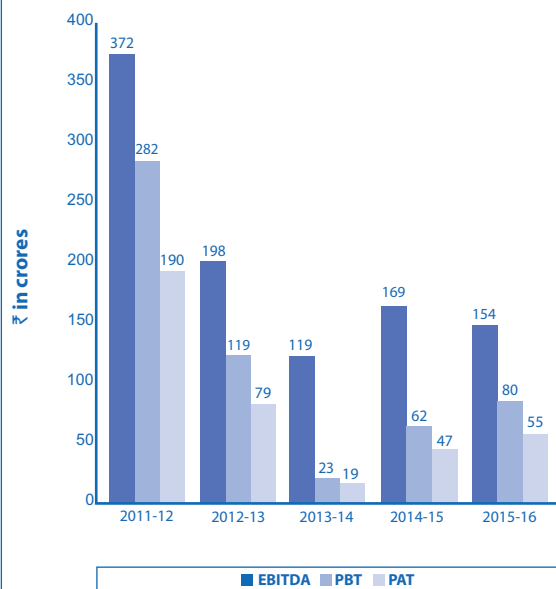


### BORROWING AND INTEREST COST

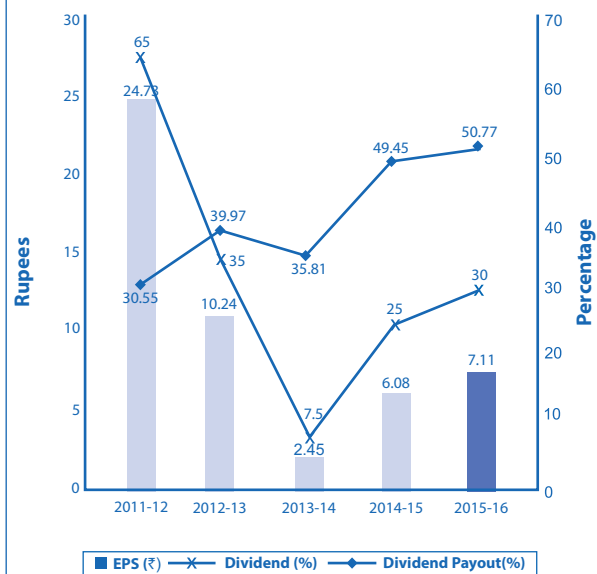


## Annual Report 2015-16

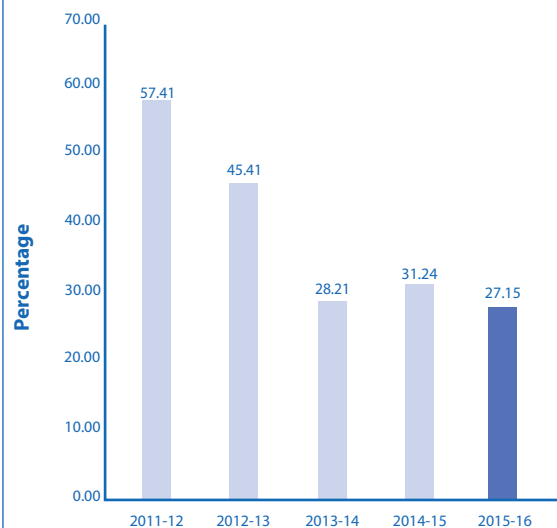
**EBIDTA, PBT & PAT**



**DIVIDEND (%), EPS & PAYOUT RATIO**

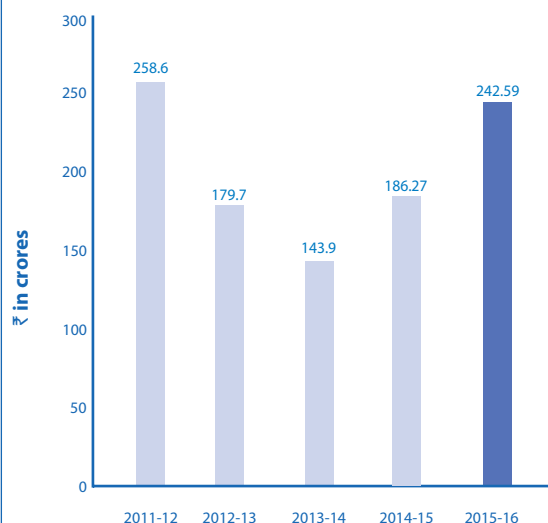


**OPERATING MARGIN**

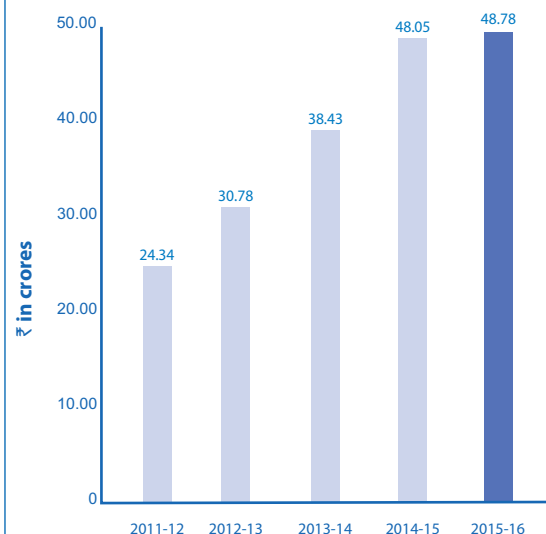


## Graphs

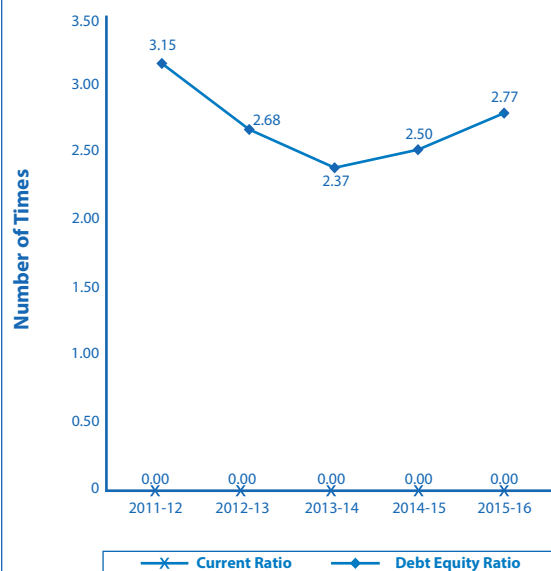
### NET WORKING CAPITAL



### INVENTORY



### CURRENT RATIO AND DEBT EQUITY RATIO



## Annual Report 2015-16

### Directors' Report

#### TO THE MEMBERS OF TML DRIVELINES LIMITED

The Directors present their Sixteenth Annual Report and the Audited Statement of Accounts for fiscal 2016.

#### FINANCIAL PERFORMANCE SUMMARY

(₹ in crores)

| Particulars  | 2015-16 | 2014-15 |
|--|---------|---------|
| Total Income   | 566.89  | 541.20  |
| Profit/(loss) before Interest, Depreciation & Tax (EBITDA) | 153.90  | 169.15  |
| Depreciation   | 73.61   | 96.94   |
| Exceptional Items  | 0.56    | 9.74    |
| Provision for Income Tax (including for earlier years)     | 24.97   | 15.62   |
| Net Profit/(Loss) After Tax                                | 54.76   | 46.85   |
| Profit/(Loss) brought forward from previous year           | 411.42  | 387.74  |
| Profit/(Loss) carried to Balance Sheet                     | 438.37  | 411.42  |

*Note - previous year figures have been regrouped/rearranged wherever necessary.*

#### DIVIDEND

The Board, in its Meeting held on March 22, 2016, declared an Interim Dividend of ₹2.50 per equity share. Further, the Board, in its meeting held on May 4, 2016, has recommended a Final Dividend of ₹0.50 per equity share for the financial year ended March 31, 2016. The proposal is subject to the approval of the shareholders at the Annual General Meeting to be held on July 27, 2016.

The total cash outflow (including dividend tax) for the current year is ₹4.63 crores, as against ₹23.17 crores in the previous year. The dividend as a percentage of the payouts of profits is 50.8%, as compared to 49.5% in the previous year.

#### TRANSFER TO RESERVES

The Company proposes to transfer ₹ Nil crores to the general reserve out of the amount available for appropriation and an amount of ₹26.95 crores is proposed to be retained in the Statement of profit and loss.

#### SUMMARY OF OPERATIONS

During the year, the net revenue from operations of your Company increased by 4.7%, from ₹541.20 Crores to ₹566.89 Crores. For FY 2016, your Company's profit after tax stood at ₹54.76 crores vis-à-vis ₹46.85 crores in the previous year, registering a growth of 16.9%.

#### OUTLOOK

The Medium & Heavy Commercial Vehicles (M&HCV -Truck) segment in India is likely to register a growth of 12-14% in FY 2016 driven by continuing trend towards replacement of ageing fleet and expectations of pick-up in demand from infrastructure and industrial sectors in view of reforms being initiated by the Government.

Over the medium term, the demand for new Commercial Vehicles will also be driven by gradual acceptance of advance trucking platforms, progression to BS-V emission norms (possibly by 2017 onwards) and introduction of technologies such as Anti-Lock Braking System (ABS), which may lead to some advance purchases by fleet operators.

#### BUSINESS REVIEW/STATE OF THE COMPANY'S AFFAIRS

During the year under review, there have been no changes in the nature of business of the Company.

## Directors' Report

### SHARE CAPITAL

As on March 31, 2016, the issued, subscribed and paid up share capital of your Company stood at ₹77,00,00,000/-, comprising 7,70,00,000 Equity shares of ₹10/- each. During the year under review, the Company has not issued any shares on rights/ preferential/ private placement basis. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company. As on March 31, 2016, none of the Directors of the Company hold shares of the Company in their individual capacity.

### SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the year under review, there have been no significant and material orders passed by the Regulators or Courts or Tribunals impacting the going concern status and Company's operations.

### RISK MANAGEMENT

The Audit Committee oversees the Company's processes and policies for determining risk tolerance and review management's measurement and comparison of overall risk tolerance to established levels. The Audit Committee has additional oversight in the area of financial risks and controls. Major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continuing basis.

### INTERNAL FINANCIAL CONTROLS

The Company has in place adequate system of internal control. It has documented procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations and for ensuring reliability of financial reporting. The Company has continued its efforts to align all its processes and controls with global best practices in these areas as well:

- Corporate policies on accounting and major processes;
- Well-defined processes for formulating and reviewing annual and long term business plans;
- Preparation and monitoring of annual budgets for all operating and service functions;
- State-of-the-art Enterprise Risk Management Programme (ERP) and Supplier Relations Management connect its different locations and vendors for efficient and seamless information exchange;
- Adoption of Tata Code of Conduct which covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns. All employees of the Company are regularly exposed to communications about the code;
- A well-established multidisciplinary Internal Audit team of Tata Motors, which reviews and reports to Management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks;
- Audit Committee of the Board of Directors, comprising independent directors, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with Accounting Standards as well as provide reasons for changes in accounting policies and practices, if any;
- A comprehensive information security policy and continuous upgrades to IT system;
- Documenting major business processes and testing thereof including financial closing, computer controls and entity level controls as part of compliance of the Internal Control over Financial Reporting as per the requirements of the Companies Act, 2013 ("the Act").

The Board takes responsibility for the total process of risk management in the organization. The Audit Committee reviews reports covering operational, financial and other business risk areas. Through an Enterprise Risk Management program, each Business Unit addresses opportunities and then attends to risks through an institutionalized approach that is aligned to the Company's objectives. This is also facilitated by internal audit. The business risk is managed through cross functional involvement and intense communication across businesses. Results of the risk assessment and residual risks are presented to the senior management.



## **Annual Report 2015-16**

### **HUMAN RESOURCES**

People are the most valuable asset for the organization and therefore we constantly strive to attract, retain and develop best talent to our current and future needs. The prime focus at the Company, in terms of HR practices is on people development and growth, and employee relations, which means a culture of caring for our people. The HR team launched and implemented various initiatives like Engagement Champions, Employee Birthday Celebrations, Tree Plantation by superannuating employees, i-teach, Learning Advisory Council (LAC), online Learning Management System (LMS), Learner of the Month and Employee of the month. The organization structure is designed around customer requirements and to drive business performance and on building a high performance team through performance coaching tools. For specific projects, employees across functions form Cross Functional Teams (CFTs) and work on critical assignments.

The Company observed cordial employee relations last year. The Company places on record its appreciation and recognition of the employees and Employee-Union for their constructive role and support throughout the year.

The Company continued to adopt the DuPont safety excellence journey for improved safety and health of its employee and other associates.

### **PREVENTION OF SEXUAL HARASSMENT**

Your Company reiterates that it has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace.

The Company has not received any complaint on sexual harassment during the financial year 2015-16.

### **FIXED DEPOSITS**

Your Company has not accepted any public deposits during the financial period under review.

### **EXTRACT OF ANNUAL RETURN**

Pursuant to Section 92(3) of the Act, extract of annual return in Form MGT9 is annexed as **Annexure 1**.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO**

The information on Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo stipulated under Section 134(3)(m) of the Act and read with Rule 8 the Companies (Accounts) Rules, 2014, is annexed as **Annexure 2**.

### **SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

Your Company continues to be the Subsidiary of Tata Motors Limited. Further, the Company has no subsidiaries, associates and joint ventures.

### **DIRECTORS**

Pursuant to the provisions of Section 149 of the Act, Dr Vaijayanti Pandit and Mr Rakesh Makhija have been appointed as Independent Directors at the Annual General Meeting of the Company held on August 7, 2015. All the Independent Directors have given declarations that each of them meets the criteria of independence as provided under Section 149(6) of the Act and there has been no change in circumstances which may affect their status as independent director during the year.

In accordance with the provisions of the Act and in terms of the Articles of Association of the Company, Mr S B Borwankar and Mr P K Chobe retire by rotation and are eligible for re-appointment.

### **KEY MANAGERIAL PERSONNEL**

During the year under review, the Company has designated following personnel as Key Managerial Personnel as per the definition under Section 2(51) and Section 203 of the Act:

- Mr Sampath Morri, Chief Executive Officer
- Mr Gurvinder Ahuja, Chief Financial Officer
- Mr Vispi S Patel, Company Secretary

## Directors' Report

### GOVERNANCE GUIDELINES

The Company has approved of Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Nomination and Remuneration Committee is responsible for reviewing and vetting the resumes of potential candidates vis-à-vis the required competencies (undertake a reference and due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board).

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act, which is annexed as **Annexure 3**.

### REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act, which is annexed as **Annexure 4**.

### BOARD EVALUATION

Pursuant to the provisions of the Act, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees through structured self-assessment questionnaires and meetings.

The structured questionnaires sent to all Directors for Board evaluation, covered various aspects of the Board and Committees functioning to the contribution and monitoring of corporate governance practices, such as degree of fulfilment of key responsibilities, its structure and composition, effectiveness of its processes, information and functioning, its culture and dynamics, quality of its relationship with the Management.

Similarly, self-assessment questionnaires sent to individual Directors covered various aspects for evaluating attendance and contribution at the Meetings and guidance/ support to the management outside Meetings. In addition, the Chairman was also evaluated on key aspects of his role.

The Chairman of the Board had one-on-one meetings with the Directors. The NRC reviewed the performance of the individual Directors. In a separate meeting of Independent Directors, performance of Non-Independent Directors, performance of the Board as a whole and performance of the Chairman was evaluated, taking into account the views of Non-Executive Directors.

This was followed up by a Board meeting, at which the feedback received from the Directors on the performance of the Board, its Committees and individual Directors was also discussed. The Board also discussed the relevant feedback received from the Directors with management on certain areas of improvement that the management could undertake for having a more cohesive and effective Board.

### BOARD MEETINGS

During the year under review, five Board Meetings were held, on May 6, July 29, October 30, January 28 and March 22 and attended by all the directors.

The maximum time-gap between any two consecutive meetings did not exceed 120 days.

### COMMITTEES OF BOARD

The Company continued to prioritise its role as a corporate citizen and continued to adopt the best practices and the highest standards of Corporate Governance through transparency in business ethics, accountability to its customers, government and others.

## **Annual Report 2015-16**

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are being reviewed periodically and mid-course corrections are carried out. The Board of Directors and the Committees also take decisions by the circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting.

The details of composition of the Committees of the Board of Directors are as under:-

### **Audit Committee**

The Audit Committee comprises of M/s Abhijit A Gajendragadkar, Chairman and Vijayanti Pandit and Rakesh Makhija, Members. The Chairman of the Committee is a Non - Executive Director and the other Members are Independent Directors, all of whom are financially literate having relevant finance and/or audit exposure.

During the year under review, 4 meetings were held on May 6, 2015, July 29, 2015, October 30, 2015 and January 28, 2016. The Committee meetings are attended by Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Internal Auditor and Statutory Auditor. The Company Secretary acts as the Secretary of the Audit Committee.

### **Nomination and Remuneration Committee**

The Nomination and Remuneration Committee ("NRC") of the Board comprises of M/s Rakesh Makhija, Chairman and Satish B Borwankar, Hoshang K Sethna and Vijayanti Pandit as Members.

During the year under review, 2 meetings of the NRC were held on May 6, 2015 and October 30, 2015.

### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility (CSR) Committee comprises of M/s Prasann K Chobe, Chairman and Niranjana S Kulkarni, Abhijit A Gajendragadkar and Vijayanti Pandit, Members.

During the year under review, one meeting of the Committee was held on May 6, 2015.

The CSR Policy of the Company and the details about the development of CSR Policy and initiatives taken by the Company on CSR during the year as per Annexure - II attached to the Companies (Corporate Social Responsibility Policy) Rules, 2014 have been appended as **Annexure 5** to this Report.

The other Committees and Policy matters of the Board of Directors are as under:

The Operations Committee of the Board comprises of M/s Satish B Borwankar, Chairman and Abhijit A Gajendragadkar, Prasann K Chobe, Niranjana S Kulkarni and Sampath K Morri, Members. The Directors / Senior Executives of the Company and Tata Motors are invited to participate in the deliberations of the Committee, where appropriate.

The Company has also formed an Apex Committee in line with the Tata Code of Conduct to address issues of sexual harassment at the work place.

The Company has signed an agreement with Tata Sons Limited subscribing to the TATA Brand Equity and Business Promotion Scheme (BEBP Agreement). On signing the Agreement, the Company is abiding by the Code of Conduct and norms for the new TATA brand identity. As a good corporate governance practice, the Company is adopting quarterly audited accounts.

The Company follows Accounting Standards issued by the Institute of Chartered Accountants of India and in the preparation of financial statements, the Company has not adopted a treatment different from that prescribed in any Accounting Standard.

The Board of Directors have adopted a Whistle-Blower Policy which provides a formal mechanism for all employees of the Company to approach the Management of the Company and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy.

### **DEMATERIALIZATION OF SHARES**

The Company's Equity Shares have been included in the Indian Depository System operated by the Central Depository Services (India) Limited [CDSL] which facilitates scrip less trading. Dealings in shares in electronic form eliminates problems such as loss, theft, mutilation,

## Directors' Report

bad deliveries, forgeries, fake certificates etc. associated with physical handling of share certificates and is also more cost efficient to the investor. TSR Darashaw Limited, the Company's Registrar and Transfer Agents have established an interface with CDSL for facilitating dematerialization of the Company's Equity Shares. 99.99% of the Company's shares are in dematerialized form.

### RELATED PARTY TRANSACTIONS

All contracts/ arrangements/ transactions entered by the Company during the financial year with related parties were on an arm's length basis, in the ordinary course of business and in compliance with the applicable provisions of the Act. There are no materially significant Related Party Transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

Accordingly, particulars of contracts or arrangements with related party referred to in Section 188(1) along with the justification for entering into such contracts or arrangement in Form AOC-2 does not form part of the report.

### AUDITORS

#### Statutory Auditors

At the AGM held on August 5, 2014, M/s. Deloitte Haskins & Sells LLP, (DHS), Chartered Accountants have been appointed Statutory Auditors of the Company for a period of 3 years. Ratification of appointment of Statutory Auditors is being sought from the Members of the Company at this AGM. Further, DHS have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

Further, the report of the Statutory Auditors along with notes to Schedules is enclosed to this report. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Auditor's Report does not contain any qualification, reservation or adverse remark.

#### Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s Makarand M Joshi & Co, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as **Annexure 6**.

The secretarial Audit Report does not contain any qualifications, reservation or adverse remarks.

### PARTICULARS OF EMPLOYEES

The information on employees who were in receipt of remuneration of not less than ₹60 lakhs during the year or ₹5 lakhs per month during any part of the said year as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the registered office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

### JOURNEY TOWARDS BUSINESS EXCELLENCE

While the company graduated to the "Emerging Industry Leader" Band in the TBEM assessment cycle the year before, changes in the Group Approach to TBEM now require the Company to be a part of the Tata Motors assessment as subsidiaries and parent company are required to apply for the assessment as one entity. The Internal Assessor resource in the Company and the management at large continue to be closely integrated with Tata Motors on the journey to business excellence. During the year an internal assessment has taken place.

### AWARDS AND RECOGNITION

The Company maintained a strong focus on motivating and retaining talent through various engagement, development, rewards and recognition programs. Accolades received by company and some of our employees are as follows:

- The Company was awarded World Class Quality (WCQ) Level I certification on December 16, 2015. A series of assessments were carried out over the last three months by a cross-locational team of assessors focusing on the deployment of the WCQ principles in all the units.

## TML Drivelines Limited

- First prize in Electrician trade, in the 28th Eastern Regional Workskills Competition, organized by CII Eastern Region, held between March 2nd and 4th, 2016 in Kolkata.
- One employee was awarded the ACES during the year, for demonstrating the four cultural values, viz. Accountability, Customer & Product focus, Excellence and Speed.
- The team representing the Company was declared as runners up in the intercompany tug-of-war event organized by Tata Motors Ltd.

### DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and external consultants including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2015-16.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b. the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c. the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d. the directors have prepared the annual accounts on a going concern basis;
- e. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

### ACKNOWLEDGEMENT

Your Directors place on record their appreciation for employees at all levels, who have contributed to the growth and performance of your Company. Your Directors also thank the clients, vendors, bankers, shareholders and advisers of the Company for their continued support. Your Directors also thank the Central and State Governments, and other statutory authorities for their continued support.

On behalf of the Board of Directors,

**S B Borwankar**  
Chairman

Date : May 4, 2016  
Place : Mumbai



## Directors' Report

### ANNEXURE 1

#### Form No. MGT-9 EXTRACT OF ANNUAL RETURN

as on the financial year ended on March 31, 2016

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

#### I. REGISTRATION AND OTHER DETAILS

|      |  |   |
|------|--|---|
| i)   | CIN  | U34100MH2000PLC124874   |
| ii)  | Registration Date  | 13/03/2000  |
| iii) | Name of the Company  | TML Drivelines Limited  |
| iv)  | Category / Sub-Category of the Company   | Public Company  |
| v)   | Address of the Registered Office and contact details                           | Nanavati Mahalaya, 18, Homi Mody Street, Hutatma Chowk, Mumbai - 400 001. Tel. No. 022 6665 8282  |
| vi)  | Whether listed company   | No  |
| vii) | Name, Address and contact details of Registrar & Transfer Agents (RTA), if any | TSR DARASHAW LIMITED<br>6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr E Moses Road, Mahalaxmi, Mumbai - 400 011.<br>Tel.: 022 6665 8282<br>Fax.: 022 6656 8494<br>E-mail: csg-unit@tsrdarashaw.com<br>Website: www.tsrdarashaw.com |

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---------|--|-----------------------------------|------------------------------------|
| 1.      | Axles and parts thereof                          | 29301                             | 44%                                |
| 2.      | Gearboxes and parts thereof                      |                                   | 38%                                |
| 3.      | Crankshaft and Forgings                          | 25910                             | 18%                                |

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

| Sl. | Name And Address of the Company  | CIN / GLN             | Holding / Subsidiary / Associate | % Of Shares Held | Applicable Section |
|-----|--|-----------------------|----------------------------------|------------------|--------------------|
| 1.  | Tata Motors Limited, Bombay House, 24 Homi Mody Street, Mumbai - 400 001 | L28920MH1945PLC004520 | Holding                          | 100%             | Section 2(46)      |

## Annual Report 2015-16

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

## 1. Category-wise Share Holding:

| Category of Shareholders                                   | No. of Shares held at the beginning of the year<br>i.e. April 1, 2015 |          |                    |                   | No. of Shares held at the end of the year<br>i.e. March 31, 2016 |          |                    |                   | % Change during the year |
|--|---|----------|--------------------|-------------------|--|----------|--------------------|-------------------|--------------------------|
|  | Demat   | Physical | Total              | % of Total Shares | Demat  | Physical | Total              | % of Total Shares |                          |
| <b>A. Promoters</b>  |   |          |                    |                   |  |          |                    |                   |                          |
| <b>1. Indian</b>   |   |          |                    |                   |  |          |                    |                   |                          |
| (a) Individual/HUF   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (b) Central Govt   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (c) State Govt.(s)   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (d) Bodies Corp.   | 7,70,00,000   | -        | 7,70,00,000        | 100               | 7,70,00,000  | -        | 7,70,00,000        | 100               | -                        |
| (e) Banks / FI   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (f) Any Other....  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub-total (A) (1):-</b>                                 | <b>7,70,00,000</b>  | <b>-</b> | <b>7,70,00,000</b> | <b>100</b>        | <b>7,70,00,000</b>   | <b>-</b> | <b>7,70,00,000</b> | <b>100</b>        | <b>-</b>                 |
| <b>2. Foreign</b>  |   |          |                    |                   |  |          |                    |                   |                          |
| (a) NRIs - Individuals                                     | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (b) Other - Individuals                                    | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (c) Bodies Corp.   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (d) Banks / FI   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (e) Any Other....  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub-total (A) (2):-</b>                                 | <b>-</b>  | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>                 |
| <b>Total shareholding of Promoter (A) = (A) (1)+(A)(2)</b> | <b>7,70,00,000</b>  | <b>-</b> | <b>7,70,00,000</b> | <b>100</b>        | <b>7,70,00,000</b>   | <b>-</b> | <b>7,70,00,000</b> | <b>100</b>        | <b>-</b>                 |
| <b>B. Public Shareholding</b>                              |   |          |                    |                   |  |          |                    |                   |                          |
| <b>1. Institutions</b>                                     |   |          |                    |                   |  |          |                    |                   |                          |
| (a) Mutual Funds   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (b) Banks / FI   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (c) Central Govt   | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (d) State Govt(s)  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (e) Venture Capital Funds                                  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (f) Insurance Companies                                    | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (g) FIs  | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (h) Foreign Venture Capital Funds                          | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| (i) Others (specify)                                       | -   | -        | -                  | -                 | -  | -        | -                  | -                 | -                        |
| <b>Sub-total (B)(1):-</b>                                  | <b>-</b>  | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>   | <b>-</b> | <b>-</b>           | <b>-</b>          | <b>-</b>                 |

## Directors' Report

|  |                    |          |                    |            |                    |          |                    |            |          |
|--|--------------------|----------|--------------------|------------|--------------------|----------|--------------------|------------|----------|
| <b>2. Non-Institutions</b>   |                    |          |                    |            |                    |          |                    |            |          |
| (a) Bodies Corp.   |                    |          |                    |            |                    |          |                    |            |          |
| (i) Indian   | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (ii) Overseas  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (b) Individuals  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (i) Individual shareholders holding nominal share capital upto ₹ 1 lakh          | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (c) Others (specify)   | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| Sub-total (B)(2):-   | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| Total Public   | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| Shareholding   | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| (B)=(B)(1)+(B)(2)  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| C. Shares held by  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| Custodian for  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| GDRs & ADRs  | -                  | -        | -                  | -          | -                  | -        | -                  | -          | -        |
| <b>Grand Total (A+B+C)</b>   | <b>7,70,00,000</b> | <b>-</b> | <b>7,70,00,000</b> | <b>100</b> | <b>7,70,00,000</b> | <b>-</b> | <b>7,70,00,000</b> | <b>100</b> | <b>-</b> |

### 2. Shareholding of Promoters:

| Sl. No | Shareholder's Name                             | Shareholding at the beginning of the year i.e. April 1, 2015 |                                  |  | Shareholding at the end of the Year i.e. March 31, 2016 |                                  |  | % change In Share holding during the year |
|--------|--|--|----------------------------------|--|---|----------------------------------|--|---|
|        |  | No. of Shares  | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares | No. of Shares   | % of total Shares of the Company | % of Shares Pledged / encumbered to total Shares |   |
| 1.     | Tata Motors Limited                            | 7,69,99,820  | 99.99                            | NIL  | 7,69,99,820   | 99.99                            | NIL  | NIL                                       |
| 2.     | Tata Motors jointly with Mr H K Sethna         | 18   | 00.01                            | NIL  | 18  | 00.01                            | NIL  | NIL                                       |
| 3.     | Tata Motors jointly with Mr Ravindra Pisharody | 36   |                                  | NIL  | 36  |                                  | NIL  | NIL                                       |
| 4.     | Tata Motors jointly with Mr V B Somaiya        | 36   |                                  | NIL  | 36  |                                  | NIL  | NIL                                       |
| 5.     | Tata Motors jointly with Mr Vispi Patel        | 36   |                                  | NIL  | 36  |                                  | NIL  | NIL                                       |
| 6.     | Tata Motors jointly with Mr C Ramakrishnan     | 18   |                                  | NIL  | 18  |                                  | NIL  | NIL                                       |
| 7.     | Tata Motors jointly with Mr A Gajendragadkar   | 36   |                                  | NIL  | 36  |                                  | NIL  | NIL                                       |
|        | <b>TOTAL</b>                                   | <b>7,70,00,000</b>   | <b>100.00</b>                    | <b>NIL</b>                                       | <b>7,70,00,000</b>                                      | <b>100.00</b>                    | <b>NIL</b>                                       | <b>NIL</b>                                |

## Annual Report 2015-16

## 3. Change in Promoters' Shareholding:

| Sl. No. | Name of Shareholder | Shareholding at the beginning of the year i.e. April 1, 2015 |                                  | Date | Reason | Increase / Decrease in Shareholding |                                  | Cumulative Shareholding during the year |                                  |
|---------|---------------------|--|----------------------------------|------|--------|-------------------------------------|----------------------------------|---|----------------------------------|
|         |                     | No. of shares  | % of total shares of the company |      |        | No. of shares                       | % of total shares of the company | No. of shares                           | % of total shares of the company |
| A.      | Tata Motors Limited | 7,70,00,000  | 100.00                           | NIL  | NIL    | NIL                                 | NIL                              | 7,70,00,000                             | 100.00                           |

4. Shareholding Pattern of Top Ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):  
Not Applicable

## 5. Shareholding of Directors and Key Managerial Personnel:

| Sl. No. | For Each of the Directors and KMP                           | Shareholding at the beginning of the year i.e. April 1, 2015 |                                  | Date | Reason | Increase / Decrease in Shareholding |                                  | Cumulative Shareholding during the year |                                  |
|---------|---|--|----------------------------------|------|--------|-------------------------------------|----------------------------------|---|----------------------------------|
|         |   | No. of shares  | % of total shares of the company |      |        | No. of shares                       | % of total shares of the company | No. of shares                           | % of total shares of the company |
| A.      | <b>Directors:</b><br>Tata Motors jointly with Mr H K Sethna | 18   | 00.01                            | -    | -      | NIL                                 | NIL                              | 18                                      | 0.01                             |
|         | Tata Motors jointly with Mr A Gajendragadkar                | 36   |                                  | -    | -      | NIL                                 | NIL                              | 36                                      |                                  |
| B.      | <b>KMPs:</b><br>Tata Motors jointly with Mr Vispi Patel     | 36   |                                  | -    | -      | NIL                                 | NIL                              | 36                                      |                                  |

## V. INDEBTEDNESS

The Company had no indebtedness with respect to Secured or Unsecured Loans or Deposits during the financial year 2015-16.

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

| Sl. No. | Particulars of Remuneration   | Name of MD/WT/Manager |              |
|---------|---|-----------------------|--------------|
|         |   | S K Morri             | Total        |
|         |   | CEO<br>(₹)            | (₹)          |
| 1       | Gross salary  |                       |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 62,76,863.12          | 62,76,863.12 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | 40,206.98             | 40,206.98    |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                     | -            |
| 2       | Stock Option  | -                     | -            |
| 3       | Sweat Equity  | -                     | -            |

## Directors' Report

| Sl. No. | Commission  | Name of MD/WTD/Manager |                     |
|---------|---|------------------------|---------------------|
|         |   | S K Morri              | Total (₹)           |
|         |   | CEO (₹)                |                     |
| 4       | Commission  | -                      | -                   |
|         | - as % of profit  | -                      | -                   |
| 5       | Others, please specify (SAF & Employers contribution to PF) | 3,60,873.28            | 3,60,873.28         |
|         | <b>Total</b>  | <b>66,77,943.38</b>    | <b>66,77,943.38</b> |

**B. Remuneration to other Directors: Not Applicable**

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

| Sl. No. | Particulars of Remuneration   | Key Managerial Personnel |              |              |
|---------|---|--------------------------|--------------|--------------|
|         |   | Vispi S Patel            | G Ahuja      | Total (₹)    |
|         |   | Company Secretary* (₹)   | CFO (₹)      |              |
| 1       | Gross salary  |                          |              |              |
|         | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | -                        | 30,44,360.52 | 30,44,360.52 |
|         | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961                             | -                        | 3,76,984.34  | 3,76,984.34  |
|         | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961              | -                        | -            | -            |
| 2       | Stock Option  | -                        | -            | -            |
| 3       | Sweat Equity  | -                        | -            | -            |
| 4       | Commission  | -                        | -            | -            |
|         | - as % of profit  | -                        | -            | -            |
| 5       | Others, please specify (SAF & Employers contribution to PF)                         | -                        | 2,31,734.08  | 2,31,734.08  |
|         | <b>Total</b>  | -                        | 36,53,078.94 | 36,53,078.94 |

*\*is on deputation from Tata Motors Ltd. The amount was allocated and paid by Tata Motors Ltd for his services.*

### VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

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

On Behalf of the Board of Directors,

**Satish B Borwankar**  
Chairman

Mumbai, May 4, 2016



## Annual Report 2015-16

## ANNEXURE 2

**Conservation of Energy, Technology Absorption, Foreign Exchange  
Earnings and Outgo**

[Pursuant to Section 134(3) (m) of Companies Act, 2013 read with  
Rule 8(3) of the Companies (Accounts) Rules, 2014]

**I. CONSERVATION OF ENERGY**

|       |  |   |
|-------|--|---|
| (i)   | the steps taken or impact on conservation of energy                      | <p>Steps taken for conservation of energy include:</p> <ul style="list-style-type: none"> <li>• Introduction of energy efficient heat treatment process</li> <li>• Replacement of MH or Sodium Vapour Lamps with LED lights.</li> <li>• Auto timer installation for switching off O/H lights</li> <li>• Power Steward formation to eliminate energy waste</li> <li>• VFD Installation in Cooling tower horizontal and vertical pump motor</li> <li>• Introduction of FRP Blade in Cooling Tower Fan</li> <li>• Introduction of FRP blades in overhead mancoolers</li> <li>• Mancooler replacement by air circulators in select areas</li> <li>• Light pipe installation for better use of day light</li> <li>• Running of portable compressor during OFF days and holidays instead of main compressor.</li> </ul> |
| (ii)  | the steps taken by the company for utilizing alternate sources of energy | <p>Steps taken by the company for utilizing alternate sources of energy include:</p> <ul style="list-style-type: none"> <li>• Solar water heater for cleaning utensils in canteens</li> <li>• Installation of light pipes for better use of day light</li> <li>• Waste heater recovery for washing machine water heating</li> </ul>   |
| (iii) | the capital investment on energy conservation equipment                  | ₹16.20 lacs   |

**II. TECHNOLOGY ABSORPTION**

|     |  |   |
|-----|--|---|
| (i) | the efforts made towards technology absorption | <p>In keeping with the company's aim of constant up gradation and development of new &amp; green products &amp; processes in line with the changing business scenario, new technology enablers are continuously being scanned by all functions to ensure relevant capability is built in-house. Technology absorption is also being pursued to build capabilities for IPR development within the company at the Engineering Research Centre.</p> <p>Major movements in the past year cut across functions ranging from</p> <p>IT - greater integration of ERP (SAP) platform with the Product lifecycle management software (Siemens PLM) to minimize manual interventions and risk, e-enabling critical approval/ action tracking and critical work-flow processes (Mint), e-enabled Logistics improvement</p> <p>Manufacturing Process – Induction of Patented Prawema technology for Synchroniser parts machining, Skiving process as a substitute to gear shaping operation for achieving significantly high productivity, Air-assisted Shot Peening technology, Multiple axis machining centre for complicated low volume product manufacture, laser measurement technology (Truck- o-Cam) for precise Toe-in setting of front axles which also contributes to reduction of tyre-wear at customer end.</p> <p>Environment friendly - latest green technology for heat treatment minimizing carbon-footprint and conserving resources like water and carbon based fuels, Latest technology sewage treatment plants for canteen waste, LED electrification for energy conservation etc;</p> <p>Research Focused - Digital design &amp; validation technology inducted in preceding years have been significantly enhanced thru' class-room &amp; on-the-job training to carry out advanced digital simulations including Non-linear simulations, Fatigue Life calculations and NVH simulations. Prototype test capability also has been further enhanced by commissioning of state-of-the art Synchro test Rig for Transmissions validation.</p> |
|-----|--|---|

## Directors' Report

|       |  |  |
|-------|--|--|
| (ii)  | the benefits derived like product improvement, cost reduction, product development or import substitution  | <p>The absorption of latest technology in IT systems have enabled more efficient and effective management of BOMs and ensured that there is elimination of manual errors in critical process steps and approval sequences, thereby eliminating risks of key process non-adherence.</p> <p>The Air-assisted Shot peening technology enables manufacture of components with enhanced wear &amp; failure resistant properties, thereby improving service life of key aggregates and components.</p> <p>The new Green-focused Heat Treatment facility in advanced stage of setup is set to eliminate need for critical resources like water for cooling purposes; this technology also enables a steep reduction in consumption of fuel, thereby reducing carbon foot-print significantly.</p> <p>ERC: Digital design &amp; validation technology and Prototype testing infrastructure inducted in ERC has been effectively exploited for 1) Design improvements of current products to reduce Field failures as in case of SRT Rear Axle Beam &amp; Output shaft failure, 4018 Crown wheel failure etc &amp; 2) New Product development like Front Drive Axle &amp; Rear Axles for Tata-Daewoo, Korea 4x4 and 6x6 Vehicles. With enhanced competence &amp; capability of ERC, the Design ownership of all current Transmissions and Axles has been transferred by Tata Motors ERC to TML Drivelines ERC for maintenance and future improvements.</p> <p>The Direct Material Cost Reduction effort led to saving of ₹102.71 Crores during the year.</p> <p>The induction of the Multi Axis Turn-mill centre and the manufacturing process flexibility available in the system has enabled the company to be in a position to deliver complicated low volume parts like defense business at very competitive costs. The enhancement in product portfolio achieved during last few years enabled company to deliver products to TDCV, Godrej and some other customers through LOB4 of TML.</p> <p>The company is also in talks with prospective technology partners for futuristic aggregate program like DCT/AMT.</p> |
| (iii) | <p>in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-</p> <p>(a) the details of technology imported</p> <p>(b) the year of import;</p> <p>(c) whether the technology been fully absorbed</p> <p>(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof</p> | <p>The current year witnessed induction of critical imported processing technology set to enable development and launch of superior quality products competing with the best in the world. Patented PRAWEMA Hypocycloidal machining technology for machining synchro-system parts in transmissions was successfully absorbed into the system (FY15). This technology enables achievement of superior and consistent gear Shift feel and system durability. Already commissioned for manufacture of current model synchro-parts, the inducted machines are capable of addressing requirements from planned future range of gear-boxes which are in various stages of development.</p> <p>The year (FY15) also saw the induction of gear Skiving technology into the company capability which enhances productivity and quality of machining of certain critical components manifold. This technology also enables the company to widen its product portfolio and address high volume requirements in certain CV segments which the company did not address traditionally, like the LCV segment.</p>   |
| (iv)  | the expenditure incurred on Research and Development   |  |

### III. FOREIGN EXCHANGE EARNINGS AND OUTGO

During the year, the total foreign exchange used was ₹1307.87 lakh.

On Behalf of the Board of Directors,

**S B Borwankar**  
Chairman

Mumbai, May 4, 2016

### ANNEXURE 3

#### Criteria for determining Qualifications, Positive Attributes and Independence of Directors

[Pursuant to Section 178 (3) of the Companies Act, 2013]

##### 1. Definition of Independence

"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director:-

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives -
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of-
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two per cent. or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent. or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company; or who possesses such other qualifications as may be prescribed."

Current and ex-employees of a Tata Company may be considered as independent only if he/she has or has had no pecuniary relationship with any Tata company (due to employment/receipt of monthly pension by way of Special Retirement Benefits/holding consultant or advisor positions) during the two immediately preceding financial year.

##### 2. Qualifications of Directors

- 1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- 4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
  - (a) the term of appointment;
  - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
  - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

## Directors' Report

- (d) provision for Directors and Officers (D and O) insurance, if any;
  - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

### 3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference the duties of the Directors as provided by the Act are as follows:

- 1) *"Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company."*
- 2) *A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment."*
- 3) *A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment."*
- 4) *A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company."*
- 5) *A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company."*
- 6) *A director of a company shall not assign his office and any assignment so made shall be void."*
- 7) *If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees."*

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behavior, strong interpersonal skills and soundness of judgment.

Independent Directors are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

1. *uphold ethical standards of integrity and probity;*
2. *act objectively and constructively while exercising his duties;*
3. *exercise his responsibilities in a bona fide manner in the interest of the company;*
4. *devote sufficient time and attention to his professional obligations for informed and balanced decision making;*
5. *not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;*
6. *not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;*
7. *refrain from any action that would lead to loss of his independence;*
8. *where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;*
9. *assist the company in implementing the best corporate governance practices."*

On Behalf of the Board of Directors,

**S B Borwankar**  
Chairman

Mumbai, May 4, 2016

## ANNEXURE 4

### Remuneration Policy for the Directors, Key Managerial Personnel and other employees

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of TML Drivelines Limited ("the company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("**Act**"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("**NRC**") shall consider the factors laid down under Section 178(4) of the Act, which are as under:

- "(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;*
- (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and*
- (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"*

Key principles governing this remuneration policy are as follows:

- Remuneration for independent directors and non-independent non- executive directors:
  - Independent directors ("ID") and non-independent non-executive directors
  - ("NED") may be paid sitting fees (for attending the meetings of the Board
  - and of committees of which they may be members) and commission within regulatory limits.
  - Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
  - Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
  - Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
  - Overall remuneration practices should be consistent with recognized best practices.
  - Quantum of sitting fees may be subject to review on a periodic basis, as required.
  - The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
  - The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
  - In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his / her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board / Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

- Remuneration for managing director ("MD") / executive directors ("ED") / KMP / rest of the employees<sup>1</sup>

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)



## Directors' Report

- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - o The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - o Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - o In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - o The company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - o Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - o Industry benchmarks of remuneration,
  - o Performance of the individual.
- The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

<sup>1</sup> Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

On Behalf of the Board of Directors,

**Satish B Borwankar**  
Chairman

Mumbai, May 4, 2016

## Annual Report 2015-16

## ANNEXURE 5

## Annual Report on CSR Activities

[Pursuant to Sections 134(3) (o) and 135(4) (a) of Companies Act, 2013]

A brief outline of the Company's CSR policy, including an overview of projects or programmes proposed to be undertaken and a reference to the web-link to the CSR Policy and projects or programmes:

1. **Outline of CSR Policy:** As an integral part of our commitment to Good Corporate Citizenship, we at TML Drivelines believe in actively assisting in the improvement of the quality of life of the people in the communities, giving preference to local areas around our business operations. We shall continue to relentlessly strive in our endeavor of nation-building, sustainable development, accelerated inclusive growth and social equity.

The Company has framed its CSR Policy in compliance with the provisions of the Companies Act, 2013 and the same is placed on the Company's website at the web link: <http://www.tmldrivelines.com/about/pdf/CSR-policy.pdf>

2. **Composition of the CSR Committee:-**

Mr P K Chobe, Chairman

Mr N S Kulkarni

Mr A A Gajendragadkar

Dr V Pandit

3. **Average Net Profit of the Company for last three financial years:-** ₹73.75 crores

4. **Prescribed CSR Expenditure (two per cent. of amount as in item 3 above):-** ₹1.48crores

5. **CSR projects: the key CSR Projects at TML Drivelines include:**

- a) total amount to be spent for the financial year:- ₹1.80 crores
- b) amount un-spent, if any - NIL
- c) manner in which the amount spent during financial year, is detailed below:

| 1      | 2   | 3                                      | 4  | 5   | 6  | 7  | 8  |
|--------|---|--|--|---|--|--|--|
| Sr. No | CSR project/ activity identified                        | Sector in which the Project is covered | Projects/ Programmes<br>1.Local area/ others-<br>2.Specify the state and district where projects or programmes were undertaken | Amount outlay (budget) project/ programme wise<br>(₹ in lacs) | Amount spent on the project/ programme<br>Sub-heads:<br>1.Direct expenditure on project/ programme,<br>2.Overheads:<br>(₹ in lacs) | Cumulative spend upto to the reporting period<br>(₹ in lacs) | Amount spent: Direct/ through implementing agency* |
| 1      | Infrastructure development of ABMP School               | Promotion of Education                 | Rohargora, Jharkhand   | 20  | 20   | 20   | Directly to ABMP School, Rohargora                 |
| 2      | Operation Theatre renovation at Parivar Kalyan Sansthan | Health                                 | Jamshedpur, Jharkhand  | 61  | 61   | 61   | Through, Parivar Kalyan Sansthan                   |
| 3      | Scholarship to SC/ ST students                          | Promotion of Education                 | Mumbai   | 2.8   | 2.8  | 2.8  | Directly to FAEMA                                  |

## Directors' Report

| 1      | 2  | 3   | 4  | 5   | 6  | 7  | 8   |
|--------|--|---|--|---|--|--|---|
| Sr. No | CSR project/ activity identified   | Sector in which the Project is covered              | Projects/ Programmes<br>1.Local area/ others-<br>2.Specify the state and district where projects or programmes were undertaken | Amount outlay (budget) project/ programme wise<br>(₹ in lacs) | Amount spent on the project/ programme<br><br>Sub-heads:<br>1.Direct expenditure on project/ programme,<br>2.Overheads:<br>(₹ in lacs) | Cumulative spend upto to the reporting period<br>(₹ in lacs) | Amount spent: Direct/ through implementing agency |
| 4      | Residential Training facility Renovation work and new structure for Skill Development Centre for Employability Program | Community Development                               | Jamshedpur, Jharkhand  | 70  | 70   | 70   | Through, Gram Vikas Kendra                        |
| 5      | School on wheels project   | Promotion of Education,                             | Jamshedpur, Jharkhand  | 13  | 13   | 13   | Through, Shiksha Prasar Kendra                    |
| 6      | Development of Laxminagar School   | Promotion of Education                              | Jamshedpur, Jharkhand  | 6   | 6  | 6  | Directly to MEUV Laxminagar School.               |
| 7      | AC to AIWC & Asha Kiran  | Woman Development, Differently abled and livelihood | Jamshedpur, Jharkhand  | 2.4   | 2.4  | 2.4  | Payment made directly to Supplier                 |
| 8      | Renovation of R P Patel Cheshire Home  | Differently abled and livelihood enhancement        | Jamshedpur, Jharkhand  | 2.5   | 2.5  | 2.5  | Directly to R P Patel Cheshire home               |
| 9      | School development activities  | Promotion of Education                              | Jamshedpur, Jharkhand  | 2   | 2  | 2  | Directly to various suppliers.                    |

6. In case the company has failed to spend the two per cent. of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report: Not Applicable
7. A responsibility statement by the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company: The implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.

**Mr Sampath Kumar Morri**  
Chief Executive Officer

**Mr Prasann K Chobe**  
Chairman of CSR Committee

Mumbai, May 4, 2016

## Annual Report 2015-16

### ANNEXURE 6

Form No. MR-3

#### SECRETARIAL AUDIT REPORT

#### FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,

The Members,

**TML Drivelines Limited**

Tata Motors Ltd., 3rd Flr, Nanavati Mahalaya,  
18 Homi Mody Street, Hutatma Chowk,  
Mumbai - 400 001.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TML Drivelines Limited** (hereinafter called the "**Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2016 ('**Audit Period**') complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under (**Not Applicable to the Company**)
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under (**Not applicable to the Company during the Audit Period to the extent Foreign Direct Investment, External Commercial Borrowings and Overseas Direct Investment**)
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (**Not Applicable to the Company**)
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992/2015 (**Not Applicable to the Company**)
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**Not Applicable to the Company**)
  - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 notified on 28 October 2014 and its amendments notified on 18th September, 2015 (**Not Applicable to the Company**)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (**Not Applicable to the Company**)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client (**Not Applicable to the Company**)

## Directors' Report

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not Applicable to the Company)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **(Not Applicable to the Company)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (w.e.f. 01/12/2015) **(Not Applicable to the Company)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with stock exchanges. **(Not Applicable to the Company)**

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

**We further report that**, having regard to the compliance system prevailing in the company and on the examination of the relevant documents and records in pursuance thereof, on test-check basis, the Company has complied with following laws as specifically applicable to the Company:

1. The Motor Vehicles Act, 1988 as amended from time to time and
2. The Central Motor Vehicle Rules, 1989

### **We further report that**

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

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

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

All decisions at Board Meetings and Committee Meetings are carried out either unanimously or majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

**We further report that** there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For **MAKARAND M. JOSHI & CO.,**  
**COMPANY SECRETARIES**

**KUMUDINI PARANJPE**  
**Partner**  
FCS No. 6667  
CP No. 6690

Place: Mumbai  
Date: May 4, 2016

## **Annual Report 2015-16**

# **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF TML DRIVELINES LIMITED**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of TML DRIVELINES LIMITED ("the Company"), which comprise the Balance Sheet as at March 31, 2016, 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 prescribed under section 133 of the Act, as applicable.

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.

#### **Auditor's 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 and the Order under section 143 (11) of the Act.

We conducted our audit of the 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 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. 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.

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, 2016, and its profits 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, 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.

## Independent Auditors' Report

- 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 prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on March 31, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2016 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, 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 21.
  - ii. The the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 34.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") 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 & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W / W100018)

**MOHAMMED BENGALI**  
Partner  
(Membership No. 105828)

**Mumbai, May 4, 2016**



**Annual Report 2015-16**

**ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 TML DRIVELINES LIMITED ("the Company") as of March 31, 2016 in conjunction with our audit of the 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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

**Inherent Limitations of Internal Financial Controls 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.

## Annexure to Independent Auditors' Report

### 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, 2016, 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 & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W / W100018)

**MOHAMMED BENGALI**  
Partner  
(Membership No. 105828)

**Mumbai**, May 4, 2016

## Annual Report 2015-16

**ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT**

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

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - 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.
  - The Company does not have any immovable properties of freehold or leasehold land. Factory buildings have been built on the land taken on sub-lease basis from the holding Company after obtaining necessary permissions from the office of Factories Inspectorate and are not required to be registered with the office of the Sub- Registrar of Land and Revenue. Therefore, such factory buildings does not have any tile deeds.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013.
- (iv) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
- The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.
  - There were no undisputed amounts payable in respect of Provident Fund, Income Tax, Sales Tax, Service tax, Excise Duty, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2016 for a period of more than six months from the date they became payable.
  - Details of dues of Income Tax, Sales Tax, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2016 on account of disputes are given below:

| Name of Statute   | Nature of Dues | Forum where Dispute is pending         | Period to which the amount relates                  | Amount Involved (₹. In Lakhs) | Amount Unpaid (₹. In Lakhs) |
|-------------------|----------------|--|---|-------------------------------|-----------------------------|
| Jharkhand VAT Act | Sales Tax      | Joint Commissioner Sales Tax (Appeals) | 2004-05<br>2005-06                                  | 70.35                         | 70.35                       |
| Jharkhand VAT Act | Sales Tax      | Joint Commissioner Sales Tax           | 2011-12   | 30.02                         | 30.02                       |
| Jharkhand VAT Act | Sales Tax      | Dy Commissioner Sales Tax              | 2005-06<br>2007-08<br>2008-09<br>2009-10<br>2010-11 | 1,552.65                      | 1,552.65                    |

## Annexure to Independent Auditors' Report

|                    |                                      |                               |  |          |          |
|--------------------|--------------------------------------|-------------------------------|--|----------|----------|
| Central Excise Act | Excise Duty                          | CESTAT                        | 2000-01<br>2001-02<br>2001-02 to 2007-08<br>2001-02 to 2008-09<br>2004-05<br>2007-08<br>2008-09 to 2012-13<br>2013-14 to 2014-15<br>2014-15 to 2015-16 | 7,928.01 | 7,857.44 |
| Central Excise Act | Excise Duty                          | Commissioner                  | 2001-02  | 2,160.77 | 1,993.24 |
| Central Excise Act | Excise Duty                          | Jharkhand High Court          | 2001-02  | 4.42     | 4.42     |
| Income Tax Act     | Income Tax and/or Fringe Benefit Tax | Assessing Officer             | 2004-05  | 200.88   | 52.58    |
| Income Tax Act     | Income Tax and/or Fringe Benefit Tax | CIT (Appeals)                 | 2004-05 to 2007-08 & 2010-11   | 130.61   | 86.29    |
| Income Tax Act     | Income Tax and/or Fringe Benefit Tax | Income Tax Appellate Tribunal | 2006-07 to 2007-08   | 204.59   | 9.03     |

There are no dues of Service tax and Customs duty as on March 31, 2016 on account of disputes.

- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause (viii) of CARO 2016 is not applicable to the Company.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no 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 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.
- (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 not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No.117366W / W100018)

**MOHAMMED BENGALI**  
Partner  
(Membership No. 105828)

Mumbai, May 4, 2016

## Annual Report 2015-16

## Balance Sheet as at March 31, 2016

(₹ in Lakhs)

|   | Note  | Page     | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|---|-------|----------|----------------------------|----------------------------|
| <b>I. EQUITY AND LIABILITIES</b>  |       |          |                            |                            |
| (1) <b>Shareholders' Funds</b>  |       |          |                            |                            |
| (a) Share Capital   | 2     | 4        | 7,700.00                   | 7,700.00                   |
| (b) Reserves and Surplus  | 3     | 5        | 73,620.97                  | 70,925.56                  |
|   |       |          | <b>81,320.97</b>           | <b>78,625.56</b>           |
| (2) <b>Non-current Liabilities</b>  |       |          |                            |                            |
| (a) Deferred Tax Liabilities (Net)  | 4     | 6        | 4,708.12                   | 4,393.43                   |
| (b) Other Long-term Liabilities   | 5     | 7        | 763.67                     | 844.93                     |
| (c) Long-term provisions  | 6     | 7        | 4,188.42                   | 3,067.74                   |
|   |       |          | <b>9,660.21</b>            | <b>8,306.10</b>            |
| (3) <b>Current Liabilities</b>  |       |          |                            |                            |
| (a) Trade Payables<br>(includes dues of micro and small enterprises<br>₹ 277.37 Lakhs (March 31, 2015: ₹ 359.24 Lakhs)) | 7     | 7        | 7,397.77                   | 6,612.34                   |
| (b) Other Current Liabilities   | 8     | 7        | 4,868.73                   | 2,361.25                   |
| (c) Short-term Provisions   | 9     | 7        | 1,451.91                   | 3,257.70                   |
|   |       |          | <b>13,718.41</b>           | <b>12,231.30</b>           |
| <b>TOTAL</b>  |       |          | <b>104,699.59</b>          | <b>99,162.95</b>           |
| <b>II. ASSETS</b>   |       |          |                            |                            |
| (1) <b>Non-current Assets</b>   |       |          |                            |                            |
| (a) Fixed Assets  |       |          |                            |                            |
| (i) Tangible Assets   | 10    | 8        | 52,178.11                  | 52,768.47                  |
| (ii) Intangible Assets  | 11    | 9        | 2,917.95                   | 3,216.43                   |
| (iii) Capital Work-in-progress  |       |          | 5,322.96                   | 6,987.41                   |
| (iv) Intangible Assets under Development  |       |          | 535.01                     | 624.65                     |
|   |       |          | <b>60,954.03</b>           | <b>63,596.96</b>           |
| (b) Long-term Loans and Advances  | 12    | 10       | 5,768.48                   | 4,707.71                   |
|   |       |          | <b>66,722.51</b>           | <b>68,304.67</b>           |
| (2) <b>Current Assets</b>   |       |          |                            |                            |
| (a) Current Investments   | 13    | 11       | 2,500.00                   | 2,500.00                   |
| (b) Inventories   | 14    | 12       | 4,878.28                   | 4,804.60                   |
| (c) Cash and Bank Balances  | 15    | 13       | 43.72                      | 4,025.94                   |
| (d) Short-term loans and advances   | 16    | 13       | 30,433.20                  | 19,381.83                  |
| (e) Other Current Assets  | 17    | 13       | 121.88                     | 145.91                     |
|   |       |          | <b>37,977.08</b>           | <b>30,858.28</b>           |
| <b>TOTAL</b>  |       |          | <b>104,699.59</b>          | <b>99,162.95</b>           |
| <b>III. Significant Accounting Policies</b>   | 1     | API-APII |                            |                            |
| <b>IV. Notes forming part of the financial statements</b>   | 21-35 | 16-20    |                            |                            |

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**

**MOHAMMED BENGALI**  
Partner

**M SAMPATH KUMAR**  
Chief Executive Officer  
**GURVINDER SINGH AHUJA**  
Chief Financial Officer  
**VISPI S PATEL**  
Company Secretary

For and on behalf of the Board  
**S B BORWANKAR**  
**A A GAJENDRAGADKAR**  
**H K SETHNA**  
**P K CHOBE**  
**N S KULKARNI**  
**Dr A K JINDAL**  
**Dr VAIJAYANTI PANDIT**  
**RAKESH MAKHIJA**

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director

Mumbai, May 4, 2016

Mumbai, May 4, 2016

## Annual Report 2015-16

# Statement of Profit & Loss for the year ended March 31, 2016

(₹ in Lakhs)

| Particulars   | Note   | Page     | 2015-16         | 2014-15         |
|---|--------|----------|-----------------|-----------------|
| <b>I. Revenue from Operations (Gross)</b>   | 18 (1) | 14       | <b>54584.95</b> | 52665.01        |
| Less: Excise duty   |        |          | <b>(75.75)</b>  | (91.16)         |
| Revenue from Operations (net)   |        |          | <b>54509.20</b> | 52573.85        |
| <b>II. Other Income</b>   | 18 (2) | 14       | <b>2179.92</b>  | 1545.64         |
| <b>III. Total Revenue (I + II)</b>  |        |          | <b>56689.12</b> | <b>54119.49</b> |
| <b>IV. Expenses :</b>   |        |          |                 |                 |
| (a) Changes in Inventories of unbilled cost                                       | 25     | 16       | <b>22.37</b>    | (86.86)         |
| (b) Employee Benefits expense   | 19     | 15       | <b>18352.52</b> | 17758.95        |
| (c) Depreciation and Amortisation expense   | 11(A)  | 9        | <b>7360.86</b>  | 9694.05         |
| (d) Other expenses  | 20     | 15       | <b>23014.85</b> | 19595.67        |
| (e) Expenditure Transferred to Capital and other Accounts                         |        |          | <b>(90.90)</b>  | (63.45)         |
| <b>Total Expenses</b>   |        |          | <b>48659.70</b> | 46898.36        |
| <b>V. Profit Before Exceptional items, Extraordinary Items and Tax (III - IV)</b> |        |          | <b>8029.42</b>  | 7221.13         |
| <b>VI. Exceptional Items</b>  |        |          |                 |                 |
| (a) Exceptional Items - Employee Separation Cost                                  |        |          | <b>55.79</b>    | 973.88          |
| <b>VII. Profit Before Extra Ordinary Items and Tax (V - VI)</b>                   |        |          | <b>7973.63</b>  | 6247.25         |
| <b>VIII. Extraordinary Items</b>  |        |          | -               | -               |
| <b>IX. Profit / (Loss) Before Tax from continuing operations (VII - VIII)</b>     |        |          | <b>7973.63</b>  | 6247.25         |
| <b>X. Tax Expense :</b>   |        |          |                 |                 |
| (a) Current Tax   |        |          | <b>2183.26</b>  | 2151.90         |
| (b) Deferred Tax.....(Refer Note 4(b))  |        |          | <b>314.69</b>   | (589.50)        |
|   |        |          | <b>2497.95</b>  | 1562.40         |
| <b>XI. Profit after tax for the year from continuing operations (IX - X)</b>      |        |          | <b>5475.68</b>  | 4684.85         |
| <b>XII. Earnings Per Equity Share - Basic &amp; Diluted (Refer Note 23)</b>       |        |          | <b>7.11</b>     | 6.08            |
| <b>XIII. Significant Accounting Policies</b>                                      | 1      | API-APII |                 |                 |
| <b>XIV. Notes forming part of the financial statements</b>                        | 21-35  | 16-20    |                 |                 |

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**

**MOHAMMED BENGALI**  
Partner

**M SAMPATH KUMAR**  
Chief Executive Officer  
**GURVINDER SINGH AHUJA**  
Chief Financial Officer  
**VISPI S PATEL**  
Company Secretary

For and on behalf of the Board

**S B BORWANKAR**  
**A A GAJENDRAGADKAR**  
**H K SETHNA**  
**P K CHOBE**  
**N S KULKARNI**  
**Dr A K JINDAL**  
**Dr VAIJAYANTI PANDIT**  
**RAKESH MAKHIJA**

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director

Mumbai, May 4, 2016

Mumbai, May 4, 2016

## Annual Report 2015-16

## Cash Flow Statement for the year ended March 31, 2016

(₹ in Lakhs)

|   | 2015-16           | 2014-15    |
|---|-------------------|------------|
| <b>A. Cash flow from Operating Activities</b>   |                   |            |
| Profit after tax                                | <b>5475.68</b>    | 4684.85    |
| Adjustments for:                                |                   |            |
| Depreciation / Amortisation                     | <b>7360.86</b>    | 9694.05    |
| (Profit) / Loss on sale of assets (net)         | <b>(8.76)</b>     | (24.66)    |
| Wealth tax                                      | -                 | 2.22       |
| Asset Written Off                               | <b>139.66</b>     | 186.16     |
| Tax expense                                     | <b>2497.95</b>    | 1562.40    |
| Interest / Dividend (net)                       | <b>(2179.92)</b>  | (1545.64)  |
| Exchange differences (unrealised)               | <b>48.39</b>      | (80.97)    |
|   | <b>7858.18</b>    | 9793.56    |
| Operating Profit before Working Capital changes | <b>13333.86</b>   | 14478.41   |
| Adjustments for:                                |                   |            |
| Other Current Assets and Non Current Assets     | <b>1078.21</b>    | 324.23     |
| Inventories                                     | <b>(73.69)</b>    | (961.39)   |
| Trade Payables & Other Liabilities              | <b>603.96</b>     | 805.11     |
| Short-term & Long-term provisions               | <b>1166.79</b>    | 676.27     |
|   | <b>2775.27</b>    | 844.22     |
|   | <b>2775.27</b>    | 844.22     |
| Cash generated from operations                  | <b>16109.13</b>   | 15322.63   |
| Direct taxes paid (net)                         | <b>(2363.90)</b>  | (2395.12)  |
| Net Cash from Operating Activities              | <b>13745.23</b>   | 12927.51   |
| <b>B. Cash Flow from Investing Activities</b>   |                   |            |
| Purchase of fixed assets                        | <b>(5656.06)</b>  | (8642.95)  |
| Sale of fixed assets                            | <b>109.17</b>     | 76.90      |
| Increase in short term Inter-corporate deposits | <b>(12070.00)</b> | (15975.00) |
| Fixed deposits made / realised (net)            | -                 | 3250.00    |

## Annual Report 2015-16

### Cash Flow Statement for the year ended March 31, 2016

(₹ in Lakhs)

|   | 2015-16    | 2014-15    |
|---|------------|------------|
| Interest received   | 2206.33    | 1538.89    |
| Net Cash used in Investing Activities                       | (15410.56) | (19752.16) |
| <b>C. Cash Flow from Financing Activities</b>               |            |            |
| Dividend paid (including Dividend tax)                      | (2316.89)  | (675.65)   |
| Net Cash used in Financing Activities                       | (2316.89)  | (675.65)   |
| Net Decrease in Cash and cash equivalents                   | (3982.22)  | (7500.30)  |
| Cash and cash equivalents (Opening Balance) (Refer Note 15) | 4025.94    | 11526.24   |
| Cash and cash equivalents (Closing Balance) (Refer Note 15) | 43.72      | 4025.94    |

Previous period's figures have been restated, wherever necessary, to conform to this period's classification.

In terms of our report attached  
For **DELOITTE HASKINS & SELLS LLP**  
**Chartered Accountants**

**MOHAMMED BENGALI**  
Partner

**M SAMPATH KUMAR**  
Chief Executive Officer  
**GURVINDER SINGH AHUJA**  
Chief Financial Officer  
**VISPI S PATEL**  
Company Secretary

For and on behalf of the Board

**S B BORWANKAR**  
**A A GAJENDRAGADKAR**  
**H K SETHNA**  
**P K CHOBE**  
**N S KULKARNI**  
**Dr A K JINDAL**  
**Dr VAIJAYANTI PANDIT**  
**RAKESH MAKHIJA**

Chairman  
Director  
Director  
Director  
Director  
Director  
Director  
Director

Mumbai, May 4, 2016

Mumbai, May 4, 2016



## Annual Report 2015-16

## Notes forming part of the financial statements

**1. SIGNIFICANT ACCOUNTING POLICIES****(a) BASIS OF PREPARATION**

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis of accounting 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"). 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 judgements, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the period presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

**(c) FIXED ASSETS****Tangible Assets:**

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

**Intangible Asset:**

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

**(d) DEPRECIATION AND AMORTISATION****Tangible Assets :**

Tangible Assets :

Depreciation on tangible assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013 except in respect of the following categories of assets, in whose case the life of the assets has been assessed as under based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support, etc.:

|                                 |                |
|---------------------------------|----------------|
| • Buildings                     | - 28 years     |
| • Plant & Machinery             | - 8 - 20 years |
| • Furniture & Fixtures          | - 15 years     |
| • Vehicles                      | - 4 years      |
| • Office Equipments             | - 5 years      |
| • Computers and other IT assets | - 4-6 years    |
| • Water System and Sanitation   | - 20 years     |

**Tangible Assets not exceeding ₹ 25,000 are charged off to the Statement of Profit and Loss as and when incurred.**

**Intangible Assets:**

Intellectual Property Rights are amortized over a period of 84 months based on units of production method. The Intellectual Property rights related to Forge Division are amortised over a period of 3 years based on the estimated useful life.

Software in excess of ₹ 25,000 is amortized over a period of sixty months or on the basis of estimated useful life whichever is lower.

Product development cost are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period after commencement of commercial production of the underlying product.

Goodwill on acquisition is amortised over a period of 4 years. The customer contract rights are amortised over a period of 10 years based on the requirements of Accounting Standard 26 - Intangible Assets, as the contract life is perpetual in nature.

**(e) INVESTMENTS**

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.

## Notes forming part of the financial statements

### (f) INVENTORIES

Inventories are valued at lower of cost or net realisable value. Cost is ascertained on a moving weighted average basis. Unbilled cost (i.e. conversion cost incurred but not billed to customers) is valued on full absorption cost basis.

### (g) REVENUE RECOGNITION

Sales comprises of Income from rendering of Services which gets recognised when the services are delivered to the customer and are recognised net of discounts. Sales are presented gross of excise duty and net of other indirect taxes and trade discounts, wherever applicable.

### (h) EMPLOYEE BENEFITS

Employee benefits are dealt with in the following manner:

- Contributions to Provident, Superannuation and Gratuity funds are made to the recognised funds of Tata Motors Limited and charged to the Statement of Profit and Loss.
- The liability of Superannuation (for employees who are covered under the Defined Benefit Scheme), Gratuity, Compensated Absences, Bhavishya Kalyan Yojna, Post Retirement Medical Benefit and Ex-gratia is ascertained by an independent actuarial valuation. During interim periods such liabilities are as per management estimates.
- The net present value of compensation payable to employees who have opted for retirement under the early separation scheme is charged to the Statement of Profit and Loss in the year of separation.

### (i) BORROWING COSTS

Interest and other costs relating to borrowing of funds are recognised as an expense in the period in which they are incurred, unless activities that are necessary to prepare the qualifying assets for its intended use are in progress.

### (j) 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 assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Other deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income to realize such assets.

### (k) PROCESS WARRANTY EXPENSES

The estimated liability for process warranty is recorded when sale of services are provided to Tata Motors Limited and includes failures on account of design, process, vendor quality aspects, etc. These estimates are established using historical information on the nature, frequency of warranty claims and management estimates regarding possible future incidence based on corrective actions on account of above mentioned failures.

### (l) TRANSACTIONS IN FOREIGN CURRENCY

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are restated at period end exchange rates. Exchange differences arising on settlement of transactions and restatement are accounted for in the following manner:-

- Differences relating to short-term monetary items are recognised as income or expense in the year in which they arise.
- Differences relating to long-term foreign currency borrowings taken for the acquisition of depreciable capital asset are adjusted in the carrying cost of Fixed Assets.

### (m) SEGMENT REPORTING

#### (i) Business Segment

The Company has considered business segment as the primary segment. The Company is engaged in the activities related to manufacture of axles, gear boxes and spare parts thereof, which in the context of Accounting Standard 17 [AS - 17] is considered as the only business segment.

#### (ii) Geographical segment

The Company sells its products / services primarily within India. The conditions prevailing in India being uniform no separate geographical segment disclosure is considered necessary.

### (n) PROVISIONS & CONTINGENCIES

A provision is recognised when the Company has a present obligation as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent liabilities are not recognised. A contingent asset is neither recognised nor disclosed.

## Annual Report 2015-16

(₹ in Lakhs)

## 2. SHARE CAPITAL

## Authorised :

100,000,000 Equity Shares of ₹ 10 each

(March 31, 2015: 100,000,000 Equity Shares of ₹ 10 each)

## Issued, subscribed and fully paid :

77,000,000 Equity Shares of ₹ 10 each \*

(March 31, 2015: 77,000,000 Equity Shares of ₹ 10 each)

\* 77,000,000 Equity Shares (March 31, 2015: 77,000,000 Equity Shares) held by Tata Motors Limited, the holding company.

|  | As at<br>March 31,<br>2016 |              | As at<br>March 31,<br>2015 |              |
|--|----------------------------|--------------|----------------------------|--------------|
|  | Nos. in<br>Lakhs           | ₹ in Lakhs   | Nos. in<br>Lakhs           | ₹ in Lakhs   |
| (a) <b>Reconciliation of number and amount of shares:</b>  |                            |              |                            |              |
| (i) <b>Authorised :</b>  |                            |              |                            |              |
| Number of shares / Share Capital at the beginning of the year  | 1000.00                    | 10000.00     | 1000.00                    | 10000.00     |
| Number of shares / Share Capital at the end of the year  | 1000.00                    | 10000.00     | 1000.00                    | 10000.00     |
| (ii) <b>Issued, subscribed and fully paid :</b>  |                            |              |                            |              |
| Number of shares / Share Capital at the beginning of the year  | 770.00                     | 7700.00      | 770.00                     | 7700.00      |
| Number of shares / Share Capital at the end of the year  | 770.00                     | 7700.00      | 770.00                     | 7700.00      |
| (b) <b>Shares in the Company held by each shareholder holding more than 5 percent shares</b><br>(Equity Shares of ₹ 10 each) |                            |              |                            |              |
|  | As at<br>March 31,<br>2016 | %<br>Holding | As at<br>March 31,<br>2015 | %<br>Holding |
| (a) Tata Motors Limited  | 770.00                     | 100%         | 770.00                     | 100%         |
|  | 770.00                     | 100%         | 770.00                     | 100%         |

## (c) Rights, preferences and restrictions attached to Shares Equity Shares of ₹ 10 each

- In respect of every Equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid upon such Equity share bears to the total paid up Equity capital of the Company.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend.
- In the event of liquidation, the shareholders of Equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

## Notes forming part of the financial statements

(₹ in Lakhs)

### 3. RESERVES AND SURPLUS

|   | As at<br>March 31,<br>2015      | Additions                     | Deductions                    | As at<br>March 31,<br>2016      |
|---|---------------------------------|-------------------------------|-------------------------------|---------------------------------|
| (a) Securities Premium Account                                | 2,654.58<br>(2,654.58)          | -                             | -                             | 2,654.58<br>(2,654.58)          |
| (b) General Reserve   | 27,129.39<br>(27,129.39)        | -                             | -                             | 27,129.39<br>(27,129.39)        |
| (c) Surplus in statement of Profit and Loss [Refer (i) below] | 41,141.59<br>(38,773.63)        | 5,475.68<br>(4,684.85)        | 2,780.27<br>(2,316.89)        | 43,837.00<br>(41,141.59)        |
|   | <b>70,925.56</b><br>(68,557.60) | <b>5,475.68</b><br>(4,684.85) | <b>2,780.27</b><br>(2,316.89) | <b>73,620.97</b><br>(70,925.56) |

#### (i) Changes in Surplus of Profit and Loss :

- (a) Profit for the year
- (b) Interim Dividend / Proposed Dividend
- (c) Tax on Interim Dividend / Proposed Dividend

| 2015-2016       |                 | 2014-15         |                 |
|-----------------|-----------------|-----------------|-----------------|
| Additions       | Deductions      | Additions       | Deductions      |
| 5,475.68        | -               | 4,684.85        | -               |
| -               | 2,310.00        | -               | 1,925.00        |
| -               | 470.27          | -               | 391.89          |
| <b>5,475.68</b> | <b>2,780.27</b> | <b>4,684.85</b> | <b>2,316.89</b> |

Figures in brackets relate to previous year

### 4. DEFERRED TAX LIABILITIES

#### (a) Major components of deferred tax arising on account of timing differences are :

(₹ in Lakhs)

#### Liabilities:

- Depreciation
- Product Development Cost

#### Assets:

- Employee Separation Scheme
- Stamp Duty & Other Expenses
- Employee Benefits / Expenses allowable on payment basis

#### Net Deferred Tax Liability (Net)

#### (b) Deferred Tax charge / (credit) for the year

- Opening Deferred Tax Liability
- Less : Closing Deferred Tax Liability
- Deferred Tax charge / (credit) for the year

#### (c) Tax expense :

- (i) Current Tax
- (ii) Deferred Tax

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| (4819.05)                  | (4649.80)                  |
| (638.56)                   | (553.80)                   |
| <b>(5457.61)</b>           | <b>(5203.60)</b>           |
| <b>328.74</b>              | 389.77                     |
| <b>22.91</b>               | 48.56                      |
| <b>397.84</b>              | 371.84                     |
| <b>749.49</b>              | 810.17                     |
| <b>(4708.12)</b>           | <b>(4393.43)</b>           |
| 2015-16                    | 2014-15                    |
| (4393.43)                  | (4982.93)                  |
| (4708.12)                  | (4393.43)                  |
| <b>314.69</b>              | <b>(589.50)</b>            |
| 2015-16                    | 2014-15                    |
| <b>2183.26</b>             | 2151.90                    |
| <b>314.69</b>              | (589.50)                   |
| <b>2497.95</b>             | <b>1562.41</b>             |

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(₹ in Lakhs)

## 5. Other Long-term Liabilities

- (a) Pension - Employee Separation Scheme

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 763.67                     | 844.93                     |
| <b>763.67</b>              | <b>844.93</b>              |

## 6. Long - Term Provisions

- (a) Provision for employee benefits (Refer Note 26)
- (b) Provision for Warranty (Refer Note 33)

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 3379.22                    | 2924.80                    |
| 809.20                     | 142.94                     |
| <b>4188.42</b>             | <b>3067.74</b>             |

## 7. Trade Payables

- (a) Micro, Small and Medium Enterprises (Refer Note 31)
- (b) Trade Payables\*

\* Includes payable to;  
Tata Motors Limited - Holding Company  
Tata Technologies Limited - Fellow Subsidiary

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 277.37                     | 359.24                     |
| 7120.39                    | 6253.10                    |
| <b>7397.76</b>             | <b>6612.34</b>             |
| 2404.48                    | 2545.26                    |
| <b>47.60</b>               | <b>22.51</b>               |

## 8. Other Current Liabilities

- (a) Statutory dues (Excise duty/VAT/Service Tax/TDS etc)
- (b) Liability for capital expenditure\*
- (c) Liability for retention
- (d) Advance Received from Customers
- (e) Interim Dividends
- (f) Tax on Interim Dividends
- (g) Others

\* TAL Manufacturing Solutions Limited - Fellow Subsidiary

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 296.24                     | 363.97                     |
| 1372.97                    | 854.86                     |
| 593.65                     | 868.50                     |
| 67.77                      | 54.34                      |
| 1925.00                    | -                          |
| 391.88                     | -                          |
| 221.22                     | 219.58                     |
| <b>4868.73</b>             | <b>2361.25</b>             |
| <b>63.98</b>               | <b>149.88</b>              |

## 9. Short-term provisions

- (a) Provision for employee benefits (Refer Note 26)
- (b) Proposed Dividends
- (c) Provision for Tax on Proposed Dividends
- (d) Provision for Tax (Net)  
(Net of advance tax ₹ 14,477.81 lakhs, As at March 31, 2015 ₹ 14,477.81 lakhs)
- (e) Provision for Warranty (Refer Note 33)

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 259.10                     | 266.72                     |
| 385.00                     | 1925.00                    |
| 78.39                      | 391.89                     |
| 335.62                     | 334.02                     |
| 393.80                     | 340.07                     |
| <b>1451.91</b>             | <b>3257.70</b>             |

## Notes forming part of the financial statements

### 10. Tangible Assets

(₹ in Lakhs)

| FIXED ASSETS  | Cost as at April 1, 2015         | Additions / Adjustments       | Deductions / Adjustments      | Cost as at March 31, 2016         | Accumulated depreciation / amortisation up to April 1, 2015 | Depreciation / Amortisation for the period | Deductions / Adjustments      | Accumulated depreciation / amortisation up to March 31, 2016 | Net Book Value as at March 31, 2016 |
|---|----------------------------------|-------------------------------|-------------------------------|-----------------------------------|---|--|-------------------------------|--|-------------------------------------|
| <b>[I] Owned Assets :</b>                           |                                  |                               |                               |                                   |   |  |                               |  |                                     |
| (a) Buildings                                       | 4,323.10<br>(3,533.94)           | 298.93<br>(789.16)            | -<br>-                        | 4,622.03<br>(4,323.10)            | 1,016.26<br>(816.81)  | 183.15<br>(199.45)                         | -<br>-                        | 1,199.41<br>(1,016.26)                                       | 3,422.62<br>(3,306.84)              |
| (b) Plant & Machinery and Equipment [Refer 2 below] | 97,168.32<br>(90,556.85)         | 5,199.26<br>(8,602.41)        | 2,737.62<br>(1,990.94)        | 99,629.96<br>(97,168.32)          | 48,643.41<br>(44,928.90)                                    | 6,009.75<br>(5,497.09)                     | 2,641.99<br>(1,782.58)        | 52,011.17<br>(48,643.41)                                     | 47,618.79<br>(48,524.91)            |
| (c) Furniture & Fixtures                            | 180.52<br>(193.11)               | 30.62<br>(1.28)               | 7.14<br>(13.87)               | 204.00<br>(180.52)                | 88.61<br>(88.33)  | 9.30<br>(13.48)                            | 6.43<br>(13.20)               | 91.48<br>(88.61)   | 112.52<br>(91.91)                   |
| (d) Vehicles  | 185.09<br>(220.63)               | 99.79<br>(32.49)              | 93.36<br>(68.03)              | 191.52<br>(185.09)                | 108.29<br>(115.56)  | 33.35<br>(37.53)                           | 75.31<br>(44.80)              | 66.33<br>(108.29)  | 125.19<br>(76.80)                   |
| (e) Office Equipments                               | 460.21<br>(452.53)               | 27.52<br>(14.66)              | 29.01<br>(6.98)               | 458.72<br>(460.21)                | 321.98<br>(133.07)  | 52.12<br>(193.13)                          | 22.72<br>(4.22)               | 351.38<br>(321.98)   | 107.34<br>(138.23)                  |
| (f) Computers and other IT assets                   | 356.44<br>(401.35)               | 2.50<br>(6.17)                | 14.76<br>(51.08)              | 344.18<br>(356.44)                | 197.47<br>(193.40)  | 46.81<br>(50.29)                           | 14.16<br>(46.22)              | 230.12<br>(197.47)   | 114.06<br>(158.97)                  |
| (g) Water System and Sanitation                     | 45.73<br>(33.91)                 | 129.38<br>(11.82)             | -<br>-                        | 175.11<br>(45.73)                 | 14.54<br>(12.20)  | 3.91<br>(2.34)                             | -<br>-                        | 18.45<br>(14.54)   | 156.66<br>(31.19)                   |
| <b>[II] Assets given on Lease:</b>                  |                                  |                               |                               |                                   |   |  |                               |  |                                     |
| Plant & Machinery and Equipment                     | 533.38<br>(582.98)               | 110.36<br>-                   | 7.15<br>(49.60)               | 636.59<br>(533.38)                | 93.76<br>(70.27)  | 28.27<br>(25.16)                           | 6.37<br>(1.67)                | 115.66<br>(93.76)  | 520.93<br>(439.62)                  |
| <b>Total</b>  | <b>103,252.79</b><br>(95,975.30) | <b>5,898.36</b><br>(9,457.99) | <b>2,889.04</b><br>(2,180.50) | <b>106,262.11</b><br>(103,252.79) | <b>50,484.32</b><br>(46,358.54)                             | <b>6,366.66</b><br>(6,018.47)              | <b>2,766.98</b><br>(1,892.69) | <b>54,084.00</b><br>(50,484.32)                              | <b>52,178.11</b><br>(52,768.47)     |

**Notes :**

- Figures in brackets relate to previous year
- Includes Plant & Machinery having Gross block of ₹ 924.28 lakhs (As at March 31, 2015: ₹ 1776.68 lakhs) and Net Block of ₹ 34.84 lakhs (As on March 31, 2015: ₹ 53.18 lakhs) held for disposal at lower of their net book value and net relisable value

### 11. Intangible Assets

(₹ in Lakhs)

| FIXED ASSETS   | Cost as at April 1, 2015        | Additions / Adjustments   | Deductions / Adjustments | Cost as at March 31, 2016       | Accumulated depreciation / amortisation up to April 1, 2015 | Depreciation / Amortisation for the period | Deductions / Adjustments | Accumulated depreciation / amortisation up to March 31, 2016 | Net Book Value as at March 31, 2016 |
|--|---------------------------------|---------------------------|--------------------------|---------------------------------|---|--|--------------------------|--|-------------------------------------|
| <b>Intangible Assets</b>                             |                                 |                           |                          |                                 |   |  |                          |  |                                     |
| (a) Computer Software #                              | 746.97<br>(634.35)              | 139.22<br>(118.50)        | -<br>(5.88)              | 886.19<br>(746.97)              | 377.12<br>(285.14)  | 126.10<br>(97.67)                          | -<br>(5.69)              | 503.22<br>(377.12)   | 382.97<br>(369.85)                  |
| (b) Intellectual property rights other intangibles # | 17,870.60<br>(17,870.60)        | 556.50<br>-               | -<br>-                   | 18,427.10<br>(17,870.60)        | 17,786.29<br>(14,984.80)                                    | 84.33<br>(2,801.49)                        | -<br>-                   | 17,870.62<br>(17,786.29)                                     | 556.48<br>(84.31)                   |
| (c) Product Development cost *                       | 143.76<br>(143.76)              | -<br>-                    | -<br>-                   | 143.76<br>(143.76)              | 6.99<br>(0.61)  | 13.73<br>(6.38)                            | -<br>-                   | 20.72<br>(6.99)  | 123.04<br>(136.77)                  |
| (d) Customer Contract Rights #                       | 1,809.00<br>(1,809.00)          | -<br>-                    | -<br>-                   | 1,809.00<br>(1,809.00)          | 361.80<br>(180.90)  | 180.90<br>(180.90)                         | -<br>-                   | 542.70<br>(361.80)   | 1,266.30<br>(1,447.20)              |
| (e) Goodwill #                                       | 2,356.58<br>(2,356.58)          | -<br>-                    | -<br>-                   | 2,356.58<br>(2,356.58)          | 1,178.28<br>(589.14)  | 589.14<br>(589.14)                         | -<br>-                   | 1,767.42<br>(1,178.28)                                       | 589.16<br>(1,178.30)                |
| <b>Total</b>   | <b>22,926.91</b><br>(22,814.29) | <b>695.72</b><br>(118.50) | <b>-</b><br>(5.88)       | <b>23,622.63</b><br>(22,926.91) | <b>19,710.48</b><br>(16,040.59)                             | <b>994.20</b><br>(3,675.58)                | <b>-</b><br>(5.69)       | <b>20,704.68</b><br>(19,710.48)                              | <b>2,917.95</b><br>(3,216.43)       |

**Notes:**

- Figures in brackets relate to previous year

\* Internally generated Intangible Assets

# Other than Internally generated Intangible Assets

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(₹ in Lakhs)

| 11 (A). Depreciation & Amortisation expense for the period ended:  |                        |  | March 31,<br>2016          | March 31,<br>2015          |
|--|------------------------|--|----------------------------|----------------------------|
|  |                        |  | (₹ in lakhs)               | (₹ in lakhs)               |
| Depreciation Tangible Assets (Note 10)   |                        |  | 6,366.66                   | 6,018.47                   |
| Depreciation / Amortisation Intangible Assets (Note 11)  |                        |  | 994.20                     | 3,675.58                   |
| Total Depreciation & Amortisation expense  |                        |  | 7,360.86                   | 9,694.05                   |
| 12. Long - term Loans and Advances (Unsecured, considered good)  |                        |  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| (a) Capital Advances   |                        |  | 1177.00                    | 235.68                     |
| (b) Advance Income Tax   |                        |  | 4352.00                    | 4170.61                    |
| (c) Loans and advances to employees.<br>(Net of provision ₹ 34,898.87 lakhs, As at March 31, 2015 ₹ 32,696.44 lakhs) |                        |  | 166.04                     | 249.69                     |
| (d) Others-  |                        |  | 73.44                      | 51.73                      |
|  |                        |  | 5768.48                    | 4707.72                    |
| * TAL Manufacturing Solutions Limited - Fellow Subsidiary  |                        |  | 10.60                      | -                          |
| 13. Current Investments  |                        |  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| I. Current Investments - Non trade (at lower of cost and fair value)<br>Investments in Mutual Fund - Unquoted        |                        |  |                            |                            |
| No. of units   | Face Value<br>Per unit | Description                                    |                            |                            |
| 708,682.40<br>(708,682.40)   | 10                     | ICICI Prudential Flexible Income Plan - Growth | 1500.00                    | 1500.00                    |
| 5,543,360.16<br>(5,543,360.16)   | 10                     | Kotak Floater Short Term Growth                | 1000.00                    | 1000.00                    |
|  |                        |  | 2500.00                    | 2500.00                    |
| 14. Inventories  |                        |  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| (a) Stores and spare parts   |                        |  | 2418.06                    | 2668.55                    |
| (b) Consumable tools   |                        |  | 1467.10                    | 1120.56                    |
| (c) Unbilled Cost  |                        |  | 993.12                     | 1015.49                    |
|  |                        |  | 4878.28                    | 4804.60                    |
| 15. Cash and Bank Balances   |                        |  | As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| Cash and cash equivalents  |                        |  |                            |                            |
| (a) Cash on hand   |                        |  | 0.38                       | 0.40                       |
| (b) Current Account with banks   |                        |  | 43.34                      | 25.54                      |
| (c) Bank Deposits with upto 3 months maturity  |                        |  | -                          | 4000.00                    |
|  |                        |  | 43.72                      | 4025.94                    |

## Notes forming part of the financial statements

(₹ in Lakhs)

### 16. Short-term loans and advances (Unsecured, considered good)

- (a) Inter Corporate Deposits\*# ( Refer Note 28B (XX))
- (b) Loans and advances to employees..
- (c) Balances with government authorities (Excise duty/Service Tax etc)
- (d) Advances to suppliers and contractors
- (e) Deposit with others
- (f) others

\* Maximum Outstanding during the period

# Tata Motors Limited

# Tata Marcopolo Motors Limited

### 17. Other Current Assets

- (a) Interest accrued on deposits / loans
- (b) Prepaid expenses

### 18. Total Revenue

#### 1. Revenue from Operations

- (a) Sale of Services
- (b) Other operating revenues (Refer 1 below)

Revenue from Operations (Gross)

Less: Excise duty

Revenue from Operations (Net)

#### 2. Other income

- (a) Interest income (Refer 2 below)

#### 1. Includes :

- (i) Scrap Sales
- (ii) Profit on Sale of Assets held for Disposal
- (iii) Lease rental of Plant & Machinery

#### 2. Includes:

- (i) Interest Income on Deposits with Banks & Financial Institutions
- (ii) Interest Income on Inter Corporate Deposits

| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
|----------------------------|----------------------------|
| 28545.00                   | 16475.00                   |
| 108.64                     | 127.93                     |
| 905.43                     | 1320.05                    |
| 323.35                     | 493.63                     |
| 500.00                     | 500.00                     |
| 50.78                      | 465.22                     |
| 30433.20                   | 19381.83                   |
| 28545.00                   | 21910.00                   |
| 28545.00                   | 15675.00                   |
| -                          | 800.00                     |
| As at<br>March 31,<br>2016 | As at<br>March 31,<br>2015 |
| 29.57                      | 55.98                      |
| 92.31                      | 89.93                      |
| 121.88                     | 145.91                     |
| 2015-16                    | 2014-15                    |
| 53524.20                   | 51582.38                   |
| 1060.75                    | 1082.63                    |
| 54584.95                   | 52665.01                   |
| (75.75)                    | (91.16)                    |
| 54509.20                   | 52573.85                   |
| 2179.92                    | 1545.64                    |
| 2179.92                    | 1545.64                    |
| 2015-16                    | 2014-15                    |
| 597.64                     | 519.09                     |
| 54.16                      | 28.47                      |
| 91.80                      | 88.44                      |
| 68.73                      | 177.66                     |
| 2106.27                    | 1360.58                    |



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(₹ in Lakhs)

|   | 2015-16         | 2014-15        |
|---|-----------------|----------------|
| <b>19. Employee Benefits Expense</b>  |                 |                |
| (a) Salaries, wages and bonus etc   | <b>16454.67</b> | 15470.88       |
| (b) Contribution to provident and other funds   | <b>1123.42</b>  | 1643.37        |
| (c) Staff welfare expenses (Refer 1 below)  | <b>774.43</b>   | 644.70         |
|   | <b>18352.52</b> | 17758.95       |
| <b>20. Other Expenses</b>   | <b>2015-16</b>  | <b>2014-15</b> |
| (a) Processing charges  | <b>11.92</b>    | 8.42           |
| (b) Consumption of stores and spare parts   | <b>6679.41</b>  | 5742.27        |
| (c) Power and fuel  | <b>6149.21</b>  | 6114.50        |
| (d) Rent  | <b>501.66</b>   | 500.54         |
| (e) Repairs to buildings  | <b>247.71</b>   | 168.96         |
| (f) Repairs to plant, machinery, etc.   | <b>749.67</b>   | 520.19         |
| (g) Insurance   | <b>96.47</b>    | 74.53          |
| (h) Freight, transportation, port charges, etc.   | <b>165.31</b>   | 130.28         |
| (i) Warranty Charges (Refer Note 33)  | <b>1517.46</b>  | 505.80         |
| (j) Expenditure on Corporate Social Responsibility  | <b>179.72</b>   | 301.77         |
| (k) Works operation and other expenses (Refer 2 below)  | <b>6716.31</b>  | 5528.41        |
|   | <b>23014.85</b> | 19595.67       |
|   | <b>2015-16</b>  | <b>2014-15</b> |
| 1. Includes:-   |                 |                |
| (i) Provisions for other employee benefit schemes   | <b>539.71</b>   | 460.27         |
| 2. Includes:-   |                 |                |
| (i) Auditors' Remuneration -  |                 |                |
| Audit Fees  | <b>31.20</b>    | 22.00          |
| In other Capacities -   |                 |                |
| Tax Audit Fees  | <b>5.00</b>     | 5.00           |
| Other Services  | <b>2.75</b>     | 3.13           |
| [Transfer Pricing, Sec 35(2AB), DPT 4]  |                 |                |
| (ii) Share of Expenses for common services facilities   | <b>3069.21</b>  | 2700.44        |
| (iii) Foreign Exchange Fluctuation (Profit) / Loss (net)  | <b>32.38</b>    | (40.76)        |
| (iv) Loss on Sale of Assets   | <b>45.40</b>    | 3.80           |
| <b>21. Contingent liabilities, commitments (to the extent not provided for):</b>  |                 |                |
| I) The Company is involved in the following appellate and judicial proceeding matters arising in the course of conduct of the Company's business. Few of the proceedings, in respect of matters under litigation, are in early stages and in other cases, the claims are indeterminate. |                 |                |
| Claims against the company not acknowledged as debts:   |                 |                |
| - Provision not made for Income tax matters in dispute in respect of disallowances ₹ 1041.99 lakhs (As at March 31, 2015: ₹ 1041.99 lakhs)  |                 |                |

## Notes forming part of the financial statements

- Excise matters in appeal in respect of valuation disputes etc ₹ 10088.82 lakhs (As at March 31, 2015: ₹ 9252.62 lakhs)
- Claim on Excise duty matter where issue was decided in favour of the company for which department in further appeal ₹ 4.42 lakhs (As at March 31, 2015 : ₹ 4.42 lakhs)
- Sales Tax : ₹ 1653.02 Lakhs (As at March 31, 2015: ₹ 1219.95 lakhs)

The management believes that the claims made are untenable and is contesting them. As of the reporting date, the management is unable to determine the ultimate outcome of these matters. However, in the event the revenue authorities succeed with enforcement of their assessments, the company may be required to pay some or all of the asserted claims and the consequential interest and penalties, which could reduce net profit and could have a material adverse effect on the net profit in the respective reporting period

- II) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 12198.56 lakhs (As at March 31, 2015: ₹ 6929.19 lakhs) Net of advances of ₹ 1177.00 lakhs (As at March 31, 2015: ₹ 235.70 lakhs)

### 22. Foreign exchange currency exposures not covered by derivative instruments as on March 31, 2016

| Currency   | Amount<br>(Foreign currency) | Amount<br>₹ |
|--|------------------------------|-------------|
|  | in Lakhs                     | in Lakhs    |
| Creditors payable on account of other foreign currency expenditure | EUR 2.42                     | 182.30      |
|  | (EUR 3.04)                   | (204.34)    |
|  | USD 4.99                     | 330.74      |
|  | (USD 5.92)                   | (370.22)    |

[Figures in brackets are for the previous year]

### 23. Earnings per share:

|  | Apr Mar'16 | Apr-Mar'15 |
|--|------------|------------|
|  | ₹ in Lakhs | ₹ in Lakhs |
| (a) Profit after Tax (₹ in Lakhs)            | 5475.68    | 4684.85    |
| (b) Number of Ordinary shares for EPS (Nos.) | 77000000   | 77000000   |
| (c) Nominal value per Ordinary Share (₹)     | 10         | 10         |
| (d) Earnings Per Share (Basic & Diluted) (₹) | 7.11       | 6.08       |

### 24. The Company has entered into agreement with Tata Motors Limited, permitting the Company to use Tata Motors's land and factory buildings for its operations and for sharing common services and facilities. Fixed rentals for Land and Factory building are charged to the Statement of Profit and Loss. The said agreement is renewable in every five years.

### 25. Change in Inventory of unbilled cost:

|  | Apr-Mar'16 | Apr-Mar'15 |
|--|------------|------------|
|  | ₹ in Lakhs | ₹ in Lakhs |
| Balance at the beginning of the period | 1015.49    | 928.63     |
| Less: Balance at the end of the period | 993.12     | 1015.49    |
| Change in Unbilled Cost                | 22.37      | -86.86     |

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## 26 DISCLOSURE RELATING TO EMPLOYEE BENEFITS

## Defined benefit plans / Long term compensated absences - As per actuarial valuations as on March 31, 2016

|   | Gratuity        |                 |                 |                 |                 | Superannuation |                |                |                |                |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|----------------|----------------|----------------|----------------|----------------|
|   | 2015-16         | 2014-15         | 2013-14         | 2012-13         | 2011-12         | 2015-16        | 2014-15        | 2013-14        | 2012-13        | 2011-12        |
| <b>i Components of employer expense</b>   |                 |                 |                 |                 |                 |                |                |                |                |                |
| Current Service cost  | 246.70          | 218.05          | 228.90          | 169.34          | 169.55          | 19.20          | 34.81          | 11.12          | 14.80          | 15.35          |
| Interest cost   | 284.05          | 331.97          | 320.72          | 243.02          | 218.33          | 4.90           | 9.24           | 13.59          | 18.63          | 17.80          |
| Expected return on plan assets  | (317.55)        | (319.15)        | (309.63)        | (234.51)        | (225.57)        | (5.28)         | (10.01)        | (19.24)        | (25.75)        | (22.55)        |
| Actuarial Losses/(Gains)  | (145.15)        | 322.88          | 120.54          | 5.42            | 319.05          | (8.70)         | (12.12)        | 34.75          | (21.67)        | (23.31)        |
| <b>Total expense / (income) recognised in the Statement of Profit &amp; Loss Account in</b> | <b>68.05</b>    | <b>553.75</b>   | <b>360.53</b>   | <b>183.27</b>   | <b>481.36</b>   | <b>10.12</b>   | <b>21.92</b>   | <b>40.22</b>   | <b>(13.99)</b> | <b>(12.71)</b> |
| <b>Note No -19</b>  | <b>(b)</b>      |                 |                 |                 |                 | <b>(b)</b>     |                |                |                |                |
| <b>ii Actual Contribution and Benefit Payments for year ended 31 March 2015</b>             |                 |                 |                 |                 |                 |                |                |                |                |                |
| Actual benefit payments   | (858.30)        | (1,007.12)      | (491.57)        | (344.29)        | (294.96)        | (32.63)        | (94.92)        | (109.32)       | (26.69)        | (37.85)        |
| Actual Contributions  | 177.86          | 1,183.02        | 241.24          | 39.57           | 565.51          | 19.20          | 34.81          | 11.12          | 14.80          | 15.35          |
| <b>iii Net asset/(liability) recognised in balance sheet as at March 31, 2015</b>           |                 |                 |                 |                 |                 |                |                |                |                |                |
| Present Value of Defined Benefit Obligation   | 3,633.03        | 3,979.74        | 4,111.97        | 4,086.76        | 3,031.25        | 72.79          | 88.96          | 184.29         | 255.95         | 289.30         |
| Fair value of plan assets   | 3,650.17        | 4,398.49        | 3,901.45        | 3,995.53        | 3,083.72        | 65.66          | 72.75          | 155.19         | 323.30         | 327.86         |
| <b>Net asset/(liability) recognised in balance sheet</b>                                    | <b>17.14</b>    | <b>418.75</b>   | <b>(210.52)</b> | <b>(91.23)</b>  | <b>52.47</b>    | <b>(7.13)</b>  | <b>(16.21)</b> | <b>(29.10)</b> | <b>67.35</b>   | <b>38.56</b>   |
| <b>Short-term</b>   | 17.14           | 418.75          | (210.52)        | (91.23)         | 52.47           | (7.13)         | (16.21)        | (29.10)        | 67.35          | 38.56          |
| <b>Long-term</b>  | -               | -               | -               | -               | -               | -              | -              | -              | -              | -              |
| Experience Adjustment on Plan Liability   | (30.15)         | 36.12           | (271.79)        | (85.14)         | (88.24)         | (7.64)         | (44.46)        | 12.95          | 27.64          | (11.34)        |
| Experience Adjustment on Plan Assets  | 125.99          | 1.99            | 130.30          | 84.77           | (96.78)         | 1.06           | (32.34)        | 21.80          | (18.41)        | 34.65          |
| <b>iv Change in Defined Benefit Obligations (DBO) during the year ended March 31, 2015</b>  |                 |                 |                 |                 |                 |                |                |                |                |                |
| Present Value of DBO at beginning of year   | 3,979.74        | 4,111.97        | 4,086.76        | 3,031.25        | 2,716.06        | 88.96          | 184.29         | 255.95         | 289.30         | 282.66         |
| Current Service cost  | 246.70          | 218.05          | 228.90          | 169.34          | 169.55          | 19.20          | 34.81          | 11.12          | 14.80          | 15.35          |
| Interest cost   | 284.05          | 331.97          | 320.72          | 243.02          | 218.33          | 4.90           | 9.24           | 13.59          | 18.63          | 17.80          |
| Actuarial (gains)/ losses   | (19.16)         | 324.87          | (9.76)          | 90.19           | 222.27          | (7.64)         | (44.46)        | 12.95          | (40.09)        | 11.34          |
| Acquisitions / Transfer in /transfer out  | -               | -               | (23.08)         | 897.25          |                 |                |                |                |                |                |
| Benefits paid   | (858.30)        | (1,007.12)      | (491.57)        | (344.29)        | (294.96)        | (32.63)        | (94.92)        | (109.32)       | (26.69)        | (37.85)        |
| <b>Present Value of DBO at the end of year</b>  | <b>3,633.03</b> | <b>3,979.74</b> | <b>4,111.97</b> | <b>4,086.76</b> | <b>3,031.25</b> | <b>72.79</b>   | <b>88.96</b>   | <b>184.29</b>  | <b>255.95</b>  | <b>289.30</b>  |
| <b>v Change in Fair Value of Assets during the year ended March 31, 2015</b>                |                 |                 |                 |                 |                 |                |                |                |                |                |
| Plan assets at beginning of year  | 4,398.49        | 3,901.45        | 3,995.53        | 3,083.72        | 2,684.38        | 72.75          | 155.19         | 323.31         | 327.86         | 293.16         |
| Acquisition Adjustment/other  |                 |                 | (23.08)         | 897.25          |                 |                |                | (67.35)        |                |                |
| Actual return on plan assets  | 317.55          | 319.15          | 309.63          | 234.51          | 225.57          | 5.28           | 10.01          | 19.24          | 25.75          | 22.55          |
| Actuarial Gains/Losses  | 125.99          | 1.99            | (130.30)        | 84.77           | (96.78)         | 1.06           | (32.34)        | (21.80)        | (18.41)        | 34.65          |
| Actual Company contributions  | (333.56)        | 1,183.02        | 241.24          | 39.57           | 565.51          | 19.20          | 34.81          | 11.12          | 14.80          | 15.35          |
| Benefits paid   | (858.30)        | (1,007.12)      | (491.57)        | (344.29)        | (294.96)        | (32.63)        | (94.92)        | (109.32)       | (26.69)        | (37.85)        |
| <b>Plan assets at the end of year</b>   | <b>3,650.17</b> | <b>4,398.49</b> | <b>3,901.45</b> | <b>3,995.53</b> | <b>3,083.72</b> | <b>65.66</b>   | <b>72.75</b>   | <b>155.19</b>  | <b>323.31</b>  | <b>327.86</b>  |
| <b>vi Actuarial Assumptions</b>   |                 |                 |                 |                 |                 |                |                |                |                |                |
| Discount Rate   | 8.00%           | 8.00%           | 9.20%           | 8.35%           | 8.50%           | 6.75%          | 6.75%          | 6.75%          | 6.75%          | 6.75%          |
| Expected Return on plan assets  | 8.00%           | 8.00%           | 8.00%           | 8.00%           | 8.00%           | 8.00%          | 8.00%          | 8.00%          | 8.00%          | 8.00%          |
| Salary escalation   | 5%-9%           | 5%-9%           | 5%-11%          | 5%-11%          | 5%-10%          | N/A            | N/A            | N/A            | N/A            | N/A            |
| Medical cost inflation  | NA              | NA              | N/A             | N/A             | N/A             | N/A            | N/A            | N/A            | N/A            | N/A            |
| <b>vii The major categories of plan assets as percentage of total plan assets</b>           |                 |                 |                 |                 |                 |                |                |                |                |                |
| Debt securities   | 81%             | 78%             | 77%             | 77%             | 77%             | 81%            | 78%            | 77%            | 77%            | 77%            |
| Balances with banks   | 19%             | 22%             | 23%             | 23%             | 23%             | 19%            | 22%            | 23%            | 23%            | 23%            |
| <b>viii Effect of one percentage point change in assumed Medical inflation rate</b>         |                 |                 |                 |                 |                 |                |                |                |                |                |
| <b>DBO as at 31 March 2016</b>  |                 |                 |                 |                 |                 |                |                |                |                |                |
| <b>Service cost for 2015-16</b>   |                 |                 |                 |                 |                 |                |                |                |                |                |
| <b>Interest cost for 2015-16</b>  |                 |                 |                 |                 |                 |                |                |                |                |                |

**a) Defined Contribution Plans-**

The Company's contribution to defined contribution plan aggregated Rs. 1043.64 lakhs (2014-15 Rs 1073.42 lakhs) for the year ended March 31, 2016 has been recognised in the statement of Profit and Loss Account

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

\* Represents not funded schemes

## Notes forming part of the financial statements

(₹ in Lakhs)

| Compensated absences*                                   |                   |                   |                   |                 | Post-retirement Medicare scheme*                        |                   |                 |                 |                 | BKY*            |                 |                 |                 |                 |
|---|-------------------|-------------------|-------------------|-----------------|---|-------------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
| 2015-16   | 2014-15           | 2013-14           | 2012-13           | 2011-12         | 2015-16   | 2014-15           | 2013-14         | 2012-13         | 2011-12         | 2015-16         | 2014-15         | 2013-14         | 2012-13         | 2011-12         |
| 218.91  | 195.73            | 203.12            | 145.47            | 124.07          | 77.49   | 57.28             | 46.69           | 37.23           | 29.00           | 53.25           | 45.83           | 45.79           | 36.13           | 31.37           |
| 82.48   | 75.41             | 87.34             | 74.09             | 62.57           | 89.39   | 85.60             | 73.36           | 58.87           | 62.52           | 48.78           | 43.09           | 37.45           | 26.25           | 24.20           |
|   |                   | -                 | -                 | -               |   |                   | -               | -               | -               | -               | -               | -               | -               | -               |
| 62.60   | 303.89            | (148.06)          | 22.03             | 210.62          | 312.71  | 134.71            | 19.20           | 12.50           | (50.41)         | (41.91)         | 93.75           | (25.44)         | 68.55           | (2.46)          |
| <b>363.99</b>   | <b>575.03</b>     | <b>142.40</b>     | <b>241.59</b>     | <b>397.26</b>   | <b>479.59</b>   | <b>277.59</b>     | <b>139.25</b>   | <b>108.60</b>   | <b>41.11</b>    | <b>60.12</b>    | <b>182.67</b>   | <b>57.80</b>    | <b>130.93</b>   | <b>53.11</b>    |
| (a)   |                   |                   |                   |                 | (c)   |                   |                 |                 |                 | (c)             |                 |                 |                 |                 |
| (292.15)  | (435.39)          | (272.27)          | (256.47)          | (266.96)        | (92.10)   | (89.11)           | (84.51)         | (82.77)         | (85.35)         | (45.18)         | (37.35)         | (33.01)         | (28.30)         | (29.69)         |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| 1,248.90  | 1,177.06          | 1,037.42          | 1,182.07          | 999.88          | 1,550.92  | 1,163.43          | 974.95          | 920.82          | 733.92          | 647.29          | 632.35          | 487.03          | 465.04          | 322.93          |
| -   | -                 | -                 | -                 | -               | -   | -                 | -               | -               | -               | -               | -               | -               | -               | -               |
| <b>(1,248.90)</b>                                       | <b>(1,177.06)</b> | <b>(1,037.42)</b> | <b>(1,182.07)</b> | <b>(999.88)</b> | <b>(1,550.92)</b>                                       | <b>(1,163.43)</b> | <b>(974.95)</b> | <b>(920.82)</b> | <b>(733.92)</b> | <b>(647.29)</b> | <b>(632.35)</b> | <b>(487.03)</b> | <b>(465.04)</b> | <b>(322.93)</b> |
| (78.86)   | (116.58)          | (155.06)          | (75.00)           | (98.72)         | (66.34)   | (47.50)           | (47.68)         | (39.00)         | (152.96)        | (90.29)         | (52.42)         | (39.88)         | 892.93          | (22.62)         |
| (1,170.04)  | (1,060.48)        | (882.36)          | (1,107.07)        | (901.16)        | (1,484.58)  | (1,115.93)        | (927.27)        | (881.82)        | (580.96)        | (557.00)        | (579.93)        | (447.15)        | (427.89)        | (300.31)        |
| 57.78   | 182.06            | (75.30)           | 10.32             | (141.22)        | (34.96)   | (5.01)            | 67.28           | 57.05           | 6.10            | (42.84)         | 39.24           | 6.98            | (83.15)         | (13.89)         |
| -   | -                 | -                 | -                 | -               | -   | -                 | -               | -               | -               | -               | -               | -               | -               | -               |
| 1,177.06  | 1,037.42          | 1,182.07          | 999.88            | 869.58          | 1,163.43  | 974.95            | 920.82          | 733.92          | 778.16          | 632.35          | 487.03          | 465.04          | 322.93          | 299.51          |
| 218.91  | 195.73            | 203.12            | 145.47            | 124.07          | 77.49   | 57.28             | 46.69           | 37.23           | 29.00           | 53.25           | 45.83           | 45.79           | 36.13           | 31.37           |
| 82.48   | 75.41             | 87.34             | 74.09             | 62.57           | 89.39   | 85.60             | 73.36           | 58.87           | 62.52           | 48.78           | 43.09           | 37.45           | 26.25           | 24.20           |
| 62.60   | 303.89            | (148.06)          | 22.03             | 210.62          | 312.71  | 134.71            | 19.20           | 12.50           | (50.41)         | (41.91)         | 93.75           | (25.44)         | 68.55           | (2.46)          |
|   |                   | (14.78)           | 197.07            | -               | -   | -                 | (0.61)          | 161.07          |                 |                 |                 | (2.80)          | 39.48           | -               |
| (292.15)  | (435.39)          | (272.27)          | (256.47)          | (266.96)        | (92.10)   | (89.11)           | (84.51)         | (82.77)         | (85.35)         | (45.18)         | (37.35)         | (33.01)         | (28.30)         | (29.69)         |
| <b>1,248.90</b>   | <b>1,177.06</b>   | <b>1,037.42</b>   | <b>1,182.07</b>   | <b>999.88</b>   | <b>1,550.92</b>   | <b>1,163.43</b>   | <b>974.95</b>   | <b>920.82</b>   | <b>733.92</b>   | <b>647.29</b>   | <b>632.35</b>   | <b>487.03</b>   | <b>465.04</b>   | <b>322.93</b>   |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| 8.00%   | 8.00%             | 9.20%             | 8.35%             | 8.50%           | 8.00%   | 8.00%             | 9.20%           | 8.35%           | 8.50%           | 8.00%           | 8.00%           | 9.20%           | 8.35%           | 8.50%           |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| 5%-9%   | 5%-9%             | 5%-11%            | 5%-11%            | 5%-10%          | 5%-9%   | 5%-9%             | 5%-11%          | 5%-11%          | 5%-10%          | 5%-9%           | 5%-9%           | 5%-11%          | 5%-11%          | 5%-10%          |
| N/A   | N/A               | N/A               | N/A               | N/A             | 6.0%  | 6.0%              | 6.0%            | 5.0%            | 4.0%            | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| N/A   | N/A               | N/A               | N/A               | N/A             | N/A   | N/A               | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             | N/A             |
| One percentage point increase in Medical Inflation rate |                   |                   |                   |                 | One percentage point decrease in Medical Inflation rate |                   |                 |                 |                 |                 |                 |                 |                 |                 |
| 2015-16   | 2014-15           | 2013-14           | 2012-13           | 2011-12         | 2015-16   | 2014-15           | 2013-14         | 2012-13         | 2011-12         |                 |                 |                 |                 |                 |
| 1,742.25  | 1,307.40          | 107.84            | 991.31            | 796.43          | 1388.70   | 1041.91           | 92.26           | 859.44          | 679.15          |                 |                 |                 |                 |                 |
| 114.29  | 85.64             |                   | 50.43             | 33.68           | 80.81   | 60.42             |                 | 26.18           | 25.13           |                 |                 |                 |                 |                 |
| 260.05  | 195.08            | 14.05             | 72.07             | 68.23           | 195.61  | 146.63            | 11.85           | 47.82           | 58.44           |                 |                 |                 |                 |                 |

## Annual Report 2015-16

27. The Company is engaged in the activities related to manufacture of axles, gear boxes and spare parts thereof. These in the context of Accounting Standard 17 on segment reporting, as specified in the Companies (Accounting Standards) Rules, 2006 are considered to constitute one single primary segment. Further there is no reportable secondary segment i.e Geographical Segment.

**28 Related Party disclosures for the year ended March 31, 2016 (With whom the company had transactions during the year)**

**A Related Party and their relationship**

|  |                          |
|--|--------------------------|
| Tata Motors Ltd.                           | Holding Company          |
| TAL Manufacturing Solutions Limited        | Fellow subsidiaries      |
| Tata Technologies Limited                  |                          |
| Tata Daewoo Commercial Vehicle Co. Limited |                          |
| Tata Marcopolo Motors Limited              |                          |
| Mr M Sampath Kumar*                        | Key Managerial Personnel |

\* Manager under the Companies Act, 2013

**B Transactions during the year:-**

(₹ in Lakhs)

|                                       | Holding Company | *Fellow Subsidiaries | Key Managerial Personnel | Total       |
|---------------------------------------|-----------------|----------------------|--------------------------|-------------|
| (i) Sale of Services ***              | 53,524.20       | -                    | -                        | 53,524.20   |
|                                       | (51,582.38)     | -                    | -                        | (51,582.38) |
| (ii) Excise duty Recovered            | 47,656.33       | -                    | -                        | 47,656.33   |
|                                       | (38,923.86)     | -                    | -                        | (38,923.86) |
| (iii) Interest Received               | 2,063.13        | 43.14                | -                        | 2,106.27    |
|                                       | (1,350.91)      | (9.67)               | -                        | (1,360.58)  |
| (iv) Rent paid***                     | 570.29          | -                    | -                        | 570.29      |
|                                       | (562.41)        | -                    | -                        | (562.41)    |
| (v) Purchase of Materials             | 652.24          | 17.00                | -                        | 669.24      |
|                                       | (716.31)        | -                    | -                        | (716.31)    |
| (vi) Sale of Materials                | 5.69            | -                    | -                        | 5.69        |
|                                       | -               | -                    | -                        | -           |
| (vii) Sale of Products                | -               | 15.92                | -                        | 15.92       |
|                                       | -               | (13.17)              | -                        | (13.17)     |
| (viii) Purchase of Fixed Assets***### | 561.07          | 62.35                | -                        | 623.42      |
|                                       | (18.88)         | (623.32)             | -                        | (642.20)    |
| (ix) Sale of Fixed Assets             | 683.95          | -                    | -                        | 683.95      |
|                                       | -               | -                    | -                        | -           |
| (x) Purchase of Services ***+         | 5,993.65        | 238.48               | -                        | 6,232.13    |
|                                       | (4,675.10)      | (236.12)             | -                        | (4,911.22)  |
| (xi) Receiving of Services            | -               | -                    | 63.95                    | 63.95       |
|                                       | -               | -                    | (59.27)                  | (59.27)     |

## Notes forming part of the financial statements

|   |                  |               |             |                  |
|---|------------------|---------------|-------------|------------------|
| (xii) Reimbursements Received                 | <b>2,612.21</b>  |               |             | <b>2,612.21</b>  |
|   | (2,274.02)       |               |             | (2,274.02)       |
| (xiii) Reimbursements Made                    | <b>6,220.97</b>  |               |             | <b>6,220.97</b>  |
|   | (6,144.20)       |               |             | (6,144.20)       |
| (xiv) Transfer of Research & Development      | <b>67.11</b>     |               |             | <b>67.11</b>     |
|   | (573.82)         | -             | -           | (573.82)         |
| (xv) Inter Corporate Deposit Given            | <b>48,495.00</b> |               | -           | <b>48,495.00</b> |
|   | (48,435.00)      | (800.00)      | -           | (49,235.00)      |
| (xvi) Inter Corporate Deposit Received Back   | <b>35,625.00</b> | <b>800.00</b> | -           | <b>36,425.00</b> |
|   | (33,260.00)      | -             | -           | (33,260.00)      |
| (xvii) Dividend                               | <b>3,850.00</b>  | -             | -           | <b>3,850.00</b>  |
|   | (577.50)         | -             | -           | (577.50)         |
| (xviii) Lease Rental***                       | <b>104.42</b>    | -             | -           | <b>104.42</b>    |
|   | (99.37)          | -             | -           | (99.37)          |
| (xix) ED transferred                          | <b>20,972.42</b> | -             | -           | <b>20,972.42</b> |
|   | (15,994.67)      | -             | -           | (15,994.67)      |
| (xx) Outstanding balance as at March 31, 2016 |                  |               |             |                  |
| Amount Payable++                              | <b>2,404.48</b>  | <b>111.59</b> | -           | <b>2,516.06</b>  |
| (Balance as at March 31,2015)                 | (2,545.26)       | (172.38)      | -           | (2,717.64)       |
| Amount Receivable                             | -                | -             | <b>1.62</b> | <b>1.62</b>      |
| (Balance as at March 31,2015)                 | -                | -             | (1.90)      | (1.90)           |
| Advances Given                                | -                | 10.60         | -           | 10.60            |
| (Balance as at March 31,2015)                 | -                | -             | -           | -                |
| Amount Receivable in respect of ICD placed    | <b>28,545.00</b> | -             | -           | <b>28,545.00</b> |
| (Balance as at March 31,2015)                 | (15,675.00)      | (800.00)      | -           | (16,475.00)      |

\* Transactions and balances shown under Fellow Subsidiaries relate to TAL Manufacturing Solutions Ltd., Tata Technologies limited, Tata Daewoo Commercial Vehicle Co. Ltd & Tata Marcopolo Motors Limited

\*\*\* Includes service tax paid ₹ 569.34 lakhs (Previous year: ₹ 447.92 lakhs) & service tax received of ₹ 211.59 lakhs (Previous year : ₹ 184.56 lakhs)

### Includes purchase of Fixed Assets from TAL Manufacturing Solutions Ltd. - ₹ 26.30 Lakhs (Previous year: ₹ 563.56 lakhs), Tata Technologies limited - ₹ 36.05 (Previous year: ₹ 59.76 lakhs) Lakhs and Tata Motors Limited - ₹ 561.07 Lakhs (Previous year: ₹ 18.88 lakhs)

+ Includes purchase of services from Tata Technologies limited - ₹ 231.97 Lakhs (Previous year: ₹ 194.40 lakhs), TAL Manufacturing Solutions Ltd. - ₹ 6.51 Lakhs (Previous year: ₹ Nil lakhs)

++ Includes amount payable to TAL Manufacturing Solution Ltd. - ₹ 63.98 Lakhs (Previous year: ₹ 149.88 lakhs) and Tata Technologies limited - ₹ 47.61 Lakhs (Previous year: ₹ 22.50 lakhs)

## Annual Report 2015-16

|  | 2015-16<br>₹ in Lakhs | 2014-15<br>₹ in Lakhs |
|--|-----------------------|-----------------------|
| <b>29</b> C.I.F. value of imports (Rupees in lakhs)  |                       |                       |
| Machinery Spares and Tools   | 548.78                | 878.89                |
| Capital Goods & Services   | 579.81                | 3,026.13              |
| - The company has taken the view that spares and components, the value and percentage of Imported and Indigenous raw materials and components consumed, covers only such items as go directly into production.   |                       |                       |
| <b>30</b> Expenditure in foreign currency  |                       |                       |
| Consultancy charges  | 179.28                | 106.15                |
| <b>31</b> Disclosure of Trade Payables under Current Liabilities is based on the information available with the Company regarding the status of the suppliers as defined under the "Micro, Small and Medium Enterprises Development Act, 2006". No interest is paid or payable as on March 31, 2016. |                       |                       |
|  | 2015-16<br>₹ in Lakhs | 2014-15<br>₹ in Lakhs |
| <b>32 Expenditure Incurred on Research &amp; Development</b>   |                       |                       |
| a) Revenue Expenditure - Charged to the Statement of Profit & Loss Account   | 689.47                | 408.46                |
| b) Revenue Expenditure - Capitalised   | 30.54                 | 33.32                 |
| c) Capital Expenditure   | 246.81                | 137.73                |
| <b>33 Details of Provision Service warranty</b>  |                       |                       |
| Opening balance  | 483.01                | Nil                   |
| Add: Provision for the year (net)  | 1,479.04              | 505.80                |
| Less: Payments   | 759.05                | 22.79                 |
| Closing balance  | 1,203.00              | 483.01                |
| Current  | 393.80                | 340.07                |
| Non current  | 809.20                | 142.94                |
| <b>34</b> The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.  |                       |                       |
| <b>35</b> Figures for the previous period/year have been regrouped/reclassified to confirm to the current year classification.   |                       |                       |



## TML Drivelines Limited

Registered Office: 3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001

Corporate Identification No. (CIN) - U34100MH2000PLC124874

Phone: +91-22-6665 8282 Fax: +91-22-6665 7799 Website: www.tmldrivelines.com

### Attendance Slip

Members attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.

I hereby record my presence at the SIXTEENTH ANNUAL GENERAL MEETING of the Company at 3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001 at 3.00 p.m. Wednesday, July 27, 2016.

Folio No.: .....

DP ID No.\* .....

Client ID No.\* .....

Name of the Member .....

Signature

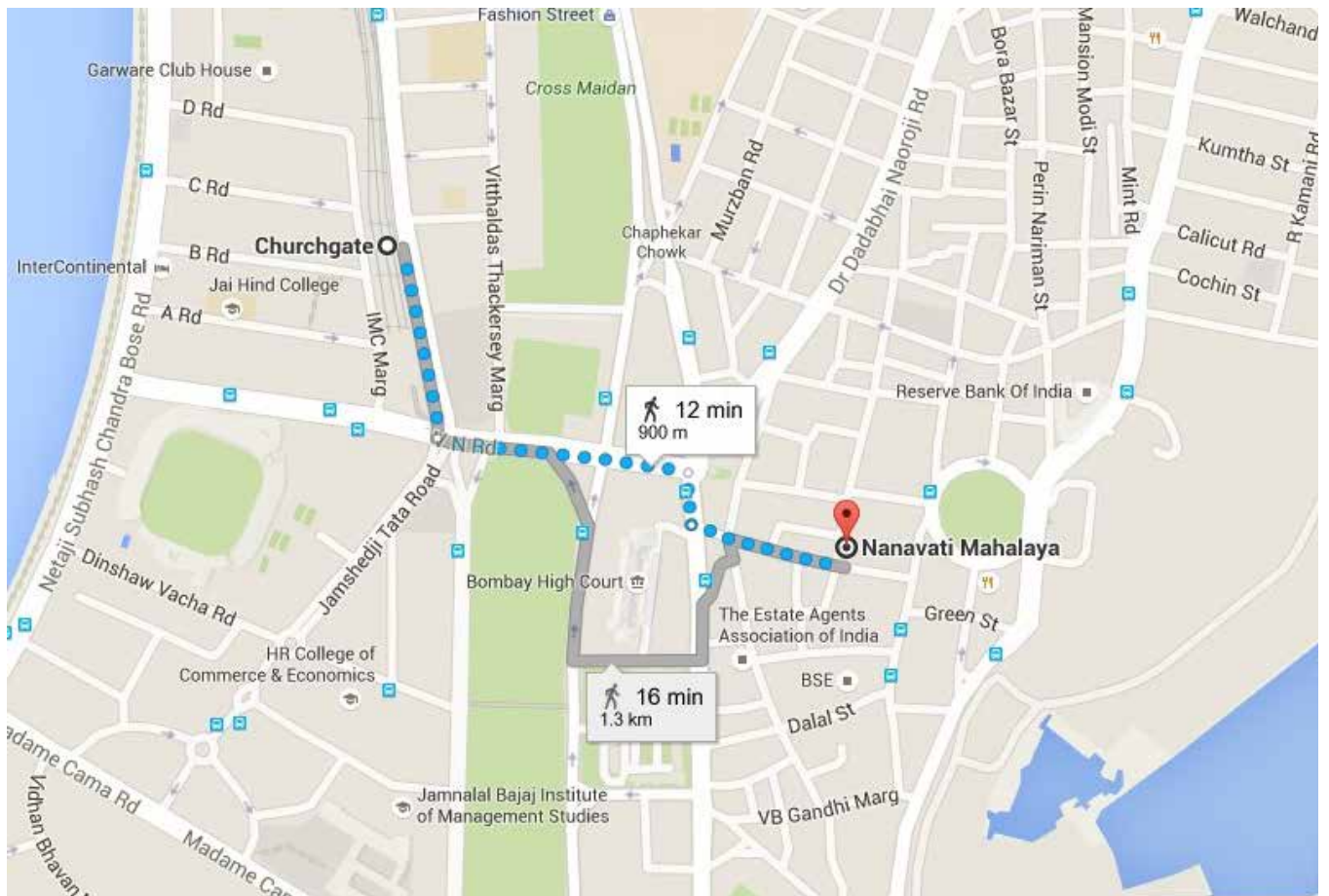
Name of the Proxy .....

Signature

1. Only Member/Proxyholder can attend the Meeting.
2. Member/Proxyholder should bring his/her copy of the Annual Report for reference at the Meeting.
3. Those Members who have multiple folios with different joint holders may use copies of this Attendance Slip.

\*Applicable for investors holding shares in electronic form.







## TML Drivelines Limited

Registered Office: 3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001  
Corporate Identification No. (CIN) - U34100MH2000PLC124874  
Phone: +91-22-6665 8282 Fax: +91-22-6665 7799 Website: www.tmldrivelines.com

### Proxy Form

[Pursuant to Section 105(6) of the Companies Act, 2013, Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) : .....

Registered address: .....  
.....

E-mail ID : .....

Folio No.: ..... DP ID No.\*: ..... Client ID No.\*: .....

\*Applicable for investors holding shares in electronic form.

I / We, being the Member(s) of ..... Ordinary Shares of TML Drivelines Limited, hereby appoint:

1. Name: ..... E-mail ID: .....

Address: .....  
.....

Signature: .....or failing him/her

2. Name: ..... E-mail ID: .....

Address: .....  
.....

Signature: .....or failing him/her

3. Name: ..... E-mail ID: .....

Address: .....  
.....

Signature: .....as my/our proxy

to attend and vote (on a poll) for me/us and on my/our behalf at the Sixteenth Annual General Meeting of the Company to be held on Wednesday, July 27, 2016 at 3.00 p.m. at 3rd Floor, Nanavati Mahalaya, 18, Homi Mody Street, Mumbai - 400 001 and at any adjournment thereof in respect of such resolutions as are indicated hereinafter:

1 To receive, consider and adopt

(a) the Audited Financial Statement of the Company for the year ended March 31, 2016 together with the Reports of the Board and the Auditors thereon.

Ordinary

☐☐

2 To confirm payment of Interim Dividend of ₹2.50 per share and to declare a Final Dividend of ₹.50 per share for the Financial Year 2015-16 on Equity Shares.

Ordinary

☐☐

3 To appoint a Director in place of Mr S B Borwankar (DIN: 01793948) who retires by rotation And is eligible for re-appointment.

Ordinary

☐☐



- |   |  |          |                          |                          |
|---|--|----------|--------------------------|--------------------------|
| 4 | To appoint a Director in place of Mr P K Chobe (DIN: 06375666) who retires by rotation and is eligible for re-appointment. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> |
| 5 | To appoint a Director in place of Mr P K Chobe (DIN: 06375666) who retires by rotation and is eligible for re-appointment. | Ordinary | <input type="checkbox"/> | <input type="checkbox"/> |



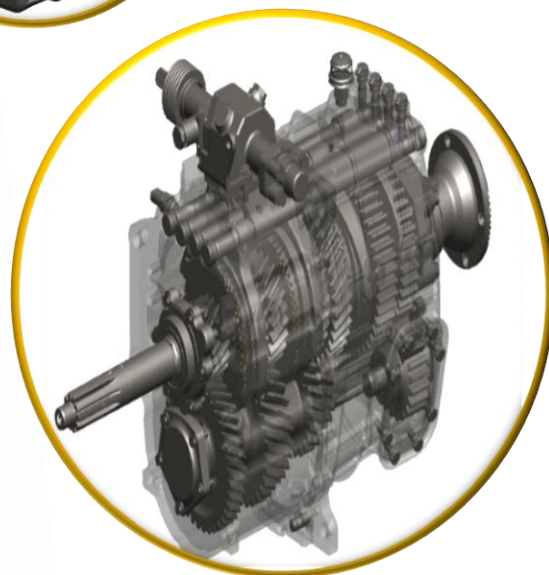
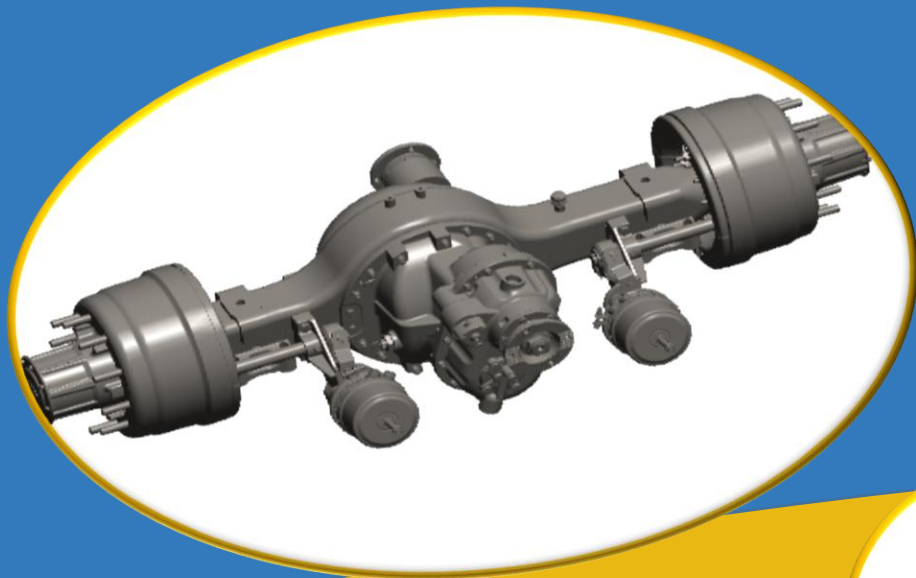
Signature of Member.....Signature of proxyholder.....

- NOTES:
1. A Member may vote 'for' or 'against' each resolution. Please put a in the Box in the appropriate column either 'for' or 'against' the respective resolutions. If you leave the 'For' or 'Against' column blank in respect of any or all the resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.
  2. A Proxy need not be a Member of the Company. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as proxy on behalf of not more than fifty Members and holding in aggregate not more than ten percent of the total Share Capital of the Company. Members holding more than ten percent of the total Share Capital of the Company may appoint a single person as proxy, who shall not act as proxy for any other Member.
  3. This Form in order to be effective should be duly completed and deposited at the Registered Office of the Company at Bombay House, 24, Homi Mody Street, Mumbai-400 001, not less than 48 hours before the commencement of the Meeting.
  4. Those Members who have multiple folios with different joint holders may use copies of this Proxy.









## TML DRIVELINES LIMITED

A TATA Enterprise  
Jamshedpur 831010

Regd. Office:  
3<sup>rd</sup> Floor Nanavati Mahalaya  
18 Homi Mody Street Hutatma Chowk  
Mumbai 400 001