TML DRIVELINES LIMITED

Annual Report

2016-17

Deloitte Haskins & Sells LLP

Chartered Accountants
Indiabulls Finance Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
Elphinstone Road (West),
Mumbai - 400 013,
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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF
TML DRIVELINES LIMITED

Report on the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of **TML Drivelines Limited** ("the company"), which comprise the Balance Sheet as at March 31, 2017, and the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 Ind AS 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 Ind AS financial statements based on our audit.

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

We conducted our audit of the Ind AS 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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 Ind AS 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 Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the 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, 2017, and its profits, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

    b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

    c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.

    d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

    e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

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

i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer note 26 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 34 to the Ind AS financial statements

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. The Company has provided requisite disclosures in the Ind AS financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Refer note 13 to the Ind AS financial statements. Based on audit procedures performed and the representations provided to us by the management we report that disclosures are in accordance with the books of accounts maintained by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W100018)

MBengali

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, 5th May, 2017

Chartered Accountants
Indiabulls Finance Centre,
Tower 3, 27th-32nd Floor,
Senapati Bapat Marg,
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ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of TML DRIVELINES LIMITED ("the Company") as at March 31, 2017 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.

Opinion

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

For Deloitte Haskins & Sells LLP
Chartered Accountants
(Firm's Registration No. 117366W/W100018)

MBengali

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, 5th May, 2017

Deloitte Haskins & Sells LLP

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ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT

Re: TML Drivelines Limited
(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:

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

b) Some of the fixed assets were physically verified by the Management during the year in accordance with a programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

c) 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:

a) 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 with the appropriate authorities.

b) 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, 2017 for a period of more than six months from the date they became payable.

c) Details of dues of Income Tax, Sales Tax, Excise Duty and Value Added Tax which have not been deposited as on 31 March 2017 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 (Rs. in lacs)	Amount Unpaid (Rs. in lacs)
Jharkhand VAT Act	Sales Tax	Joint Commissioner Sales Tax (Appeals)	2004-05 2005-06	70.35	70.35
Jharkhand VAT Act	Sales Tax	Joint Commissioner Sales Tax	2011-12	10.76	10.76
Jharkhand VAT Act	Sales Tax	Dy Commissioner Sales Tax	2005-06 2007-08 2008-09 2009-10 2010-11	1,528.78	1528.78
Central Excise Act	Excise Duty	CESTAT	2000-01 2001-02 2001-02 to 2007-08 2001-02 to 2008-09 2004-05 2007-08 2008-09 to 2012-13 2013-14 to 2014-15 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	CIT (Appeals)	2007-08	6.25	4.28
Income Tax Act	Income Tax and/or Fringe Benefit Tax	Income Tax Appellate Tribunal	2004-05, 2005-06 & 2006-07	196.60	49.09

There are no dues of Service tax and Customs duty as on March 31, 2017 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 177 and 188 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)

Bengali

Mohammed Bengali
Partner
(Membership No. 105828)

Mumbai, May 5, 2017.

TML Drivelines Limited

Balance Sheet as at March 31, 2017

(₹ in lakhs)

	Notes	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS				
(1) Non-current assets				
(a) Property, Plant and Equipment	4	53,514.57	48,595.62	48,898.08
(b) Capital work-in-progress		3,167.94	5,322.92	6,987.43
(c) Intangible assets	5	929.43	1,054.62	496.25
(d) Intangible assets under development		234.36	535.01	624.65
(e) Financial assets:				
(i) loans and advances	6	111.34	111.57	138.90
(f) Advance Income tax assets (net)		4,809.59	4,352.00	4,170.61
(g) Other non-current assets	9	290.87	1,250.44	287.42
		63,058.10	61,222.18	61,603.34
(2) Current assets				
(a) Inventories	11	5,288.90	4,878.28	4,804.60
(b) Financial assets:				
(i) Investments	14	3,649.96	3,366.99	3,099.07
(ii) Cash and cash equivalents	12	4,055.57	43.72	4,025.94
(iii) Loans and advances	6	25,803.91	29,153.27	17,141.32
(iv) Other financial assets	7	78.15	29.57	55.93
(c) Other current assets	10	1,846.13	1,371.91	2,368.87
		40,722.62	38,843.74	31,495.78
TOTAL ASSETS		103,780.72	100,065.92	93,099.12
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	15	7,700.00	7,700.00	7,700.00
(b) Other Equity		73,563.15	69,109.71	66,962.49
		81,263.15	76,809.71	74,662.49
(2) Non-current liabilities				
(a) Financial liabilities:				
(i) Other finance liabilities	16	657.12	763.67	844.93
(b) Provisions	19	4,019.73	3,483.78	2,978.10
(c) Deferred tax liabilities (net)	8	5,276.61	5,057.62	4,613.88
		9,953.46	9,305.07	8,436.91
(3) Current liabilities				
(a) Financial liabilities.				
(i) Trade payables (includes dues of micro and small enterprises ₹ 184.45 lakhs ,March 31, 2016 ₹ 277.37 lakhs, April 01, 2015 ₹ 359.24 lakhs)	18	8,467.43	7,397.77	6,612.33
(ii) Other finance liabilities	17	2,028.81	1,966.61	1,723.35
(b) Provisions	19	1,046.13	1,349.03	692.10
(c) Current Income tax liabilities (net)		304.09	335.62	334.04
(d) Other current liabilities	20	717.65	2,902.11	637.90
		12,564.11	13,951.14	9,999.72
TOTAL EQUITY AND LIABILITIES		103,780.72	100,065.92	93,099.12

See accompanying notes to financial statements 1-36

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

MOHAMMED BENGALI
Partner

Mumbai 5/5/2017

Deloitte Haskins & Sells LLP Chartered Accountants

For and on behalf of the Board

M SAMPATH KUMAR
Chief Executive Officer

S B BORWANKAR
Chairman

H K SETHNA
Director

GURVINDER SINGH AHUJA
Chief Financial Officer

Dr A K JINDAL
Director

P K CHOBE
Director

VISPI PATEL
Company Secretary

Dr VAIJAYANTI PANDIT
Director

RAKESH MAKHIJA
Director

TML Drivelines Limited

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

(₹ in lakhs)

	Particulars	Notes	Year ended March 31, 2017	Year ended March 31, 2016
I.	Revenue From Operations	21	52,403.18	54,584.95
II.	Other Income	22	2,712.68	2,447.84
III.	**Total Income (I+II)**		**55,115.86**	**57,032.79**
IV.	**Expenses:**			
	(a) Changes in inventories of work-in-progress		(31.95)	22.37
	(b) Employee cost / benefits expense	23	20,480.78	18,236.42
	(c) Finance costs		(8.36)	(21.69)
	(d) Depreciation and amortisation expense		6,575.15	5,947.29
	(e) Other expenses	24	21,760.97	23,359.41
	(f) Expenditure transferred to capital and other accounts		(165.95)	(90.90)
	Total Expenses (IV)		**48,610.64**	**47,452.90**
V.	**Profit before exceptional items and tax (III-IV)**		**6,505.22**	**9,579.89**
VI.	Exceptional Items:			
	(a) Employee separation cost		-	55.79
VII.	**Profit before tax (V-VI)**		6,505.22	9,524.10
VIII.	**Tax expense:**			
	(a) Current tax		1,242.79	2,223.44
	(b) Deferred tax	8	218.99	443.74
	Total		1,461.78	2,667.18
IX.	**Profit for the year from continuing operations (VII-VIII)**		**5,043.44**	**6,856.92**
X.	**Other comprehensive income:**			
	(A) (i) Items that will not be reclassified to profit and loss:			
	(a) Remeasurement gains and (losses) on defined benefit obligations (net)		(193.64)	(116.10)
	(ii) Income tax relating to Remeasurement gains and losses on defined benefit obligations (net)		67.02	40.18
	Other comprehensive income/(loss) for the year		**(126.62)**	**(75.92)**
XI.	**Total comprehensive income/(loss) for the year (IX+X)**		4,916.82	6,781.00
XII.	**Earnings per equity share:**	30		
	(a) Ordinary shares:			
	(i) Basic		₹ 6.39	₹ 8.81
	(ii) Diluted		₹ 6.39	₹ 8.81

See accompanying notes to financial statements 1-36

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

MOHAMMED BENGALI
Partner

Mumbai, 5/5/2017

M SAMPATH KUMAR
Chief Executive Officer

S B BORWANKAR
Chairman

H K SETHNA
Director

GURVINDER SINGH AHUJA
Chief Financial Officer

P K CHOBE
Director

Dr A K JINDAL
Director

VISPI PATEL
Company Secretary

Dr VAIJAYANTI PANDIT
Director

RAKESH MAKHIJA
Director

Deloitte Haskins & Sells LLP Chartered Accountants

TML Drivelines Limited

Statements of changes in equity

(₹ in lakhs)

a. Equity Share capital	As at March 31, 2017	As at March 31, 2016
Opening balance	7,700.00	7,700.00
Changes in equity share capital during the year:	-	-
Closing balance	7,700.00	7,700.00

For the year ended March 31, 2017 and March 31, 2016

(₹ in lakhs)

b. Other Equity	Reserves & Surlus			Total equity
	Capital Reserve	Securities Premium Reserve	Retained earnings	
Balance as at April 1, 2015	(8,233.01)	2,654.58	72,540.92	**66,962.49**
Profit for the year	-	-	6,856.92	**6,856.92**
Other comprehensive income/(loss) for the year net of income tax	-	-	(75.92)	**(75.92)**
Total comprehensive income/(loss) for the year net of income tax	-	-	6,781.00	**6,781.00**
Dividend paid (including dividend tax)			(4,633.78)	**(4,633.78)**
Balance as at March 31, 2016	**(8,233.01)**	**2,654.58**	**74,688.14**	**69,109.71**
Balance as at April 1, 2016	(8,233.01)	2,654.58	74,688.14	**69,109.71**
Income for the year		-	5,043.44	**5,043.44**
Other comprehensive income/(loss) for the year net of income tax		-	(126.62)	**(126.62)**
Total comprehensive income/(loss) for the year net of income tax		-	4,916.82	**4,916.82**
Dividend paid (including dividend tax)			(463.38)	**(463.38)**
Balance as at March 31, 2017	**(8,233.01)**	**2,654.58**	**79,141.58**	**73,563.15**

See accompanying notes to financial statements 1-36

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

MOHAMMED BENGALI
Partner

Mumbai, 5/5/2017

Deloitte Haskins & Sells LLP Chartered Accountants

NS

For and on behalf of the Board

M SAMPATH KUMAR
Chief Executive Officer

S B BORWANKAR
Chairman

H K SETHNA
Director

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Chief Financial Officer

P K CHOBE
Director

Dr A K JINDAL
Director

VISPI PATEL
Company Secretary

Dr VAIJAYANTI PANDIT
Director

RAKESH MAKHIJA
Director

TML Drivelines Limited
Cash Flow Statement for the year ended March 31, 2017

(₹ in lakhs)

	Year ended March 31, 2017	Year ended March 31, 2016
Cash flows from operating activities:		
Profit/(loss) for the year from continuing operations	5,043.44	6,856.92
Adjustments for:		
Depreciation and amortization	6,575.15	5,947.29
Loss on sale of assets/assets written off and others (net)	810.53	399.72
(Gain) on sale/loss on fair valuation of investments (net)	(282.97)	(267.92)
Remeasurement gains and (losses) on defined benefit obligations	(193.64)	(116.10)
Foreign exchange (gain)/loss (net)	(35.06)	48.39
Income tax expense	1,461.79	2,667.18
Interest income	(2,429.70)	(2,179.92)
Cash flows from operating activities before working capital changes	**10,949.54**	**13,355.56**
(Increase)/decrease in inventories	(410.62)	(73.69)
(Increase)/decrease in loans and advances	4.59	85.38
(Increase)/decrease in other current assets	(474.22)	996.95
(Increase)/decrease in other non-current assets	-	(21.69)
Increase/(decrease) in trade payables	1,104.72	737.05
Increase/(decrease) in other financial liabilities	(106.55)	(81.26)
Increase/(decrease) in provisions	233.05	1,162.66
Increase/(decrease) in other current liabilities	133.35	(51.83)
Cash generated from operations	**11,433.86**	**16,109.13**
Income tax paid (net)	(1,665.73)	(2,363.90)
Net cash generated by operating activities	**9,768.13**	**13,745.23**
Cash flows from investing activities:		
(Increase)/decrease in short term Inter-corporate deposits	6,845.00	(12,070.00)
(Increase)/decrease in Fixed Deposit	(3,500.00)	-
Interest received	2,381.13	2,206.33
Payments for property, plant and equipment	(8,872.41)	(5,656.06)
Proceeds from sale of property, plant and equipment	170.26	109.17
Net cash used in investing activities	**(2,976.02)**	**(15,410.56)**
Cash flows from financing activities:		
Dividends paid (including dividend distribution tax)	(2,780.26)	(2,316.89)
Net cash generated by/(used in) financing activities	**(2,780.26)**	**(2,316.89)**
Net increase in cash and cash equivalents	4,011.85	(3,982.22)
Cash and cash equivalents at the beginning of the year	43.72	4,025.94
Cash and cash equivalents at the end of the year	**4,055.57**	**43.72**

See accompanying notes to financial statements 1-36

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

MOHAMMED BENGALI
Partner

Mumbai, 5/5/2017

Deloitte Haskins & Sells LLP Chartered Accountants

M SAMPATH KUMAR
Chief Executive Officer

GURVINDER SINGH AHUJA
Chief Financial Officer

VISPI PATEL
Company Secretary

For and on behalf of the Board

S B BORWANKAR
Chairman

H K SETHNA
Director

P K CHOBE
Director

Dr A K JINDAL
Director

Dr VAIJAYANTI PANDIT
Director

RAKESH MAKHIJA
Director

TML Drivelines Limited

Notes Forming Part of the Financial Statements

1. Background and operations

TML Drivelines Limited (the Company) is a wholly owned subsidiary company of Tata Motors Limited (TML), manufacturing Axles, Gear Boxes, Forging & their parts. The company is operating under Job-work arrangement for Tata Motors Limited.

The Company is a public limited company incorporated and domiciled in India and has its registered office at Mumbai, Maharashtra, India.

The financial statements for the year ended March 31, 2017 were approved by the Board of Directors and authorised for issue on May 5, 2017.

2. Significant accounting policies

a. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs (MCA), the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period numbers in the financial statements have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation of Shareholders Equity as at March 31, 2016 and Apirl 1,2015 and of the comprehensive net income for the year ended March 31, 2016 from the financial statements notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS.

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

b. Basis of preparation and presentation

There financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value. Historical cost is generally based on the fair value of consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

c. Use of estimates and judgments

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

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

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

Useful lives of property, plant and equipment and intangible assets

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

Provision and contingent liabilities

Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date adjusted to reflect the current best estimates. Contingent liabilities are not recognised in the financial statements.

d. Revenue recognition

Revenue comprises of income from rendering of services which gets recognised when the services are rendered to the customer and are recognised net of discounts. Revenues are recognised when no significant uncertainty as to measurability or collectability exists. Revenues are presented gross of excise duty which is shown under expenditure and net of other indirect taxes.

e. Cost recognition

Cost and expenses are recognised when incurred and are classified according to the nature.

f. Process warranty

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. Warranty provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

g. Provision and contingency

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

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h. **Foreign currency**

The functional currency of the Company is Indian rupee (₹).

Income and expenses in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency denominated assets and liabilities are translated at the exchange rates prevailing on the balance sheet date and exchange gains and losses arising on settlement and restatement are recognised in the statement of profit and loss.

i. **Income taxes**

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

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income Tax Act, 1961 and other applicable tax laws. Deferred tax is recognized, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are recognized if there is reasonable certainty that there will be sufficient future taxable income to realize such assets.

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.

j. **Inventories**

Inventories are valued at lower of cost or net realisable value. Cost of stores and spares and consumable tools are ascertained on a moving weighted average basis. Cost, including variable and fixed overhead, are allocated to unbilled cost (i.e. conversion cost incurred but not billed to customers) determined on full absorption cost basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

k. **Property, plant and equipment**

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

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term foreign currency borrowings, where applicable, attributable to depreciable capital asset.

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

Type of Asset	Estimated useful life
Buildings	28 years
Plant, machinery and equipment	8 to 20 years
Computers and other IT assets	4 to 6 years
Vehicles	4 years
Furniture & fixtures	15 years
Water System and Sanitation	20 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

Depreciation is not recorded on capital work-in-progress until construction and installation are complete and the asset is ready for its intended use.

l. Intangible assets

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.

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.

Intellectual Property Rights are amortised over a period of 84 months based on units of production method.

m. Impairment of tangible and intangible assets

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

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If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit or loss.

n. Financial instruments

Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and held at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

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

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

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

Financial assets at Fair Value Through Profit or Loss (FVTPL): Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. Investments which have contractual cash flows which are not in the nature of solely principal and interest payments are classified into this category. These are measured at fair value with changes in fair value recognized in the income statement.

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

o. Impairment of financial assets held at amortised cost

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

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p. **Employee benefits**

i) Pension plans

Contributions to the plans by the company take into consideration the results of actuarial valuations. The plans with a surplus position at the year-end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the company is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognized.

ii) Gratuity

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

iii) Bhavishya Kalyan Yojana (BKY)

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

iv) Post-retirement medicare scheme

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

v) Superannuation

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

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension

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benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The company account for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

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

During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. The company contribute up to 15% or ₹ 150,000, whichever is lower, of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. The company have no further obligation beyond this contribution.

vi) Compensated Absences

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

vii) Provident fund

In accordance with Indian law, eligible employees of the company are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as an irrevocable trust by Tata Motors Limited and its subsidiaries.

viii) Remeasurement gains and losses for defined benefit plans

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

ix) Measurement date

The measurement date of retirement plans is March 31.

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q. Earnings per share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the period.

3. Transition to Ind AS

The transition as of April 1, 2015 to Ind AS was carried out from Previous GAAP. The exemption and exceptions applied by the company in accordance with Ind AS 101 First Time adoption of Indian Accounting Standards, the reconciliations of equity and total comprehensive income in accordance with Previous GAAP to Ind AS are explained below.

<u>Exemptions from retrospective applications</u>

Business combinations

The Company has elected to apply Ind AS 103, Business Combinations, prospectively to business combinations from 30th March, 2013.

Reconciliation between Previous GAAP and Ind AS

Equity Reconciliation **(₹ in Lakhs)**

	Notes	As of March 31, 2016	As of April 1, 2015
Equity under Previous GAAP		**81,320.97**	**78,625.56**
Business acquisition under common control	1	(5019.58)	(6098.85)
Fair valuation of Investments	2	866.99	599.07
Dividends	3	463.39	2316.89
Deferred Taxes	4	(349.47)	(220.45)
Fair valuation of Property, plant and equipment	6	(426.21)	(491.69)
Others		(46.38)	(68.04)
Equity under Ind AS		**76,809.71**	**74,662.49**

Comprehensive Income Reconciliation **(₹ in Lakhs)**

	Notes	Year ended March 31, 2016
Profit under Previous GAAP		**5475.68**
Business acquisition under common control	1	1079.28
Fair valuation of Investments	2	267.92
Employee Benefits	5	116.10
Deferred taxes	4	(129.02)
Fair valuation of Property, plant and equipment	6	65.48
Others		(18.52)
Profit under Ind AS		**6856.92**
Other Comprehensive Income		(75.92)
Comprehensive Income under Ind AS		**6781.00**

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Notes to reconciliations between Previous GAAP and Ind AS

1. **Business acquisition under common control**

   The Company under Ind AS-103 Business Combination has accounted the transfer of business from forge division of Tata Motors Limited to TML Drivelines Limited on the historical cost basis and the consideration paid in excess of the net assets acquired , as on the date of transfer , has been recorded as reduction to equity. Under Previous GAAP, the transfer has been accounted on fair value basis.
   This will also lead to a difference in charge of depreciation and amortisation between Previous GAAP and Ind AS.
   This has resulted in decrease in equity of ₹ 5019.58 lakhs and ₹ 6098.85 lakhs as on March 31, 2016 and April 1, 2015 respectively and an increase in Comprehensive Income by ₹ 1079.28 lakhs for the year ended March 31, 2016.

2. **Fair valuation of Investments**

   Under Previous GAAP, investments in mutual funds (classified as "Current") were carried at lower of cost and market value.
   Whereas, under Ind AS, such investments have been classified as fair value through profit and loss and fair value changes are recognised in the statement of profit and loss.
   This has resulted in an increase in equity of ₹ 866.99 lakhs and ₹ 599.07 lakhs as on March 31, 2016 and April 1, 2015 respectively and an increase in Comprehensive Income by ₹ 267.92 lakhs for the year ended March 31, 2016.

3. **Dividends**

   Under Previous GAAP, dividend payable were recorded as a liability in the period to which it relates.
   Whereas, under Ind AS, dividend to Shareholder is recognised as a liability in the period in which the obligation to pay is established.
   This has resulted in an increase in equity by ₹ 463.39 lakhs and ₹ 2,316.89 lakhs as on March 31, 2016 and April 1, 2015 respectively.

4. **Deferred Taxes**

   Under Previous GAAP, deferred taxes were recognized for the tax effect of timing differences between book and tax income for the year.
   Whereas, under Ind AS, deferred taxes are recognized for future tax consequences of temporary differences between the carrying value of assets and liabilities and their respective tax bases.
   Further, in the Ind AS financial statements, consequential tax effect of other Ind AS to Previous GAAP differences are recognized.
   This has resulted in an decrease in equity by ₹ 349.74 lakhs and ₹ 220.45 lakhs as on March 31, 2016 and April 1, 2015 respectively and decrease in Comprehensive Income by ₹ 129.02 lakhs for the year ended March 31, 2016.

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5. **Employee benefits**

Under Previous GAAP, acturial gains and losses were recognised in the Statement of Profit and Loss.

Whereas, under Ind AS, the acturial gains and losses form part of remeasurement of net defined liability/asset which is recognised in Other Comprehensive Income in the respective periods.

This has resulted in an increase in profits by ₹ 116.10 lakhs for the year ended March 31, 2016. However, the same does not result in difference in equity or total comprehensive income.

6. **Fair Valuation of Property, plant and equipment**

Under Previous GAAP, Property, plant and equipment were carried at cost of acquisition or construction less depreciation.

Whereas, under Ind AS, on first time adoption (Ind AS 101), the company has elected to fair value selected items of plant and machinery, office equipment and furniture & fixture on the date of transition & substitute it as deemed cost.

On account of fair valuation, the carrying amount of such assets have decreased by ₹ 491.69 lakhs on the date of transition. This along with the impact of depreciation has resulted in decrease in equity of ₹ 426.21 lakhs and ₹ 491.69 lakhs as on March 31, 2016 and April 1, 2015 respectively and an increase in Comprehensive Income by ₹ 65.48 lakhs for the year ended March 31, 2016.

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(₹ in lakhs)

	Owned assets							Given on lease	
4. Property, plant and equipment	Buildings	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Water System and Sanitation	Computers	Plant and equipment	Total
Cost as of April 1, 2016	4,622.03	95,446.53	193.01	455.53	191.52	170.97	255.12	636.59	101,971.30
Additions	1,071.41	10,988.14	-	3.52	44.28	25.87	5.26	3.52	12,142.00
Disposal	-	(2,727.33)	(2.41)	(3.30)	(10.63)	-	-	(60.92)	(2,804.59)
Cost as of March 31, 2017	5,693.44	103,707.34	190.60	455.75	225.17	196.84	260.38	579.19	111,308.71
Accumulated depreciation as of April 1, 2016	1,199.41	51,345.64	89.29	350.74	69.71	17.37	187.86	115.66	53,375.68
Depreciation for the year	162.47	6,010.48	9.96	35.78	43.32	16.55	29.10	38.87	6,346.53
Disposal / adjustments *	-	(1,893.91)	(2.00)	(1.35)	(8.99)	-	0.74	(22.56)	(1,928.07)
Accumulated depreciation as of March 31, 2017	1,361.88	55,462.21	97.25	385.17	104.04	33.92	217.70	131.97	57,794.14
Net carrying amount as of March 31, 2017	4,331.56	48,245.13	93.35	70.58	121.13	162.92	42.68	447.22	53,514.57
Cost as of April 1, 2015	4,323.10	92,984.89	169.53	457.02	185.09	41.59	267.38	533.38	98,961.98
Additions	298.93	5,199.26	30.62	27.52	99.79	129.38	2.50	110.36	5,898.36
Disposal		(2,737.62)	(7.14)	(29.01)	(93.36)	-	(14.76)	(7.15)	(2,889.04)
Cost as of March 31, 2016	4,622.03	95,446.53	193.01	455.53	191.52	170.97	255.12	636.59	101,971.30
Accumulated depreciation as of April 1, 2015	1,016.26	48,252.68	86.88	321.38	111.02	13.70	168.22	93.76	50,063.90
Depreciation for the year	183.15	5,734.95	8.84	52.08	34.00	3.67	33.80	28.27	6,078.76
Disposal		(2,641.99)	(6.43)	(22.72)	(75.31)	-	(14.16)	(6.37)	(2,766.98)
Accumulated depreciation as of March 31, 2016	1,199.41	51,345.64	89.29	350.74	69.71	17.37	187.86	115.66	53,375.68
Net carrying amount as of March 31, 2016	3,422.62	44,100.89	103.72	104.79	121.81	153.60	67.26	520.93	48,595.62

Notes:

* Includes asset write down of ₹ 730.94 Lakhs as at March 31, 2017.

** As explained in Note 3 (sub-note 6) to the financial statements, the Company has used fair value in its Opening Ind AS Balance Sheet (April 1, 2015) for selected items of property, plant

₹ in lakhs

Particulars	WDV as at April 1, 2015	Fair value	Adjustment to carrying cost under Previous GAAP
Office Equipment	0.18	-	0.18
Plant & Machinery	3,248.98	2,757.87	491.11
Water System	4.57	4.50	0.07
Computer Hardware	0.34	0.01	0.33
Total	3,254.07	2,762.38	491.69

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(₹ in lakhs)

5. Intangible assets	Software	Intellectual property rights and other intangibles	Product development	Total
Cost as of April 1, 2016	**870.86**	18,174.10	143.76	**19,188.72**
Additions	47.30	-	56.47	**103.77**
Disposal	-	-	-	-
Cost as of March 31, 2017	**918.16**	18,174.10	200.23	**19,292.49**
Accumulated amortisation as of April 1, 2016	**495.76**	**17,617.62**	**20.72**	**18,134.10**
Amortization for the year	120.50	92.24	15.91	**228.65**
Disposal	0.31	-	-	**0.31**
Accumulated amortisation as of March 31, 2017	**616.57**	**17,709.86**	**36.63**	**18,363.06**
Net carrying amount as of March 31, 2017	**301.59**	**464.24**	**163.60**	**929.43**
Cost as of April 1, 2015	**731.64**	**17,617.60**	143.76	**18,493.00**
Additions	139.22	556.50	-	**695.72**
Disposal	-	-	-	-
Cost as of March 31, 2016	**870.86**	**18,174.10**	**143.76**	**19,188.72**
Accumulated amortisation as of April 1, 2015	**372.14**	**17,617.62**	**6.99**	**17,996.75**
Amortization for the year	123.61	-	13.73	**137.34**
Disposal	0.01	-	-	**0.01**
Accumulated amortisation as of March 31, 2016	**495.76**	**17,617.62**	**20.72**	**18,134.10**
Net carrying amount as of March 31, 2016	**375.10**	**556.48**	**123.04**	**1,054.62**

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(₹ in Lakhs)

6. Loans and advances	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
Unsecured, considerd good:			
(a) Loans to employees	28.67	41.11	69.08
(b) Others	82.67	70.46	69.82
Total	**111.34**	**111.57**	**138.90**
Current			
Unsecured, considerd good:			
(a) Loans and advances to employees	103.91	108.27	166.32
(b) Inter corporate deposits to related parties*			
- Tata Motors Limited	21,700.00	28,545.00	15,675.00
- Tata Marcopolo Motors Limited	-	-	800.00
(c) Fixed deposit with Financial Institutions **	4,000.00	500.00	500.00
Total	**25,803.91**	**29,153.27**	**17,141.32**

* Short term inter corporate deposit is given to realted parties at rates comparable to the average commercial rate of interest.

** Rate of interest varies significantly as the maturity of fixed deposits ranges from 7 days to 365 days.

7. Other financial assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current			
(a) Interest accrued on deposits	78.15	29.57	55.98
Total	**78.15**	**29.57**	**55.98**

8. Income tax

The reconciliation of estimated tax expense to tax expense reported:	Year ended March 31, 2017	Year ended March 31, 2016
Profit before tax	**6,505.22**	**9,524.10**
Tax expense calculated at 34.608%	2,251.33	3,296.10
Additional deduction for research and product development costs, depreciation on goodwill and investment allowance under section 32AC of the Income Tax Act	(867.68)	(652.11)
Items (net) not deductible for tax/not liable to tax :		
- Gain on financial assets held at FVTPL	(97.93)	(92.72)
- Expenditure on Corporate Social Responsibility	46.32	62.20
Others	62.72	13.53
Tax expense reported	**1,394.76**	**2,627.00**

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Deferred tax : (₹ in lakhs)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2017:	Opening balance	Recognized in profit or loss	Closing balance
Deferred tax assets:			
Employee Seperation Scheme	328.74	(109.54)	219.20
Employee Benefits / Expenses allowable on payment basis	397.84	39.03	436.87
Others	41.88	(15.19)	26.69
Total deferred tax assets	**768.46**	**(85.70)**	**682.76**
Deferred tax liabilities:			
Property, plant and equipment	5,184.57	39.82	5,224.39
Others	641.51	93.47	734.98
Total deferred tax liabilities	**5,826.08**	**133.29**	**5,959.37**
Net assets/(liabilities)	**(5,057.62)**	**(218.99)**	**(5,276.61)**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2016:	Opening balance	Recognized in profit or loss	Closing balance
Deferred tax assets:			
Employee Seperation Scheme	389.77	(61.03)	328.74
Employee Benefits / Expenses allowable on payment basis	371.84	26.00	397.84
Others	73.62	(31.74)	41.88
Total deferred tax assets	**835.23**	**(66.77)**	**768.46**
Deferred tax liabilities:			
Property, plant and equipment	4,893.79	290.78	5,184.57
Others	555.32	86.19	641.51
Total deferred tax liabilities	**5,449.11**	**376.97**	**5,826.08**
Net assets/(liabilities)	**(4,613.88)**	**(443.74)**	**(5,057.62)**

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(₹ in lakhs)

9. Other non-current assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Capital advances	217.43	1,177.00	235.70
(b) VAT, other taxes recoverable, statutory deposits and dues from government	73.44	73.44	51.72
Total	290.87	1,250.44	287.42

10. Other current assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advances and other receivables	660.07	325.39	496.16
(b) VAT, other taxes recoverable, statutory deposits and dues from government	1,070.76	905.45	1,320.07
(c) Prepaid expenses	92.45	92.33	89.95
(d) Others	22.85	48.74	462.69
Total	1,846.13	1,371.91	2,368.87

11. Inventories	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Unbilled Cost	1,025.08	993.12	1,015.49
(b) Stores and spare parts	2,860.48	2,418.06	2,668.55
(c) Consumable tools	1,403.34	1,467.10	1,120.56
Total	5,288.90	4,878.28	4,804.60

During the year ended March 31, 2017, the Company recorded inventory write-down expenses of ₹ 44.59 Lakhs and of ₹ 44.80 Lakhs for March 31, 2016 respectively.

12. Cash and cash equivalents	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	0.83	0.38	0.40
(b) Balances with banks in			
-Current Accounts*	54.74	43.34	25.54
-Fixed Deposit	4,000.00	-	4,000.00
	4,055.57	43.72	4,025.94

* Includes remittances in transit

13. SPECIFIED BANK NOTES DISCLOSURE (SBN's)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 30, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	ODNs	Total
Closing cash in hand as on 08 Nov, 2016	36,000.00	4,857.00	40,857.00
(+) Permitted receipts -	-	3,065,000.00	3,065,000.00
(-) Permitted payments -	-	3,016,665.00	3,016,665.00
(-) Other payments (Note (a))	36,000.00	-	36,000.00
(-) Amounts Deposited in Banks	-	-	-
Closing cash in hand as on 30 Dec, 2016	-	53,192.00	53,192.00

(a) SBN's exchnaged with Parent company for administrative convinience in deposting with Banks.

14. Investments - current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Quoted:			
(a) Mutual funds - measured at FVTPL	3,649.96	3,366.99	3,099.07
Total	3,649.96	3,366.99	3,099.07

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(₹ in lakhs)

15. Equity Share Capital	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Authorised Share Capital:			
(i) 100,000,000 Ordinary shares of ₹10 each (as at March 31, 2016: 100,000,000 Ordinary shares of ₹10 each) (as at April 1, 2015: 100,000,000 Ordinary shares of ₹10 each)	10,000.00	10,000.00	10,000.00
Total	**10,000.00**	**10,000.00**	**10,000.00**
(b) Issued Share Capital:			
(i) 77,000,000 Ordinary shares of ₹10 each (as at March 31, 2016: 77,000,000 Ordinary shares of ₹10 each) (as at April 1, 2015: 77,000,000 Ordinary shares of ₹10 each)	7,700.00	7,700.00	7,700.00
Total	**7,700.00**	**7,700.00**	**7,700.00**
(c) Subscribed and fully paid Share Capital:			
(i) 77,000,000 Ordinary shares of ₹10 each (as at March 31, 2016: 77,000,000 Ordinary shares of ₹10 each) (as at April 1, 2015: 77,000,000 Ordinary shares of ₹10 each)	7,700.00	7,700.00	7,700.00
	7,700.00	**7,700.00**	**7,700.00**

(d) The company has not issued any shares during the year ended march 31, 2017 and march 31, 2016.

(e) Rights, preferences and restrictions attached to Shares Equity Shares of Rs. 10 each

i) 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.

ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

iii) 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.

(f) *Number of shares held by each shareholder holding more than 5 percent of the issued share capital :*	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
(i) Ordinary shares :						
Tata Motors Limited	100.00%	77,000,000	100.00%	77,000,000	100.00%	77,000,000

16. Other financial liabilities - non-current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Pension - Employee Separation Scheme	657.12	763.67	844.93
	657.12	**763.67**	**844.93**

17. Other financial liabilities - current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Liability for capital expenditure	1,185.50	1,372.97	854.86
(b) Deposits and retention money	843.31	593.64	868.49
	2,028.81	**1,966.61**	**1,723.35**

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(₹ in lakhs)

18. Trade payables	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Trade Payables	8,467.43	7,397.77	6,612.33
Total	**8,467.43**	**7,397.77**	**6,612.33**

19. Provisions	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
(a) Employee benefits	3,930.62	3,379.23	2,924.81
(b) Warranty and product liability	89.11	104.55	53.29
Total-Non-current	**4,019.73**	**3,483.78**	**2,978.10**
Current			
(a) Employee benefit	190.78	259.10	266.72
(b) Warranty and product liability	855.35	1,089.93	425.38
Total-Current	**1,046.13**	**1,349.03**	**692.10**

The movement of provisions for Warranty and product liability

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Balance at the beginning	1,194.48	478.67	-
Provision made during the Period	708.59	1,479.04	505.80
Provision used during the Period	(961.29)	(759.05)	(22.79)
Impact of discounting	2.68	(4.18)	(4.34)
Impact of foreign exchange translation	-	-	
Balance at the end	**944.46**	**1,194.48**	**478.67**
Non-current	89.11	104.55	53.29
Current	855.35	1,089.93	425.38

20. Other current liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Amount due to Customer	89.25	67.77	54.34
(b) Statutory dues*	407.58	296.24	363.97
(c) Interim Dividends	-	1,925.00	-
(d) Tax on Interim Dividends	-	391.88	-
(e) Others	220.82	221.22	219.59
Total	**717.65**	**2,902.11**	**637.90**

* Statutory dues includes VAT, Excise, Service Tax and Other taxes payable

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(₹ in lakhs)

21. Revenue From Operations	Year ended March 31, 2017	2016
(a) Sale of services	51,388.66	53,524.20
	51,388.66	53,524.20
(b) Other operating revenues (Note 1)	1,014.52	1,060.75
Total	**52,403.18**	**54,584.95**

Note 1. Includes :		
(i) Scrap Sales	489.78	597.64
(ii) Profit on Sale of Assets held for Disposal	119.72	54.16
(iii) Lease rental of Plant & Machinery	89.68	91.80

22. Other income	Year ended March 31, 2017	2016
(a) Interest income on financial assets held at amortised cost		
- Interest on Inter Corporate Deposit	2,116.46	2,063.13
- Interest on Fixed Deposits	101.11	116.79
(b) Gain arising on financial assets held at FVTPL	282.97	267.92
(c) Interest on Income Tax Refund	212.14	-
Total	**2,712.68**	**2,447.84**

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(₹ in lakhs)

23. Employee benefit expense	Year ended March 31, 2017	Year ended March 31, 2016
(a) Salaries, wages and bonus	18,637.59	16,475.99
(b) Contribution to provident fund and other funds	1,318.51	1,268.57
(c) Staff welfare expenses	524.68	491.86
Total	**20,480.78**	**18,236.42**

24. Other expenses	Year ended March 31, 2017	Year ended March 31, 2016
(a) Processing charges	0.32	11.92
(b) Consumption of stores & spare parts	5,605.95	6,632.39
(c) Power & fuel	5,423.26	6,149.21
(d) Rent	503.04	501.66
(e) Repairs to buildings	211.30	247.71
(f) Repairs to plant, machinery etc.	956.29	749.67
(g) Insurance	94.16	96.47
(h) Freight, transportation, port charges etc.	133.05	165.31
(i) Warranty and product liability expenses	708.59	1,517.46
(j) Corporate Social Responsibility expenses	133.84	179.72
(k) Auditors' Remuneration -		
Audit Fees	38.75	31.20
In other Capacities -		
Tax Audit Fees	5.00	5.00
Other Services	8.33	2.75
(l) Share of Expenses for common services facilities	3,046.41	3,069.21
(m) Asset written down	730.94	268.81
(n) Excise duty expense	55.84	75.75
(o) Works operation and other expenses [1]	4,105.90	3,655.17
Total	**21,760.97**	**23,359.41**

[1] Works operation and other expenses	Year ended March 31, 2017	Year ended March 31, 2016
(a) Foreign Exchange Fluctuation (Profit) / Loss (net)	**(32.82)**	**32.38**
(b) Loss on Sale of Assets	**18.35**	**45.40**
(c) Asset Scrapped	**180.97**	**139.66**
(d) Provision and write off of Inventory (net)	**44.59**	**44.80**

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25. Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans in respect of TML Drivelines Limited:

	Gratutiy, Superannuation & BKY				Post retirement medical Benefits			
	2017		2016		2017		2016	
Change in defined benefit obligations :								
Defined benefit obligation, beginning of the year	Rs.	4,353.11	Rs.	4,701.05	Rs.	1,550.92	Rs.	1,163.43
Current service cost		326.55		319.15		103.54		77.49
Interest cost		330.68		337.73		120.48		89.39
Remeasurements (gains)/losses								
Actuarial (gains)/losses arising from changes in demographic assumptions		-		-		-		-
Actuarial (gains)/losses arising from changes in financial assumptions		60.56		12.28		333.55		347.67
Actuarial (gains)/losses arising from changes in experience adjustments		0.19		(80.99)		(110.02)		(34.96)
Past service cost		-		-		-		-
Benefits paid from plan assets		(419.97)		(936.11)		(89.88)		(92.10)
Benefits paid directly by employer		-		-		-		-
Defined benefit obligation, end of the year	**Rs.**	**4,651.12**	**Rs.**	**4,353.11**	**Rs.**	**1,908.59**	**Rs.**	**1,550.92**
Change in plan assets:								
Fair value of plan assets, beginning of the year	Rs.	3,715.82	Rs.	4,471.23	Rs.	-	Rs.	-
Interest income		292.07		322.01		-		-
Remeasurements gains/(losses)								
Return on plan assets, (excluding amount included in net Interest expense)		90.64		127.87		-		-
Employer's contributions		309.06		(314.36)		89.88		92.10
Benefits paid		(419.97)		(890.93)		(89.88)		(92.10)
Others		-		-		-		-
Fair value of plan assets, end of the year	**Rs.**	**3,987.62**	**Rs.**	**3,715.82**	**Rs.**	**-**	**Rs.**	**-**

	Gratutiy, Superannuation & BKY				Post retirement medical Benefits			
	2017		2016		2017		2016	
Amount recognized in the balance sheet consists of:								
Present value of defined benefit obligation	Rs.	4,651.12	Rs.	4,353.11	Rs.	1,908.59	Rs.	1,550.92
Fair value of plan assets		3,987.62		3,715.82		-		-
Net liability	**Rs.**	**(663.50)**	**Rs.**	**(637.29)**	**Rs.**	**(1,908.59)**	**Rs.**	**(1,550.92)**
Amounts in the balance sheet:								
Non-current assets	Rs.	-	Rs.	-	Rs.	-	Rs.	-
Non-current liabilities		(620.76)		(547.00)		(1,841.26)		(1,461.02)
Net liability	Rs.	**(620.76)**	Rs.	**(547.00)**	Rs.	**(1,841.26)**	Rs.	**(1,461.02)**

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Total amount recognized in other comprehensive income consists of:

	As at March 31,							
	Gratutiy, Superannuation & BKY				Post retirement medical Benefits			
	2017		2016		2017		2016	
Remeasurements (gains)/losses	Rs.	(29.89)	Rs.	(196.58)	Rs.	223.53	Rs.	312.71
	Rs.	**(29.89)**	**Rs.**	**(196.58)**	**Rs.**	**223.53**	**Rs.**	**312.71**

Information for funded plans with a defined benefit obligation in excess of plan assets:

	Gratutiy, Superannuation & BKY	
	2017	2016
Defined benefit obligation	-	-
Fair value of plan assets	-	-

Information for funded plans with a defined benefit obligation less than plan assets:

	Gratutiy, Superannuation & BKY			
	2017		2016	
Defined benefit obligation	Rs.	3,982.26	Rs.	3,705.82
Fair value of plan assets	Rs.	3,987.62	Rs.	3,715.82

Information for unfunded plans:

	As at March 31,							
	Gratutiy, Superannuation & BKY				Post retirement medical Benefits			
	2017		2016		2017		2016	
Defined benefit obligation	Rs.	668.86	Rs.	647.29	Rs.	1,908.59	Rs.	1,550.92
	Rs.	**668.86**	**Rs.**	**647.29**	**Rs.**	**1,908.59**	**Rs.**	**1,550.92**

Net pension and post retirement medical cost consist of the following components:

	Year ended March 31,							
	Gratutiy, Superannuation & BKY				Post retirement medical Benefits			
	2017		2016		2017		2016	
Service cost	Rs.	56.59	Rs.	53.25	Rs.	103.54	Rs.	77.49
Past Service cost		-		-		-		-
Net interest cost/(income)		49.77		48.78		120.48		89.39
Net periodic cost	**Rs.**	**106.36**	**Rs.**	**102.03**	**Rs.**	**224.02**	**Rs.**	**166.88**

Other changes in plan assets and benefit obligation recognized in other comprehensive income:

	Year ended March 31,			
	Gratutiy, Superannuation & BKY		Post retirement medical Benefits	
	2017	2016	2017	2016
Remeasurements				
Return on plan assets, (excluding amount included in net interest expense)	-	-	-	-
Actuarial (gains)/losses arising from changes in demographic assumptions	-	-	-	-
Actuarial (gains)/losses arising from changes in financial assumptions	17.36	0.93	333.55	347.67
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	(51.91)	(42.84)	(110.02)	(34.96)
Total recognized in other comprehensive income	(34.55)	(41.91)	223.53	312.71
Total recognized in statement of operations and other comprehensive income				

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The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	As at March 31,			
	Gratutiy, Superannuation & BKY		Post retirement medical Benefits	
	2017	2016	2017	2016
Discount rate	6.75%-7.50%	6.75%-8.00%	7.30%	8.00%
Rate of increase in compensation level of covered employees	5.00% - 9.00%	5.00% - 9.00%	NA	NA
Increase in health care cost	NA	NA	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as at March 31, 2017 and 2016 by category are as follows:

	Gratutiy, Superannuation & BKY	
	Plan assets as at March 31	
	2017	2016
Asset category:		
Cash and cash equivalents	**0%**	**2%**
Debt instruments	**87%**	**81%**
Insured benefits	**13%**	**17%**
	100%	**100%**

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares

The weighted average duration of the defined benefit obligation as at March 31, 2017 is 11.21 years (as at March 31, 201

The Company expects to contribute Rs.400 Lakhs to the funded pension plans during the year ending March 31, 2017.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by Rs. 520.72 lakhs	Decrease by Rs. 51.58 lakl
	Decrease by 1%	Increase by Rs. 610.62 lakhs	Increase by Rs. 62.33 lakh
Salary escalation rate	Increase by 1%	Increase by Rs. 332.24 lakhs	Increase by Rs. 36.23 lakh
	Decrease by 1%	Decrease by Rs. 293.35 lakhs	Decrease by Rs. 31.07 lakl
Health care cost	Increase by 1%	Increase by Rs. 247.25 lakhs	Increase by Rs. 23.61 lakh
	Decrease by 1%	Decrease by Rs. 208.89 lakhs	Decrease by Rs. 19.31 lakl

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26. Commitments and contingencies

I) The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below:

Income tax:
- The Company has a dispute with income tax authorities relating to tax treatment of certain item of expense. As at March 31, 2017, the amount of dispute pending appeal is Rs. 316.83 Lakhs (as at March 31, 2016 - Rs. 1041.99 Lakhs & as at April 1, 2015 - Rs. 1041.99 Lakhs).

Excise Duties:
- There are pending litigation for various matters relating to excise duty demands (including interest and penalties) that are contested by the Company. The amount of disputes pending appeal is Rs. 10093.24 Lakhs (as at March 31, 2016 - Rs. 10093.24 Lakhs & as at April 1, 2015 - Rs. 9257.0 Lakhs)

Sales tax:
- There are pending litigation for various matters relating to sales tax demands (including interest and penalties) that are contested by the Company The amount of disputes pending appeal is Rs. 1611.00 Lakhs (as at March 31, 2016 - Rs. 1653.02 Lakhs & as at April 1, 2015 - Rs. 1219.95 Lakhs).

II) Estimated amount of contracts remaining to be executed on capital account and not provided for: ₹ 11272.42 lakhs (As at March 31, 2016: ₹ 12198.56 lakhs & as at April 1, 2015: ₹ 6929.19) and advances of ₹ 217.43 lakhs (As at March 31, 2016: ₹ 1177.00 lakhs & as at April 1, 2015: ₹ 235.70)

27. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met directly through equity.

28. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2017.

(₹ in lakhs)

Financial assets	Measured at amortised Cost	Measured at fair value through Profit & Loss (FVTPL)	Total carrying value	Total fair value
(a) Investments - current	-	3,649.96	3,649.96	3,649.96
(b) Cash and cash equivalents	4,055.57	-	4,055.57	4,055.57
(c) Loans and advances - non-current	111.34	-	111.34	111.34
(d) Loans and advances - current	25,803.91	-	25,803.91	25,803.91
(e) Other financial assets - current	78.15	-	78.15	78.15
Total	30,048.97	3,649.96	33,698.93	33,698.93

(₹ in lakhs)

Financial liabilities	Measured at amortised Cost	Total carrying value	Total fair value
(a) Trade payables	8,467.43	8,467.43	8,467.43
(b) Other financial liabilities - non-current	657.12	657.12	657.12
(c) Other financial liabilities - current	2,028.81	2,028.81	2,028.81
Total	11,153.36	11,153.36	11,153.36

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The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2016.

(₹ in lakhs)

Financial assets	Measured at amortised Cost	Measured at fair value through Profit & Loss (FVTPL)	Total carrying value	Total fair value
(a) Investments - current	-	3,366.99	3,366.99	3,366.99
(b) Cash and cash equivalents	43.72	-	43.72	43.72
(c) Loans and advances - non-current	111.57	-	111.57	111.57
(d) Loans and advances - current	29,153.27	-	29,153.27	29,153.27
(e) Other financial assets - current	29.57	-	29.57	29.57
Total	29,338.13	3,366.99	32,705.12	32,705.12

(₹ in lakhs)

Financial liabilities	Measured at amortised Cost	Total carrying value	Total fair value
(a) Trade payables	7,397.77	7,397.77	7,397.77
(b) Other financial liabilities - non-current	763.67	763.67	763.67
(c) Other financial liabilities - current	1,966.61	1,966.61	1,966.61
Total	10,128.05	10,128.05	10,128.05

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at April 1, 2015.

(₹ in lakhs)

Financial assets	Measured at amortised Cost	Measured at fair value through Profit & Loss (FVTPL)	Total carrying value	Total fair value
(a) Investments - current	-	3,099.07	3,099.07	3,099.07
(b) Cash and cash equivalents	4,025.94	-	4,025.94	4,025.94
(c) Loans and advances - non-current	138.90	-	138.90	138.90
(d) Loans and advances - current	17,141.32	-	17,141.32	17,141.32
(e) Other financial assets - current	55.98	-	55.98	55.98
Total	21,362.14	3,099.07	24,461.21	24,461.21

(₹ in lakhs)

Financial liabilities	Measured at amortised Cost	Total carrying value	Total fair value
(a) Trade payables	6,612.33	6,612.33	6,612.33
(b) Other financial liabilities - non-current	844.93	844.93	844.93
(c) Other financial liabilities - current	1,723.35	1,723.35	1,723.35
Total	9,180.61	9,180.61	9,180.61

Fair value hierarchy:

The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

• Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

• Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

• Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in lakhs)

As at March 31, 2017	Level 1	Level 2	Level 3	Total
(a) Mutual funds	3,650.0	-	-	3,650.0
(b) Cash and cash equivalents	4,055.6	-	-	4,055.6
Total	7,705.6	-	-	7,705.6

(₹ in lakhs)

As at March 31, 2016	Level 1	Level 2	Level 3	Total
(a) Mutual funds	3,367.0	-	-	3,367.0
(b) Cash and cash equivalents	43.7	-	-	43.7
Total	3,410.7	-	-	3,410.7

(₹ in lakhs)

As at April 1, 2015	Level 1	Level 2	Level 3	Total
(a) Mutual funds	3,099.1	-	-	3,099.1
(b) Cash and cash equivalents	4,025.9	-	-	4,025.9
Total	7,125.0	-	-	7,125.0

(b) Market risk and foreign currency exchange risk

The company's activities doesn't expose it to material financial risks of changes in interest rate and foriegn currency exchange rate.

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(c) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.
Financial instruments that are subject to concentrations of credit risk, principally consist of investments, loans and advances, cash and cash equivalent and other financial assets.

Exposure to credit risk
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 33,698.94 Lakhs as of March 31, 2017, ₹ 32,705.12 Lakhs as of March 31, 2016 and ₹ 24,461.21 Lakhs as of April 1, 2015, being the total of the carrying amount of balances with banks, short term deposits with banks and other financial assets.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents are past due or impaired. Regarding loans and advances that are neither impaired nor past due, there were no indications as of March 31, 2017, that defaults in payment obligations will occur.

(d) Liquidity risk

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

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of March 31, 2017:

(₹ in lakhs)

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year
(a) Trade payables	8,467.43	8,467.43	-	-	-
(b) Pension – Employee Separation Scheme	657.12	-	114.14	211.50	331.48
(c) Liability for capital expenditure	1,185.50	1,185.50	-	-	-
(d) Deposits and retention money	843.31	843.31	-	-	-
Total	11,153.36	10,496.24	114.14	211.50	331.48

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of March 31, 2016:

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year
(a) Trade payables	7,397.77	7,397.77	-	-	-
(b) Pension – Employee Separation Scheme	763.67	-	147.40	247.81	368.46
(c) Liability for capital expenditure	1,372.97	1,372.97	-	-	-
(d) Deposits and retention money	593.64	593.64	-		
Total	10,128.05	9,364.38	147.40	247.81	368.46

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of April 1, 2015:

Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year
(a) Trade payables	6,612.33	6,612.33	-	-	-
(b) Pension – Employee Separation Scheme	844.93		194.31	312.20	338.42
(c) Liability for capital expenditure	854.86	854.86	-	-	-
(d) Deposits and retention money	868.49	868.49	-	-	-
Total	9,180.61	8,335.68	194.31	312.20	338.42

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29. Related-party transactions

The Company's related parties principally consist of Tata Motors Limited the holding company and its fellow subsidaries. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its holding and fellow subsidaries.

The following table summarizes related-party transactions and balances included in the financial statements for the year ended March 31, 2017:

(₹ in lakhs)

	Holding Company	*Fellow Subsidiaries	Total
Transactions:			
(a) Purchase of products	385.38	2.02	387.40
(b) Services received	6,162.29	275.19	6,437.48
(c) Services rendered	51,388.66	-	51,388.66
(d) Excise duty Recovered	47,099.44	-	47,099.44
(e) Purchase of property, plant and equipment	6.30	290.81	297.11
(f) Interest income	2,116.46	-	2,116.46
(g) Rent paid	575.20	-	575.20
(h) Reimbursements Received	2,692.44	-	2,692.44
(i) Reimbursements Made	5,618.26	-	5,618.26
(j) Transfer of Research & Development	160.74	-	160.74
(k) Inter Corporate Deposit Given	40,250.00	-	40,250.00
(l) Inter Corporate Deposit Received Back	47,095.00	-	47,095.00
(m) Dividend	385.00	-	385.00
(n) Lease Rental	102.93	-	102.93
(o) ED transferred	24,400.66	-	24,400.66
Balances:			
(a) Accounts payable	1,603.47	84.95	1,688.42
(b) Deposits receivable	21,700.00	-	21,700.00

* Fellow Subsidairy

TAL Manufacturing Solutions Limited
Tata Technologies Limited
Tata Daewoo Commercial Vehicle Company Limited
Tata Marcopolo Motors Limited

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The following table summarizes related-party transactions and balances included in the financial statements for the year ended March 31, 2016:

(₹ in lakhs)

	Holding Company	*Fellow Subsidiaries	Total
Transactions:			
(a) Purchase of products	652.24	17.00	669.24
(b) Services received	5,993.65	238.48	6,232.13
(c) Services rendered	53,524.20	-	53,524.20
(d) Excise duty Recovered	47,656.33	-	47,656.33
(e) Sale of Products	5.69	15.92	21.61
(f) Purchase of property, plant and equipment	561.07	62.35	623.42
(g) Sale of property, plant and equipment	683.95	-	683.95
(h) Interest income	2,063.13	43.14	2,106.27
(i) Rent paid	570.29	-	570.29
(j) Reimbursements Received	2,612.21	-	2,612.21
(k) Reimbursements Made	6,220.97	-	6,220.97
(l) Transfer of Research & Development	67.11	-	67.11
(m) Inter Corporate Deposit Given	48,495.00	-	48,495.00
(n) Inter Corporate Deposit Received Back	35,625.00	800.00	36,425.00
(o) Dividend Paid	3,850.00	-	3,850.00
(p) Lease Rental	104.42	-	104.42
(q) ED transferred	20,972.42	-	20,972.42
Balances as at March 31, 2016 :			
(a) Accounts payable	2,404.48	111.59	2,516.07
(b) Deposits receivable	28,545.00	-	28,545.00
(c) Advances Given	-	10.60	10.60
Balances as at April 1, 2015 :			
(a) Accounts payable	2,545.26	172.38	2,717.64
(b) Deposits receivable	15,675.00	800.00	16,475.00

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Compensation of key management personnel:	March 31, 2017	March 31, 2016
(a) Short-term benefits	74.63	63.95
(b) Loans	1.34	1.62

(₹ in lakhs)

30. Earnings per share ("EPS")	Net income attributable to shareholders (₹ in lakhs)	Weighted average shares (Nos.)	Earnings per share (₹)
For year ended March 31, 2017:			
Equity Shares			
(a) Basic net earnings per share	4,916.82	77,000,000	6.39
(b) Diluted earnings per share	4,916.82	77,000,000	6.39
For year ended March 31, 2016:			
Equity Shares			
(a) Basic net earnings per share	6,781.00	77,000,000	8.81
(b) Diluted earnings per share	6,781.00	77,000,000	8.81

(₹ in lakhs)

31. Expenditure Incurred on Research & Development	March 31, 2017	March 31, 2016
a) Revenue Expenditure - Charged to the Statement of Profit & Loss Account	566.53	689.47
b) Revenue Expenditure - Capitalised	0.99	30.54
c) Capital Expenditure	276.54	246.81

32. Segment Reporting

The company is engaged in the business of manufacture of axles,gearboxes and spare parts thereof. These in the context of Indian Accounting Standard 108 (Ind As 108) on segment reporting is considered to constitute single operating segment.

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

Information about major customers:

The sales of the company is to single customer.

33. 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.

34. Disclosure of Trade Payables 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 31,2017.

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

36. Figures for the previous period/year have been regrouped/reclassified to confirm to the current year classification.

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