

TATA MOTORS (SA) PROPRIETARY LIMITED
(Registration number: 2007/034689/07)

AUDITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 March 2017

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The annual financial statements have been prepared by Rakesh Lodha, Chartered Accountant from The Institute of Chartered Accountants of India & Company Secretary from The Institute of Company Secretaries of India, (Chief Financial Officer) of Tata Motors (SA) Proprietary Limited.

TATA MOTORS (SA) PROPRIETARY LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL OF THE ANNUAL
FINANCIAL STATEMENTS
for the year ended 31 March 2017

Directors' responsibility statement

The directors are required by the South African Companies Act of 2008 to maintain adequate accounting records and are responsible for the content and integrity of the financial statements and related financial information included in this report. It is their responsibility to ensure that the financial statements fairly present that state of affairs of the company as at 31 March 2017 and the results of its operations and cash flows for the year then ended, in conformity with International Financial Reporting Standards. The external auditors are engaged to express an independent opinion on the financial statements.

The financial statements are prepared in accordance with International Financial Reporting Standards and are based upon appropriate accounting policies and supported by reasonable and prudent judgements and estimates.

The directors responsibility includes: designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

The directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in the annual financial statements.

The directors acknowledge that they are responsible for establishing internal controls, systems and procedures that provide reasonable assurance that all the assets are safeguarded, transactions properly executed and recorded and that the possibility of material loss or misstatement is minimised. To this end, proper delegation of responsibilities and an adequate approvals framework has been introduced to ensure an acceptable level of risk commensurate with the size of the operation. All employees are required to maintain the highest ethical standards in ensuring that appropriate infrastructure, controls systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The financial statements have been prepared on the going concern basis, since the directors have every reason to believe that the company has adequate resources in place to continue in operation for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the annual financial statements, which were examined by the external auditors and their unmodified report, is presented on page 5 to 7.

TATA MOTORS (SA) PROPRIETARY LIMITED
DIRECTORS' RESPONSIBILITY STATEMENT AND APPROVAL OF THE ANNUAL
FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

Approval of the annual financial statements

The annual financial statements of Tata Motors (SA) Proprietary Limited, as set out on pages 8 to 32, were approved by the board of directors on 18th May 2017 and were subsequently signed on its behalf by:



C Ramakrishnan
Director



Rolf Ramakers
Director

TATA MOTORS (SA) PROPRIETARY LIMITED
REPORT OF THE DIRECTORS
for the year ended 31 March 2017

The directors have pleasure in presenting their report on the activities of the company for the year ended 31 March 2017.

Business Activities

The company manufactures and assembles commercial vehicles from the kits supplied by Tata Motors Limited, India and Tata Daewoo Commercial Vehicle Company Limited, South Korea. A site at Rosslyn has been obtained on lease from Tata Africa Holdings (SA) (Pty) Ltd. The company sells its units to Tata Automobile Corporation (SA) (Pty) Ltd.

Financial Statements

The financial position of the company and the results of its operations for the year are set out in the attached annual financial statements on pages 8 to 32 and in the opinion of the directors require no further comment.

Share Capital

The authorised share capital of the company is R 42 000 000 (2016: R 42 000 000). The issued share capital is R 19 837 000 (2016: R 19 837 000).

Dividend

No dividend was declared or paid during the year (2016: R nil).

Directors

The directors of the company during the year under review and up to the date of the annual financial statements:

R Pisharody *
C Ramakrishnan *
R Maitra *
BR Sabawala * (Resigned on 15 Feb 2017)
S Pandya * (Resigned on 15 Feb 2017)
Niraj Srivastava* (Appointed on 15 Feb 2017)
Rolf Ramakers** (Appointed on 15 Feb 2017)

* Indian

** South African

Company Secretary

A company secretary has not been appointed and this position remains vacant.

Holding Company

Tata Motors (SA) Proprietary Limited is a subsidiary of TML Holdings Pte. Limited which holds 60% of the company's ordinary shares. TML Holdings Pte. Limited is incorporated in Singapore.

TATA MOTORS (SA) PROPRIETARY LIMITED
REPORT OF THE DIRECTORS (continued)
for the year ended 31 March 2017

Post Balance Sheet Events

The directors are not aware of any events of a material nature that have occurred between the accounting date and the date of this report.

Auditors

Deloitte and Touche are the appointed auditor of Tata Motors (SA) Proprietary Limited.

Registered Office and Postal Address


The registered and postal addresses of the company are:

Business address

11 William Hoy Street
Rosslyn, Pretoria
0200

Postal address

P.O. Box 911-863
Rosslyn, Pretoria
0200



C Ramakrishnan
Director



Rolf Ramakers
Director



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Registered Auditors
Audit - Gauteng
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INDEPENDENT AUDITOR'S REPORT To the Shareholders of Tata Motors (SA) Proprietary Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tata Motors (SA) Proprietary Limited set out on pages 8 to 32, which comprise the statement of financial position as at 31 March 2017, and the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of Tata Motors (SA) Proprietary Limited as at 31 March 2017, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the company in accordance with the Independent Regulatory Board for Auditors *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (Parts A and B). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises of the Statement of Directors' Responsibility and Approval and the Directors' Report as required by the Companies Act of South Africa. The other information does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

National Executive: *LL Bam Chief Executive Officer *TMM Jordan Deputy Chief Executive Officer *MJ Jarvis Chief Operating Officer
*GM Pinnock Audit *N Sing Risk Advisory *NB Kader Tax TP Pillay Consulting S Gwala BPaaS *K Black Clients & Industries
*JK Mazzocco Talent & Transformation *MJ Comber Reputation & Risk *TJ Brown Chairman of the Board

A full list of partners and directors is available on request

* Partner and Registered Auditor

B-BBEE rating: Level 2 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Tata Motors (SA) Proprietary Limited (continued)

Other Information (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

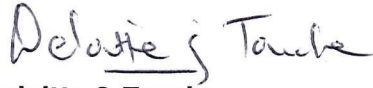
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern; and
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Tata Motors (SA) Proprietary Limited (continued)

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



Deloitte & Touche
Registered Auditors

Per: David Uys
Partner
18 May 2017

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2017

	<u>Notes</u>	<u>2017</u> R	<u>2 016</u> R
Revenue	2	180 460 018	167 595 744
Cost of sales		(169 417 749)	(156 131 616)
Gross profit		<u>11 042 269</u>	<u>11 464 128</u>
Other income		614 378	558 358
Administrative and other expenses		<u>(8 401 452)</u>	<u>(9 399 283)</u>
Profit from operations	3	3 255 195	2 623 203
Interest received	4	146 027	314 618
Finance costs	5	<u>(1 869 684)</u>	<u>(2 055 111)</u>
Profit before taxation		1 531 538	882 710
Taxation	6	<u>(456 600)</u>	<u>(329 262)</u>
Total comprehensive profit for the year		<u>1 074 938</u>	<u>553 448</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

	<u>Notes</u>	<u>2017</u>	<u>2 016</u>
		<u>R</u>	<u>R</u>
Assets			
Non-current assets			
Plant and equipment	7	16 080 750	17 584 242
Intangible assets	7	-	-
		<u>16 080 750</u>	<u>17 584 242</u>
Total non-current assets		<u>16 080 750</u>	<u>17 584 242</u>
Current assets			
Inventory	8	24 659 799	50 865 702
Tax Assets		2 418 215	592 867
Trade and other receivables	9	64 566 126	60 889 411
Cash and cash equivalents	10	915 959	1 323 807
		<u>92 560 099</u>	<u>113 671 787</u>
Total current assets		<u>92 560 099</u>	<u>113 671 787</u>
Total assets		<u><u>108 640 849</u></u>	<u><u>131 256 029</u></u>
Equity and liabilities			
Equity			
Issued capital & share premium	11	19 837 000	19 837 000
Retained earnings		3 835 560	2 760 622
		<u>23 672 560</u>	<u>22 597 622</u>
Total shareholders' equity		<u>23 672 560</u>	<u>22 597 622</u>
Non-current liabilities			
Shareholders' loans	12	11 329 800	21 329 800
Deferred taxation	13	1 674 780	1 640 229
Deferred income - long term (government grant)	14	2 298 246	2 462 406
		<u>15 302 826</u>	<u>25 432 435</u>
Total non-current liabilities		<u>15 302 826</u>	<u>25 432 435</u>
Current liabilities			
Trade and other payables	15	69 455 603	82 289 462
Provisions	16	45 700	772 350
Deferred income - short term (government grant)	14	164 160	164 160
		<u>69 665 463</u>	<u>83 225 972</u>
Total current liabilities		<u>69 665 463</u>	<u>83 225 972</u>
Total equity and liabilities		<u><u>108 640 849</u></u>	<u><u>131 256 029</u></u>

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017

	<u>Share capital</u>	<u>Retained earnings</u>	<u>Total</u>
	R	R	R
Balance at 31 March 2015	19 837 000	2 207 174	22 044 174
Total comprehensive profit for the year	<u>-</u>	<u>553 448</u>	<u>553 448</u>
Balance at 31 March 2016	19 837 000	2 760 622	22 597 622
Total comprehensive profit for the year	<u>-</u>	<u>1 074 938</u>	<u>1 074 938</u>
Balance at 31 March 2017	<u>19 837 000</u>	<u>3 835 560</u>	<u>23 672 560</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
STATEMENT OF CASH FLOWS
for the year ended 31 March 2017

	<u>Notes</u>	<u>2017</u>	<u>2 016</u>
		<u>R</u>	<u>R</u>
Cash flows from operating activities			
Cash flows generated from operations	17	12 081 958	991 580
Finance costs		(1 869 684)	(2 055 111)
Interest received		146 027	314 618
Taxation paid		<u>(520 243)</u>	<u>(1 243 465)</u>
Net cash inflow / (outflow) from operating activities		<u>9 838 058</u>	<u>(1 992 378)</u>
Cash flow from investing activities			
Acquisition of plant and equipment and other assets to maintain operations	7	<u>(245 906)</u>	<u>(192 769)</u>
Net cash outflow from investing activities		<u>(245 906)</u>	<u>(192 769)</u>
Cash flow from financing activities			
Decrease in shareholders' loans		<u>(10 000 000)</u>	<u>-</u>
Net (decrease) / increase in cash and cash equivalents		(407 848)	(2 185 146)
Cash and cash equivalents at beginning of the year		<u>1 323 807</u>	<u>3 508 953</u>
Cash and cash equivalents at end of the year	10	<u><u>915 959</u></u>	<u><u>1 323 807</u></u>

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS
for the year ended 31 March 2017

1.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards, the interpretations of the International Financial Accounting Standards Board (the IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, and the requirements of the Companies Act of South Africa, 2008.

The financial statements have been prepared on the historical cost basis. The principle accounting policies are set out below. This is in line with prior year.

1.2 Presentation of the annual financial statements

The annual financial statements are presented in South African Rands since that is the currency in which the majority of the company transactions are denominated.

1.3 Adoption of revised accounting standards

Standards and Interpretations effective in the current year

All the new or revised standards and interpretations with effective dates of annual periods beginning on or before 1 April 2015 have been adopted in the current period, but were found not to effect the amounts reported.

At the date of authorisation of these financial statements, the following new and revised Standards and Interpretations applicable to the entity were in issue but not yet effective:

IFRS 1	First-time Adoption of International Financial Reporting Standards (effective for annual periods beginning on or after 1 January 2016)
IFRS 5	Non-current Assets Held for Sale and Discontinued Operations (effective for annual periods beginning on or after 1 January 2016)
IFRS 7	Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2016)
IFRS 9	Financial Instruments: Reissue to include requirements for the classification and measurement of financial liabilities and incorporate existing derecognition requirement (effective for annual periods beginning on or after 1 January 2018)
IFRS 12	Disclosure of Interest in Other Entities (effective for annual periods beginning on or after 1 January 2016)
IFRS 15	Revenue from Contracts with Customers (effective for annual periods beginning on or after 1 January 2018)
IFRS 16	Leases (effective for annual periods beginning on or after 1 January 2018)
IAS 1	Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2016)
IAS 7	Cash Flow Statement (effective for annual periods beginning on or after 1 January 2017)
IAS 12	Income Taxes: Recognition of deferred tax assets for unrealised losses (effective for annual periods beginning on or after 1 January 2017)
IAS 16	Property, Plant and Equipment (effective for annual periods beginning on or after 1 January 2016)
IAS 19	Employee Benefits: Amended standards resulting from the post-employment benefits and termination benefits projects (effective for annual periods beginning on or after 1 January 2016)
IAS 38	Intangible Assets (effective for annual periods beginning on or after 1 July 2016)

The directors have not yet quantified the impact of the adoption of these standards and interpretations. However, the directors do not believe that these statements will have a material impact on the financial statements.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies

Plant and equipment

Assets in the course of construction are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Such assets are classified to the appropriate categories of plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other asset categories, commences when the assets are ready for their intended use.

Plant and equipment is stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is charged to income on the straight-line basis so as to write off the cost or valuation of the assets to their estimated residual values over their estimated useful lives. The estimated useful lives and residual values are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis. The depreciation rates used are as follows:

Machinery	4 to 21 years
Furniture and fittings	4 to 21 years
Vehicles	9 years
Equipment	4 to 30 years
Leasehold improvements	5 to 30 years

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting year, with the effect of any changes in estimate being accounted for on a prospective basis.

Intangible assets relate to software and pre-operating expenses and are amortised over 4 to 5 years.

Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is calculated as the actual raw material cost and an appropriate proportion of variable and fixed overheads. Net realisable value presents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Impairment

At each statement of financial position date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Revenue

Revenue is measured at the fair value of the consideration received or receivable.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Foreign currency

Transactions in currencies other than the company's reporting currency (South African Rand) are initially recorded at the rates of exchange ruling on the dates of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates ruling on the statement of financial position date. Exchange differences arising on the settlement of monetary items or on reporting an enterprise's monetary items at rates different from those at which they were initially recorded are recognised as income or expenses in the year in which they arise.

Lease rentals

Operating lease rentals are charged to income in a systematic manner related to the years of use of the assets concerned.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the statement of financial position date.

Deferred tax

Deferred tax is recognised on 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, and is accounted for using the statement of financial position liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences, and deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the statement of financial position date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Taxation (continued)

Current and deferred tax for the year

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited directly to equity, in which case the tax is also recognised directly in equity, or where they arise from the initial accounting for a business combination.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Provisions

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation.

Financial instruments

Financial assets and financial liabilities are recognised in the company's statement of financial position when the company has become a party to the contractual provisions of the instrument.

Financial assets

The company's financial assets are 'loans and receivables' including cash and cash equivalents. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Loans and receivables

Trade and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment. Interest income is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) or payments through the expected life of the financial asset or liability (respectively), or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial assets

The company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire; or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the company retains substantially all the risks and rewards of ownership of a transferred financial asset, the company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each statement of financial position date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted. Financial assets, such as trade receivables, that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets (continued)

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Trade and other payables

Trade and other payables and shareholders' loans are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest rate method.

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities

Related party transactions

Related parties are defined as those parties that:

- (a) directly, or indirectly through one or more intermediaries:
 - (i) control, are controlled by, or are under common control with, the entity (this includes parents, subsidiaries and fellow subsidiaries);
 - (ii) have an interest in the entity that gives it significant influence over the entity; or
- (b) are members of the key management personnel of the entity or its parent including close members of the family.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

1.4 Summary of significant accounting policies (continued)

Significant accounting judgements

In the process of applying the company's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Residual values and useful lives

The company depreciates their assets over their estimated lives taking into account residual values, which, following the adoption of International Accounting Standards (IAS16), Property, Plant and Equipment (revised), are re-assessed on an annual basis. The actual lives and residual values of these assets can vary depending on a variety of factors.

Income taxes and deferred taxes

The company recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the company to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the company to realise the net deferred tax assets recorded at the reporting date could be impacted. Additionally, future changes in tax laws in the jurisdictions in which the company operates could limit the ability of the company to obtain tax deductions in future periods.

Other estimates made

The company also makes estimates for:

- the estimation of potential impairment of plant and equipment;
- the calculation of the doubtful debt allowance; and
- the calculation of any provision for claims, litigation and other legal matters.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2 016</u>
	R	R
2 Revenue		
Sale of vehicles	<u>180 460 018</u>	<u>167 595 744</u>
3 Profit from operations		
Profit from operations is arrived at after taking the following items, amongst others, into account:		
Audit fees		
-current year	475 000	475 000
-prior year over provision	<u>(12 500)</u>	<u>(105 000)</u>
	<u>462 500</u>	<u>370 000</u>
Depreciation and amortization		
-Machinery	298 217	268 420
-Furniture and fittings	21 267	27 872
-Vehicles	21 435	22 233
-Equipment	903 924	899 118
-Leasehold improvements	460 097	459 708
-Intangible assets	-	670 065
	<u>1 704 940</u>	<u>2 347 416</u>
Asset scrapped	44 458	123 253
Consulting fees	2 190 649	3 189 730
(Decrease)/Increase in provisions	<u>(726 650)</u>	<u>151 250</u>
Interest & Penalty SARS	<u>93 290</u>	<u>-</u>
Rental of:		
-Premises	2 160 000	2 106 667
-Vehicles	<u>269 570</u>	<u>240 100</u>
	<u>2 429 570</u>	<u>2 346 767</u>
Non-Cancellable Operating Lease Commitments specific to the premises		
-Not later than 1 year	2 275 200	2 275 200
-Later than 1 year but not later than 5 year	<u>6 018 002</u>	<u>6 018 002</u>
	<u>8 293 202</u>	<u>8 293 202</u>
Company's contribution to pension fund	1 188 587	1 137 896
Other staff costs	<u>17 745 148</u>	<u>17 795 045</u>
Total staff costs	<u>18 933 735</u>	<u>18 932 941</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2 016</u>
	<u>R</u>	<u>R</u>
4 Interest received		
Bank interest	146 027	314 618
	<u>146 027</u>	<u>314 618</u>
5 Finance costs		
Interest on long-term loans		
- TML Holdings Pte Limited	1 124 564	1 233 059
- Tata Africa Holdings (SA) Proprietary Limited	745 120	822 052
	<u>1 869 684</u>	<u>2 055 111</u>
6 Taxation Paid		
SA Normal Income tax for the year		
Current taxation	422 049	650 598
Deferred taxation	34 551	(321 336)
	<u>456 600</u>	<u>329 262</u>
Reconciliation of South African tax rate		
SA normal tax rate	28%	28%
Permanent differences	2%	0%
Assessed loss previously not raised, now utilized	0%	9%
Effective tax rate	<u>30%</u>	<u>37%</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017
7 Plant and equipment and intangible assets

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total plant and equipment	Intangible assets	Total
	R	R	R	R	R	R	R	R	R
2017									
Cost									
Balance at beginning of the year	32,962	5,074,932	218,842	187,595	10,060,227	9,816,959	25,391,517	4,083,582	29,475,099
Transfer from assets under construction	(32,962)	-	-	-	32,962	-	-	-	-
Additions	-	108,085	2,455	-	115,715	19,650	245,906	-	245,906
Scrapped	-	-	(22,021)	-	(89,393)	-	(111,413)	-	(111,413)
Balance at end of year	-	5,183,017	199,277	187,595	10,119,512	9,836,609	25,526,010	4,083,582	29,609,592
Accumulated depreciation and amortisation									
Balance at beginning of the year	-	1,249,939	69,253	106,380	4,326,863	2,054,840	7,807,275	4,083,582	11,890,857
Depreciation	-	298,217	21,267	21,435	903,924	460,097	1,704,940	-	1,704,940
Scrapped	-	-	(7,658)	-	(59,297)	-	(66,955)	-	(66,955)
	-	1,548,156	82,862	127,815	5,171,490	2,514,937	9,445,260	4,083,582	13,528,842
Carrying value									
Beginning of the year	32,962	3,824,993	149,589	81,215	5,733,364	7,762,119	17,584,242	-	17,584,242
End of the year 31 March 2017	-	3,634,862	116,415	59,780	4,948,021	7,321,672	16,080,750	-	16,080,750

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

7 Plant and equipment and intangible assets (continued)

	Assets under construction	Machinery	Furniture and fittings	Vehicles	Equipment	Leasehold improvements	Total plant and equipment	Intangible assets	Total
	R	R	R	R	R	R	R	R	R
2016									
Cost									
Beginning of the year	142,800	4,956,312	179,452	186,000	10,082,762	9,816,959	25,364,285	4,083,582	29,447,867
Transfer from assets under construction	(142,800)	-	-	-	142,800	-	-	-	-
Additions to assets under construction	32,962	-	-	-	-	-	32,962	-	32,962
Additions	-	118,822	39,390	1,595	-	-	159,807	-	159,807
Scrapped	-	(202)	-	-	(165,335)	-	(165,537)	-	(165,537)
Balance at end of year	<u>32,962</u>	<u>5,074,932</u>	<u>218,842</u>	<u>187,595</u>	<u>10,060,227</u>	<u>9,816,959</u>	<u>25,391,517</u>	<u>4,083,582</u>	<u>29,475,099</u>
Accumulated depreciation and amortisation									
Balance at beginning of the year	-	981,612	41,381	84,147	3,469,936	1,595,132	6,172,208	3,413,517	9,585,725
Depreciation	-	268,420	27,872	22,233	899,118	459,708	1,677,351	670,065	2,347,416
Scrapped	-	(93)	-	-	(42,191)	-	(42,284)	-	(42,284)
	<u>-</u>	<u>1,249,939</u>	<u>69,253</u>	<u>106,380</u>	<u>4,326,863</u>	<u>2,054,840</u>	<u>7,807,275</u>	<u>4,083,582</u>	<u>11,890,857</u>
Carrying value									
Beginning of the year	<u>142,800</u>	<u>3,974,700</u>	<u>138,071</u>	<u>101,853</u>	<u>6,612,826</u>	<u>8,221,827</u>	<u>19,192,077</u>	<u>670,065</u>	<u>19,862,142</u>
End of the year 31 March 2016	<u>32,962</u>	<u>3,824,993</u>	<u>149,589</u>	<u>81,215</u>	<u>5,733,364</u>	<u>7,762,119</u>	<u>17,584,242</u>	<u>-</u>	<u>17,584,242</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	<u>R</u>	<u>R</u>
8 Inventory		
Finished goods	16 194 074	15 698 035
Raw materials (kits)	6 802 369	27 063 086
Goods in transit	1 586 400	7 234 802
Inventory of consumable tools, stores and spares	76 956	869 779
	<u>24 659 799</u>	<u>50 865 702</u>
9 Trade and other receivables		
Trade accounts receivable		
- Related parties (note 20)	64 439 157	58 122 294
	<u>64 439 157</u>	<u>58 122 294</u>
South African Revenue Service (VAT)	-	1 442 528
Tata Africa Holdings (SA) (Pty) Limited - roof repair (note 20)	-	1 272 531
Other	126 969	110 604
Provision for doubtful debts	-	(58 546)
	<u>64 566 126</u>	<u>60 889 411</u>

The carrying amount of the trade and other receivables is considered by the Directors to approximate its fair value and is deemed as Level 3, as defined by IFRS 13 Fair Value Measurement. Arm's length transactions are used to determine fair values.

There were no transfers between Levels 1, 2 and 3 during the financial year.

Based on ageing and credit risk, the directors consider all trade receivables to be fully recoverable, and as such have not raised any provision for doubtful debts in the current year.

10 Cash and cash equivalents

Cash and cash equivalents	915 959	1 323 807
	<u>915 959</u>	<u>1 323 807</u>

Bank balances and cash comprise cash held by the company and short-term bank deposits with an original maturity of three months or less. The Directors consider the carrying amounts of these assets approximate their fair values.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	R	R
11 Issued capital & share premium		
<u>Authorised</u>		
42 000 000 ordinary shares of R1 each	<u>42 000 000</u>	<u>42 000 000</u>
<u>Issued</u>		
19 837 000 ordinary shares of R1 each	<u>19 837 000</u>	<u>19 837 000</u>

The unissued shares will remain under the control of Directors until issuance thereof.

12 Shareholders' loans

TML Holdings Pte Limited	6 797 800	12 797 800
Tata Africa Holdings (SA) Proprietary Limited	<u>4 532 000</u>	<u>8 532 000</u>
	<u>11 329 800</u>	<u>21 329 800</u>

These loans are unsecured and Rand denominated, bear interest at Prime Interest Rate in SA and are repayable in May 2020.

13 Deferred taxation

Opening balance	1 640 229	1 961 565
Provision or (release) for the year	<u>34 551</u>	<u>(321 336)</u>
Closing balance	<u>1 674 780</u>	<u>1 640 229</u>

The deferred taxation liability is attributable to temporary differences relating to

- Plant and equipment	2 402 178	2 623 250
- Provisions	<u>(727 397)</u>	<u>(983 021)</u>
Deferred taxation Liability	<u>1 674 781</u>	<u>1 640 229</u>

14 Deferred income

Government Grant:		
- Non-current	2 298 246	2 462 406
- Current	<u>164 160</u>	<u>164 160</u>
	<u>2 462 406</u>	<u>2 626 566</u>

The government grants relate to EIP grants received for R3 447 366 worth of capital expenditure in 2014. The income release to the statement of comprehensive income of R 164 160 (2016: R 164 160) is reflected in other income.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	<u>R</u>	<u>R</u>
15 Trade and other payables		
Trade payables		
- Related parties (note 20)	59 878 114	77 124 448
- External	4 695 480	666 475
	<u>64 573 594</u>	<u>77 790 923</u>
Accrued interest on shareholders' loans (note 20)	725 895	2 183 726
Payroll related accruals	1 426 006	969 095
Other payables	1 126 143	1 345 718
South African Revenue Service (VAT)	1 603 965	-
	<u>69 455 603</u>	<u>82 289 462</u>

Included above are amounts on account of interest on shareholders' loans to Tata Africa Holdings (SA) (Pty) Limited of R389 185 (2016: R508 543) and to TML Holdings Pte. Limited of R336 710 (2016: R167 5183).

The Director consider the carrying value of the trade and other payables to approximate their fair value due to the short maturity period of these financial instruments.

Trade and other payables is deemed as Level 3, as defined by IFRS 13 Fair Value Measurement. There were no transfers between Levels 1, 2 and 3 during the financial year.

16 Provisions

Opening balance	772 350	621 100
Provision raised during the year	158 750	151 250
Reversal of provision	(885 400)	-
Closing balance	<u>45 700</u>	<u>772 350</u>

The above pertains to warranty provisions for possible assembly defects.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

	<u>2017</u>	<u>2016</u>
	R	R
17 Cash flows generated from / (utilise d in) from operations		
Profit before taxation	1 531 538	882 710
Adjustments for:		
Income from EIP grant	(164 160)	(164 160)
Assets scrapped	44 458	123 252
Finance charges	1 869 684	2 055 111
Depreciation	1 704 940	1 677 351
(Decrease) / Increase in provisions	(726 650)	151 250
Amortisation	-	670 065
Interest received	(146 027)	(314 618)
	<u>4 113 783</u>	<u>5 080 961</u>
Adjustments for working capital changes:		
(Increase) / Decrease in trade and other receivables	(3 676 714)	2 094 927
Decrease in trade and other payables	(14 561 014)	(13 485 273)
Decrease in inventory	26 205 903	7 300 965
	<u>26 205 903</u>	<u>7 300 965</u>
Cash flow generated from operations	<u>12 081 958</u>	<u>991 580</u>

18 Financial instruments

Capital risk management

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balances.

The company monitors capital on a basis of debt to equity. Debt comprises interest bearing debt from shareholders. Equity comprises share capital and reserves.

The gearing ratio at end year end is as follows:

Debt	11 329 800	21 329 800
Cash and cash equivalents	(915 959)	(1 323 807)
	<u>10 413 841</u>	<u>20 005 993</u>
Net debt		
Share capital	19 837 000	19 837 000
Retained earnings	3 835 560	2 760 622
	<u>23 672 560</u>	<u>22 597 622</u>
Shareholders' equity		
Gearing ratio	44%	89%

Tata Motors (SA) Proprietary Limited engages with the Board of Directors and shareholders to ensure the company is sufficiently funded.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

18 Financial instruments (continued)

Interest rate risk

Interest rate risk

The company manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities and resources are maintained within the company.

Interest rate sensitivity analysis

The sensitivity of the entity to changes in the interest rate has been determined based on the exposure to interest rates for financial instruments at the statement of financial position date.

If interest rates had been 100 basis points higher/lower and all other variables were held constant the difference to the loss for the year ended 31 March 2017 would increase/decrease by R 113 300 (2016: R 213 300).

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the company. The company has adopted a policy of only dealing with creditworthy counterparties verifying their credit worthiness by performing credit checks, as a means of mitigating the risk of financial loss from defaults. The vast majority of customers are related parties.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

Liquidity risk management

The responsibility for liquidity risk management rests with Tata Motors (SA) Proprietary Limited management and ultimately the Board of Directors. The company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by monitoring actual cash flows. Tata Motors (SA) Proprietary Limited engages with the Board and shareholders to ensure that the company has adequate funds to cover its commitments over the next twelve months.

	<u>Note</u>	<u><1 year</u>	<u>2 to 5 years</u>	<u>Total</u>
		<u>R</u>	<u>R</u>	<u>R</u>
2017				
Trade and other payables	15	67 976 625	-	67 976 625
Shareholders' loans	12	-	11 329 800	11 329 800
		<u><1 year</u>	<u>2 to 5 years</u>	<u>Total</u>
		<u>R</u>	<u>R</u>	<u>R</u>
2 016				
Trade and other payables	15	82 289 462	-	82 289 462
Shareholders' loans	12	-	21 329 800	21 329 800

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

18 Financial instruments (continued)

Liquidity risk management (continued)

	<u>Note</u>	<u>2017</u> R	<u>2016</u> R
Categories of financial instruments			
Loans and receivables			
Trade receivables	9	64 566 126	60 889 411
Cash and cash equivalents	10	<u>915 959</u>	<u>1 323 807</u>
Financial liabilities at amortised cost			
Trade and other payables	15	67 976 625	82 289 462
Shareholder's loans	12	<u>11 329 800</u>	<u>21 329 800</u>

All the above are level 3 instruments.

19 Guarantees

The following bank guarantees exist with Standard Bank:
 South African Revenue Service

<u>1 420 000</u>	<u>1 420 000</u>
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TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

20 Related party transactions

	<u>2017</u>	<u>2 016</u>
	<u>R</u>	<u>R</u>
During the year, the company entered into the following transactions with related parties:		
<u>Tata Automobile Corporation (SA) (Pty) Limited</u>		
- Payment for expenses incurred for TMSA	(159 203)	(247 993)
- Purchase of spare parts	(18 796)	(31 078)
- Revenue for the sale of vehicles	<u>179 284 018</u>	<u>167 595 743</u>
<u>Tata Africa Holdings (SA) (Pty) Limited</u>		
- Rental of premises (note 3)	(2 160 000)	(2 106 667)
- Insurance premium paid on leased assets	(78 380)	(68 412)
- Roof repairs	-	1 413 924
- Interest on loan (note 5)	<u>(745 120)</u>	<u>(822 052)</u>
<u>Tata Motors Limited</u>		
- Services rendered	(776 087)	(2 521 177)
- Supply of SKD kits	(96 565 541)	(108 090 966)
- IT chargeback	<u>(686 825)</u>	<u>(889 641)</u>
<u>TML Holdings Pte. Limited</u>		
- Interest on loan (note 5)	(1 124 564)	(1 233 059)
<u>Tata Technologies Limited</u>		
- Services rendered	<u>(575 153)</u>	<u>(557 021)</u>
<u>Tata de Mocambique LDA</u>		
- Revenue sale of vehicles	<u>1 176 000</u>	<u>-</u>
<u>Tata Sons Limited</u>		
- Brand equity	<u>(80 607)</u>	<u>(85 365)</u>

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

20 Related party transactions (continued)

As at year end, the company had the following outstanding balances with related parties:

	<u>2017</u>	<u>2016</u>
	R	R
<u>Trade Receivables (note 9)</u>		
- Tata Automobile Corporation (SA) (Pty) Limited	64 439 157	43 335 917
- Tata Motors Limited	-	14 786 377
	<u>64 439 157</u>	<u>58 122 294</u>
<u>Other receivables - interest receivable / roof repair (note 9)</u>		
- Tata Africa Holdings (SA) (Pty) Limited	-	1 272 531
<u>Trade Payables (note 15)</u>		
- Tata Motors Limited	39 559 258	46 577 249
- Tata Automobile Corporation (SA) (Pty) Limited	-	136 415
- Tata Daewoo Commercial Vehicle Company Limited	20 273 856	30 410 784
	<u>59 833 114</u>	<u>77 124 448</u>
<u>Accrued interest on shareholders' loans (note 15)</u>		
- Tata Africa Holdings (SA) (Pty) Limited	389 185	508 543
- TML Holdings Pte. Limited	336 710	1 675 183
	<u>725 895</u>	<u>2 183 726</u>
<u>Payables for services rendered (note 15)</u>		
- Tata Technologies Limited	45 000	100 249
	<u>60 604 008</u>	<u>79 408 423</u>
<u>Shareholders' Loan</u>		
- TML Holdings Pte. Limited	6 797 800	12 797 800
- Tata Africa Holdings (SA) (Pty) Limited	4 532 000	8 532 000
	<u>11 329 800</u>	<u>21 329 800</u>
<u>Brand Equity</u>		
- Tata Sons Limited	<u>(80 607)</u>	<u>(85 365)</u>

The above mentioned entities are related parties by virtue of being:

Tata Automobile Corporation (SA) (Pty) Limited	Fellow subsidiary within the Tata Group
Tata de Mocambique LDA	Fellow subsidiary within the Tata Group
Tata Africa Holdings (SA) (Pty) Limited	Shareholder
Tata Daewoo Commercial Vehicle Company Limited	Fellow subsidiary within the Tata Group
Tata Motors Limited	Fellow subsidiary within the Tata Group
TML Holdings Pte. Limited	Shareholder
Tata Technologies Limited	Fellow subsidiary within the Tata Group
Tata Sons Limited	Promoter of major companies within the Tata Group.

TATA MOTORS (SA) PROPRIETARY LIMITED
NOTES TO THE ANNUAL FINANCIAL STATEMENTS (continued)
for the year ended 31 March 2017

21 Going concern

The financial statements have been prepared on the basis of accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the normal course of business.

22 Remuneration

	Basic	Company	Bonuses	Total
	R	contributions	R	R
	R	R	R	R
Remuneration				
2017				
Officer A	1 156 895	-	191 852	1 348 747
Officer B	321 947	-	-	321 947
Officer C	739 378	-	-	739 378
	<u>2 218 220</u>	-	<u>191 852</u>	<u>2 410 072</u>
2016				
Officer A	1 035 645	-	160 958	1 196 603
Officer B	860 946	-	80 201	941 147
	<u>1 896 591</u>	-	<u>241 159</u>	<u>2 137 750</u>

All remuneration disclosed above was paid to prescribed officers in respect of services rendered as prescribed officers of the company for the financial year unless a prescribed officers resigned from or joined the company during the period.

23 Events after reporting period

There were no significant events that took place after the reporting period.