

**Tata Motors Insurance Broking
& Advisory Services Limited**

2016 - 17

Walker Chandiook & Co LLP

Walker Chandiook & Co LLP
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Independent Auditor's Report

To the Members of Tata Motors Insurance Broking & Advisory Services Limited

Report on the Financial Statements

1. We have audited the accompanying financial statements of Tata Motors Insurance Broking & Advisory Services Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2017, 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 Financial Statements

2. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these financial statements that give a true and fair view of the state of affairs (financial position), profit or loss (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') specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. 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.



5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these financial statements.

Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including Ind AS specified under Section 133 of the Act, of the state of affairs (financial position) of the Company as at 31 March 2017, and its profit (financial performance including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

Other Matter

9. The comparative financial information for the transition date opening balance sheet as at 1 April 2015 prepared in accordance with Ind AS included in these financial statements, is based on the previously issued statutory financial statements for the year ended 31 March 2015 prepared in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} which were audited by the predecessor auditor whose report dated 04 May 2015 expressed an unmodified opinion on those financial statements, and have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have been audited by us. Further, the Company had prepared a separate set of statutory financial statements for the year ended 31 March 2016 in accordance with {Accounting Standards prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (as amended)} on which we issued auditor's report to the shareholders of the Company dated 04 May 2016. These financial statements have been adjusted for the differences in the accounting principles adopted by the Company on transition to Ind AS, which have also been audited by us. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the Annexure I a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. Further to our comments in Annexure I, as required by Section 143(3) of the Act, we report that:
 - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose 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;



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- c) the financial statements dealt with by this report are in agreement with the books of account;
- d) in our opinion, the aforesaid financial statements comply with Ind AS specified under Section 133 of the Act.
- e) on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164(2) of the Act;
- f) we have also audited the internal financial controls over financial reporting of the Company as on 31 March 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date and our report dated 11 May 2017 as per Annexure II expressed unmodified opinion.
- 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, as detailed in Note 30 to the financial statements, has disclosed the impact of pending litigations on its financial position;
 - ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
 - iv. the Company, as detailed in Note 37 to the financial statements, has made requisite disclosures in these financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on the audit procedures performed and taking into consideration the information and explanations given to us, in our opinion, these are in accordance with the books of account maintained by the company.

12. As required by the Regulation 29(6) of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulation, 2013 ("IRDA Regulations"), we have issued a separate certificate dated 11 May 2017 on compliance by the Company of the IRDA Regulations to the extent applicable to the Company during the year.



For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 11 May 2017



Annexure I to the Independent Auditor's Report of even date to the members of Tata Motors Insurance Broking & Advisory Services Limited on the financial statements for the year ended 31 March 2017

Annexure I

Based on the audit procedures performed for the purpose of reporting a true and fair view on the financial statements of the Company and taking into consideration the information and explanations given to us and the books of account and other records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of verification of the fixed assets is reasonable having regard to the size of the Company and the nature of its assets.
 - (c) The Company does not hold any immovable property (in the nature of 'fixed assets'). Accordingly, the provisions of clause 3(i) (c) of the Order are not applicable.
- (ii) The Company does not have any inventory. Accordingly, the provisions of clause 3(ii) of the Order are not applicable.
- (iii) The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or other parties covered in the register maintained under Section 189 of the Act. Accordingly, the provisions of clauses 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable.
- (iv) In our opinion, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of loans, investments, guarantees and security.
- (v) In our opinion, the Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- (vi) The Central Government has not specified maintenance of cost records under sub-section (1) of Section 148 of the Act, in respect of Company's services. Accordingly, the provisions of clause 3(vi) of the Order are not applicable.
- (vii)(a) Undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, have generally been regularly deposited to the appropriate authorities, though there has been a slight delay in a few cases. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.
 - (b) The dues outstanding in respect of income-tax, sales-tax, service-tax, duty of customs, duty of excise and value added tax on account of any dispute, are as follows:

Statement of Disputed Dues

Name of the statute	Nature of dues	Amount (₹)	Period to which the amount relates	Forum where dispute is pending
The Finance Act, 1994	Service Tax	2,22,500	July 2003 to October 2005	CESTAT



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- (viii) The Company has no loans or borrowings payable to a financial institution or a bank or government and no dues payable to debenture-holders during the year. Accordingly, the provisions of clause 3(viii) of the Order are not applicable.
- (ix) The Company did not raise moneys by way of initial public offer or further public offer (including debt instruments) and did not have any term loans outstanding during the year. Accordingly, the provisions of clause 3(ix) of the Order are not applicable.
- (x) No fraud by the Company or on the company by its officers or employees has been noticed or reported during the period covered by our audit.
- (xi) The Company has not paid or provided for any managerial remuneration. Accordingly, the provisions of Clause 3(xi) of the Order are not applicable.
- (xii) In our opinion, the Company is not a Nidhi Company. Accordingly, provisions of clause 3(xii) of the Order are not applicable.
- (xiii) In our opinion all transactions with the related parties are in compliance with Sections 177 and 188 of Act, where applicable, and the requisite details have been disclosed in the financial statements, as required by the applicable Ind AS.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures.
- (xv) In our opinion, the Company has not entered into any non-cash transactions with the directors or persons connected with them covered under Section 192 of the Act.
- (xvi) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.



For **Walker Chandiook & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 11 May 2017



Annexure II to the Independent Auditor's Report of even date to the members of Tata Motors Insurance Broking & Advisory Services Limited on the financial statements for the year ended 31 March 2017

Annexure II

Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

1. In conjunction with our audit of the financial statements of Tata Motors Insurance Broking & Advisory Services Limited ("the Company") as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of the company of as of that date.

Management's Responsibility for Internal Financial Controls

2. The Company's Board of Directors 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 (the "Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). 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 the company's 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 Act.

Auditors' Responsibility

3. 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 Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, and the Guidance Note issued by the ICAI. 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 were established and maintained and if such controls operated effectively in all material respects.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls 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.
5. 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 over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls 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 controls 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.



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Annexure II to the Independent Auditor's Report of even date to the members of Tata Motors Insurance Broking & Advisory Services Limited on the financial statements for the year ended 31 March 2017

Inherent Limitations of Internal Financial Controls over Financial Reporting

7. 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 internal financial controls 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

8. In our opinion, the Company has, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 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 issued by ICAI



For **Walker Chandniok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 11 May 2017

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INDEPENDENT AUDITOR'S CERTIFICATE

(Referred to in paragraph 3 under 'Report on Other Legal and Regulatory Requirements' section forming part of Independent Auditor's Report dated 11 May 2017)

1. We, M/s. Walker Chandiook & Co LLP, Mumbai, Chartered Accountants (Firm Registration Number 001076N/N500013), the auditors of Tata Motors Insurance Broking & Advisory Services Limited (the "Broking Company") having its registered office at Nanavati Mahalaya, 3rd Floor, Tamarind Lane, Homi Mody Street, Fort, Mumbai 400001 have verified the books of accounts and other records maintained by the Broking Company in the usual course of its business for the purpose of certifying the compliance of the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2013 ("IRDA Regulations") to the extent applicable to the company during the current financial year ended 31 March 2017 as required under Regulation 29(6) of IRDA Regulations.
2. The Management of the Broking Company is responsible for ensuring the compliance with the IRDA Regulations during the current financial year ended 31 March 2017 as a Direct Broker and maintenance of proper books of accounts and such other records as prescribed under the IRDA Regulations. This includes collecting, collating and validating data and designing, implementing and monitoring of internal controls suitable for ensuring the compliance with the IRDA Regulations.
3. Our responsibility, for the purpose of this certificate, is limited to certifying the compliance of IRDA Regulations to the extent applicable to the Broking Company during the current financial year ended 31 March 2017 as required under Regulation 29(6) of IRDA Regulations. We have conducted our examination broadly in accordance with the Guidance Note on Report or Certificates for Special Purposes (Revised 2016), issued by the Institute of Chartered Accountants of India (the "ICAI").
4. On the basis of our verification of such audited books of accounts and other relevant records and documents as verified to in paragraph 1 above, and according to the information, explanations and representations provided to us by the Management of the Broking Company, we certify that:
 - i) The Broking Company's paid up equity share capital has been in excess of prescribed minimum of Rs. 50 lakhs throughout the current financial year.
 - ii) The Broking Company has a net worth of Rs. 2,287.08 Lakhs as at 31 March 2017 and it has not fallen below the threshold of 100% of minimum capital/contribution prescribed under regulation 9 of IRDA Regulations during the year.



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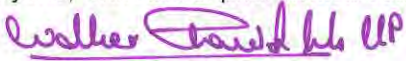
- iii) The Broking Company has maintained the fixed deposits with scheduled banks aggregating Rs. 10 lakhs (which is 20% of the minimum capital/contribution prescribed under regulation 9 of IRDA Regulations) throughout the year.
- iv) The Broking Company has maintained, throughout the year, a professional indemnity insurance cover in respect of the risks identified in Schedule III of IRDA Regulations for a sum of Rs. 10,500 lakhs and an additional professional indemnity insurance cover of Rs. 2,000 lakhs for the period from 22 March 2017 to 31 March 2017 which exceeds three times the remuneration received by the Broking Company as at the end of previous financial year.
- v) The Broking Company has paid the specified fees, in the manner and within the period prescribed in Schedule IV of the IRDA Regulations.
- vi) In respect of the Broking Company's general insurance business, the Broking Company has not recovered or contracted to recover by way of remuneration (including royalty or license fees or administration charges or in any other form), an amount exceeding the limits prescribed in regulation 25 of IRDA Regulations and circulars/regulations issued in the matter more particularly in relation to Circular No:-011/IRDA/Brok-Comm/Aug-08 dated 25 August 2008 issued in this behalf and as amended from time to time.
- vii) The Broking Company has settled its accounts in respect of its remuneration at a monthly interval and there has been no cross settlement of outstanding balances.
- viii) The business of the Broking Company has been carried in such a manner that, not more than 50% of the premium (excluding reinsurance premium, as well as premium towards insurance business emanating from public sector undertakings) emanates from any one client in current financial year. Further, not more than 25% of the insurances handled by the insurance broker during the year have been placed with the insurance company within the promoter group separately for life and for general insurance business.
- ix) The Broking Company's account has not been credited by the insurer for any refund of premium which had become due to an insured on account of cancellation of a policy or alteration in the terms and conditions of a policy.
- x) The Broking Company has abided by the Code of Conduct specified in Schedule VI-A of IRDA Regulations in the current financial year.
- xi) During the year, the Broking Company has submitted a copy of the audited financial statements as at and for the year ended 31 March 2016 (comprising the Balance Sheet as at 31 March 2016; the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information) with the Insurance Regulatory and Development Authority of India ("IRDA") before 30 September 2016.
- xii) All the books of account, statements, documents, and other relevant records, have been maintained by the Broking Company at 1st Floor, AFL House, Lok Bharti Complex, Marol Maroshi Road, Andheri East, Mumbai – 400059 from April 2016 to March 2017.
- xiii) The Broking Company has submitted its unaudited financial statements as at and for the period/year ended 30 September 2016 and 31 March 2017, to the IRDA before 31 October 2016 and 30 April 2017, respectively.
- xiv) The Broking Company has submitted for the half year ended 30 September 2016 and 31 March 2017, the following certificates prescribed in Regulation 30 of IRDA Regulations to the IRDA before 31 October 2016 and 30 April 2017 respectively:
 - (a) A certificate to the effect that the Broking Company is maintaining required capital, the Broking Company is not engaged in any other business other than insurance broker and also maintaining the required net worth as required under regulation 9 and 11 of IRDA Regulations.



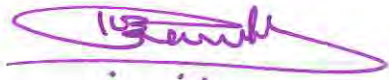
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- (b) A certificate to the effect that the Broking Company is maintaining a deposit in compliance with the regulation 12 of IRDA Regulations.
- (c) A certificate to the effect that a Professional Indemnity Policy is in force in compliance of regulation 13 of IRDA Regulations. A certificate confirming that the Broking Company has received the remuneration as per limits prescribed in regulation 25 of IRDA Regulations.
- xv) The Broking Company has established a system of internal audit which is commensurate with its size, nature and complexity of its business. As on 31 March 2017, Broking Company has appointed the designated Compliance Officer who will be responsible for the internal controls and systems.
- xvi) The Broking Company has, before offering any claim consultancy, obtained a written mandate from its client to represent the client with the insurer concerned for the claim for which consultancy has been sought by the client.

This certificate is issued solely for submission to Insurance Regulatory and Development Authority of India as required under Regulation 29(6) of IRDA Regulations and should not be used, referred to or distributed to anyone, without our prior written consent.



For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013



per **Khushroo B. Panthaky**
Partner
Membership No.: 42423

Place: Mumbai
Date: 11 May 2017



Tata Motors Insurance Broking & Advisory Services Limited

(Amount in ₹)

Balance Sheet as at	Note No.	March 31, 2017	March 31, 2016	April 1, 2015
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	3	6,205,956	3,135,909	1,579,960
(b) Other intangible assets	3	10,995,225	9,706,636	1,725,624
(c) Intangible assets under development	3	-	3,837,800	11,475,000
(d) Financial assets:				
Other financial assets	4	4,343,312	4,177,806	5,178,891
(e) Deferred tax assets (net)	5	11,012,683	21,316,882	18,713,323
(f) Income tax assets (net)	6	66,337,739	62,834,424	31,203,664
(g) Other non-current assets	7	1,143,658	888,579	50,900
		100,038,573	105,898,036	99,927,362
(2) Current assets				
(a) Financial assets:				
(i) Investments	8	106,716,619	6,853,189	8,842,014
(ii) Trade receivables	9	25,704,653	22,667,058	22,206,254
(iii) Cash and cash equivalents	10	4,202,486	9,514,471	16,232,254
(iv) Other financial assets	4	58,458,458	20,079,081	6,856,989
(b) Other current assets	11	7,226,505	4,271,152	3,914,624
		202,308,721	63,384,951	58,052,135
TOTAL		302,347,294	169,282,987	157,979,497
EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity Share capital	15	25,000,000	25,000,000	25,000,000
(b) Other Equity	16	203,707,851	99,306,386	40,867,022
		228,707,851	124,306,386	65,867,022
(2) Non-current liabilities				
(a) Provisions	17	10,368,500	7,218,000	6,177,000
		10,368,500	7,218,000	6,177,000
(3) Current liabilities				
(a) Financial liabilities:				
(i) Borrowings	18	-	-	33,000,000
(ii) Trade payables	19	21,949,328	13,578,836	31,585,783
(iii) Other financial liabilities	20	28,206,015	14,286,194	13,601,903
(b) Provisions	17	1,702,000	1,223,000	3,701,000
(c) Other current liabilities	21	11,413,600	8,670,571	4,046,789
		63,270,943	37,758,601	85,935,475
TOTAL		302,347,294	169,282,987	157,979,497

This is the Balance Sheet referred to in our report of even date

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 42423

Mumbai, 11th May 2017



For and on behalf of the Board of Directors

Shyam Mani
Director
DIN - 00273598

Tarun Samant
Chief Executive Officer

Mumbai, 11th May 2017

V B Somaiya
Director
DIN - 03185227

Bhanu Bhai Sharma
Chief Financial Officer



(Amount in ₹)

Statement of Profit and Loss for the	Note No.	Year Ended March 31,	
		2017	2016
I. Revenue from operations	22	451,586,453	259,309,468
II. Other income	23	3,792,303	2,644,361
III. Total Income (I+II)		455,378,756	261,953,829
IV. Expenses:			
(a) Employee benefits expense	24	167,154,104	107,875,336
(b) Finance costs	25	-	2,777,995
(c) Depreciation and amortisation expense	3	3,601,608	3,036,177
(d) Other expenses	26	124,884,562	79,988,846
Total Expenses (IV)		295,640,274	193,678,354
V. Profit before tax (III-IV)		159,738,482	68,275,475
VI. Tax expense:			
(a) Current tax	28	55,317,665	10,960,670
(b) Deferred tax		(538,478)	(2,114,557)
Total Tax Expenses (VI)		54,779,187	8,846,113
VII. Profit for the year (V-VI)		104,959,295	59,429,362
VIII Other comprehensive income:			
<u>Items that will not be reclassified to statement of profit and loss:</u>			
(a) Remeasurement losses on defined benefit obligations		(888,000)	(1,479,000)
(b) Tax relating to items that will not be reclassified to profit and loss		330,170	489,002
		(557,830)	(989,998)
IX. Total comprehensive income for the year (VII+VIII)		104,401,465	58,439,364
X. Earnings per equity share :			
Basic and Diluted Earning Per Share (Nominal Value per share ₹ 10)		41.98	23.77

This is the Statement of Profit and Loss referred to in our report of even date

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Shyam Mani
Director
DIN - 00273598

V B Somaiya
Director
DIN - 03185227

Khushroo B. Panthaky
Partner
Membership No. 42423

Tarun Samant
Chief Executive Officer

Bhanu Bhai Sharma
Chief Financial Officer

Mumbai, 11th May 2017

Mumbai, 11th May 2017



Tata Motors Insurance Broking & Advisory Services Limited

Statement of Changes in Equity

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders of the Company
		Reserves and Surplus		Other Comprehensive Income	
		General Reserves	Retained Earnings		
Balance as of April 1, 2016	25,000,000	6,090,000	94,206,384	(989,998)	124,306,386
Changes in equity for year ended March 31, 2017					
Total Comprehensive Income for the year	-	-	104,959,295	(557,830)	104,401,465
Balance as of March 31, 2017	25,000,000	6,090,000	199,165,679	(1,547,828)	228,707,851

(Amount in ₹)

Particulars	Equity Share Capital	Other Equity			Total equity attributable to equity holders of the Company
		Reserves and Surplus		Other Comprehensive Income	
		General Reserves	Retained Earnings		
Balance as of April 1, 2015	25,000,000	6,090,000	34,777,022	-	65,867,022
Changes in equity for year ended March 31, 2016					
Total Comprehensive Income for the year	-	-	59,429,362	(989,998)	58,439,364
Balance as of March 31, 2016	25,000,000	6,090,000	94,206,384	(989,998)	124,306,386

For and on behalf of the Board of Directors

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Parthaky

Khushroo B. Parthaky
Partner
Membership No. 42423

Mumbai, 11th May 2017

Shyam Mani
Shyam Mani
Director
DIN - 00273598

Tarun Samant

Tarun Samant
Chief Executive Officer

Mumbai, 11th May 2017

V B Somaiya
V B Somaiya
Director
DIN - 03185227

Bhanu Bhai Sharma

Bhanu Bhai Sharma
Chief Financial Officer



	Year Ended March 31,	
	2017	2016
A. Cash flows from Operating Activities		
Net Profit Before Tax	159,738,482	68,275,475
Adjustments for:		
Depreciation and amortisation expenses	3,601,608	3,036,177
Rent equalisation	510,296	677,641
Provision for doubtful debts	2,948,095	(3,888,825)
Profit on redemption of investments	(1,557,506)	(266,187)
Loss/ (Profit) on sale of Fixed Assets	4,558	(9,013)
Unrealised gain on investments	(1,805,927)	(244,988)
Amortisation of prepaid rent	252,978	207,234
Interest income on lease deposits	(229,101)	(176,622)
Interest Expense	-	2,777,995
Interest on Income Tax Refund	-	(1,801,406)
Interest Income	(199,769)	(146,145)
Operating profit before working capital changes	163,263,714	68,441,336
Changes in working capital		
<u>Adjustment for increase / decrease in operating assets / liabilities</u>		
Trade receivables	(5,985,690)	3,428,021
Other current & non-current assets	(41,665,360)	(13,634,620)
Trade payables	8,370,492	(18,006,947)
Other financial liabilities	13,919,821	684,291
Other current liabilities	2,232,733	3,946,141
Provisions	2,741,500	(2,916,000)
Cash flow from operations	142,877,210	41,942,222
Taxes Paid	(47,648,134)	(10,790,024)
Net Cash flow from Operating Activities	95,229,076	31,152,198
B. Cash Flows from Investing Activities		
Aquisition of property, plant and equipment	(4,153,587)	(6,016,924)
Proceeds from sale of property, plant and equipment	26,585	1,089,999
Interest received	85,942	334,937
Purchase of investments (Mutual Fund Units)	(176,070,000)	(37,999,999)
Proceeds from redemption of investments in liquid mutual funds	79,499,999	40,500,001
Net Cash flow used in Investing Activities	(100,541,061)	(2,091,986)
C. Cash Flows from Financing Activities		
Repayment of unsecured loan from related party	-	(33,000,000)
Interest paid	-	(2,777,995)
Net Cash flow used in Financing Activities	-	(35,777,995)
Net Cash decrease in Cash and Cash Equivalents	(5,311,985)	(6,717,783)
Cash and Cash Equivalents as at beginning of the year	9,514,471	16,232,254
Cash and Cash Equivalents as at end of the year	4,202,486	9,514,471
Composition of Cash and Cash Equivalents		
Balances with Banks in current accounts	4,197,969	9,496,431
Cash in Hand	4,517	18,040
Cash and cash equivalents at the end of the year (Refer Note No. 10)	4,202,486	9,514,471

This is the Cash Flow Statement referred to in our report of even date.

For Walker Chandio & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013

Khushroo B. Panthaky
Partner
Membership No. 42423

Mumbai, 11th May 2017



For and on behalf of the Board of Directors

Shyam Mani
Director
DIN - 00273598

Tarun Samant
Chief Executive Officer

Mumbai, 11th May 2017

V B Somaiya
Director
DIN - 03185227

Bhanu Bhai Sharma
Chief Financial Officer



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

Note "1" – Company Overview

A. BACKGROUND

Tata Motors Insurance Broking & Advisory Services Limited ("TMIBASL" or "the Company" – Erstwhile – Tata Motors Insurance Services Limited) is a public limited company, incorporated in July 1997 under the Companies Act, 1956 domiciled in India and has its registered office at Mumbai, Maharashtra, India. TMIBASL is a wholly owned subsidiary of Tata Motors Limited.

TMIBASL is Direct General Insurance Broker having license for the period from May 13, 2014 to May 12, 2017.

B. SIGNIFICANT ACCOUNTING POLICIES

i. Basis of Preparation

The financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values and the provisions of the Companies Act, 2013 ('Act') (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the company's first Ind AS financial statements and the date of transition to Ind AS is April 1, 2015. The company has adopted all the Ind AS standards and the adoptions was carried out in accordance with *Ind AS 101 - First time adoption of Indian Accounting Standards*. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Sec133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 2.

ii. Use of Estimates

The preparation of financial statements in conformity with Indian Accounting Standards requires the management to make estimates, judgments and assumptions that affect the reported amounts of assets and liabilities, revenues and expenses and disclosure of contingent liabilities. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Actual results could differ from those estimates. Any revision to accounting estimates is recognised in the period in which such revisions are made and, if material, their effects are disclosed in the notes to the financial statements.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key source of estimation of uncertainty at the date of financial statements, which may cause 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, valuation of deferred tax assets, provisions and contingent liabilities.

iii. Cash flow statement

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



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

iv. Property, plant & equipment

Property, plant & equipment are stated at cost, less accumulated depreciation/ amortisation and impairment losses, if any.

Cost includes the purchase price (excluding refundable taxes) and expenses directly attributable to the asset to bring the asset to the site and in the working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is calculated on cost of items of Property, plant & equipment, less their estimated residual value over their estimated useful lives using straight line method and is recognised in the Statement of Profit and Loss.

The estimated useful lives of assets are as follows:

- Office equipment	(5 years)
- Furniture and fixtures	(15 years)
- Computers	(4 years)
- Motor vehicles	(4 years)

Based on technical evaluation, the management believes that the useful lives as given above best represent the period over which management expects to use these assets. Hence, the useful lives for these assets are different from the useful lives as prescribed under Part C of Schedule II of the Companies Act 2013.

v. Intangible assets

Intangible assets purchased are measured at cost less accumulated amortisation and impairment, if any.

Intangible assets are amortised on a straight-line basis over their estimated useful lives as given below:

- Website development costs	(3 years)
- Software	(5 years)

Amortisation methods and useful lives are reviewed at each financial year end.

vi. Intangible assets under development

Expenditure on Software development eligible for capitalisation are carried as Intangible assets under development where such assets are not yet ready for their intended use.

vii. Impairment

(i) Financial assets (other than fair value):

The Company assesses at each reporting period whether financial assets are impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute financing transaction. For all other financial assets, expenses or losses are measured at an amount equal to the 12-months expected credit loss or at an amount equal to life time expected credit loss if the credit risk on the financial assets has increased significantly since initial recognition.

(ii) Non-financial assets – tangible, intangible assets:

Property, plant & equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying value may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of fair value less cost to sell and value-in-use) is determined on individual asset basis unless 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.

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 recognised in the statement of profit and loss.



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

viii. Revenue Recognition

The Company earns brokerage from insurance companies on placement of insurance policies and revenue is recognised from the policy risk start date when the policy placement is substantially completed and accepted and the ultimate collection thereof is reasonably certain. The Company presents revenue net of service tax in the Statement of Profit and loss.

Unbilled revenue, included in other financial assets represents revenue recognised from last bill cycle date to the end of the reporting period. These are billed in subsequent periods based on the terms of the billing plans / contractual arrangements.

Interest income is accrued evenly over the year on the instrument.

ix. Employee Benefits

(a) Gratuity

The Company provides for gratuity, a defined benefit retirement plan covering all regular employees. Benefits under the defined plans are typically based on years of service and the employee's compensation (generally immediately before separation). Expenses for defined-benefit gratuity payable to employees is computed as at the balance sheet date by independent actuary using projected unit credit method in a manner that distributes expenses over the employee's working life. These commitments are valued at the present value of expected future payments, with consideration for calculated future salary increases, utilising a discount rate corresponding to the interest rate estimated by the actuary having regard to the interest rate on government bonds with a remaining term that is almost equivalent to the average balance working period of employees on an actuarial basis. This liability is not externally funded.

(b) Superannuation

The Company has defined contribution superannuation plan. The contribution to superannuation fund is at the option of the Employee. Contributions towards superannuation are to be paid into a Superannuation fund. The Company recognises such contributions as an expense when incurred and has no further obligation beyond this contribution. The Company contributes up to 15% of the eligible employees' salary to the trust every year, subject to maximum of Rs.1 Lakh. The Superannuation contribution is paid to the superannuation Fund of Tata Motors Limited.

(c) Provident Fund

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The Provident Fund under the law is paid to the provident fund set up by Tata Motor Limited and Pension contributions are paid to the Regional Provident Fund Commissioner. The Company's payment to the defined contribution plan is recognised as an expense during the period in which the employees perform the services that the payment covers.

(d) Compensated absences

The Company provides for encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits for future encashment. The expected cost of accumulating compensated absences is determined by actuarial valuation performed by an independent actuary at each balance sheet date using projected unit credit method on the additional amount expected to be paid/availed as a result of the unused entitlement that has accumulated at the balance sheet date.

x. Financial Instruments

Financial assets and liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

- **Cash and cash equivalents :**
The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and/or usage.
- **Financial assets carried at amortised cost**
Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through other comprehensive income**
Financial assets are subsequently measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- **Financial assets at fair value through profit or loss**
Financial assets are subsequently 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. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.
- **Financial Liabilities**
Financial liabilities are subsequently measured at amortised cost using the effective interest method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

xi. Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

Current income taxes

Current income tax for current and prior periods is recognized at the amount expected to be paid to or recovered from the tax authorities using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income taxes

Deferred income tax is recognised using the balance sheet approach. Deferred income tax assets and liabilities are recognized for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax asset are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilised.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Deferred income tax assets and liabilities are measured using tax rates and tax laws that have been enacted or substantially enacted at the reporting date and expected to apply when the asset is realised or the liability is settled.



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

xii. Lease

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the statement of profit and loss.

xiii. Provisions and Contingencies

A provision is recognised when the Company has a present obligation (legal or constructive) as a result of past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which reliable estimate can be made. Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

Contingent liabilities are disclosed in respect of possible obligations that arise from past events, whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

A contingent asset is neither recognised nor disclosed.

xiv. Service tax input credit

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilising the credits.

xv. Earnings per share

Earnings per share is calculated by dividing the profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The number of share used in computing the diluted earnings per share comprises the weighted average number of equity shares considered for deriving basic earnings per share and also weighted average number of shares which could have been issued on convergence of all dilutive potential equity shares. The Company did not have any potentially dilutive securities in any of the periods presented.

Note "2" First-time adoption of Ind AS

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. An explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance sheet, Statement of profit and loss and Cash Flow Statement is set out in note 2.2.1, 2.2.2 and 2.2.3.

Exemptions on first time adoption of Ind AS availed in accordance with Ind AS 101 have been set out in note 2.1.

2.1 Exemptions availed on first time adoption of Ind AS 101

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemption:

a) Deemed cost for property, plant and equipment and intangible assets

Company has elected to continue with the carrying value of all of its plant and equipment and intangible assets recognized as of April 1, 2015 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.



Tata Motors Insurance Broking & Advisory Services Limited

The following reconciliation provides the effect of transition to Ind AS from IGAAP in accordance with Ind AS 101 - First-time Adoption of Indian Accounting Standards

Note No 2.2.1. Equity as at April 1, 2015 and March 31, 2016

Reconciliation of equity as previously reported under IGAAP to Ind AS

(Amount in ₹)

	Notes	Opening Balance Sheet as at April 1, 2015			Balance Sheet as at March 31, 2016		
		IGAAP	Effect of transition to Ind-AS	Ind-AS	IGAAP	Effect of transition to Ind-AS	Ind-AS
ASSETS							
(1) Non-current assets							
(a) Property, Plant and Equipment		1,579,960	-	1,579,960	3,135,909	-	3,135,909
(b) Other Intangible assets		1,725,624	-	1,725,624	9,706,636	-	9,706,636
(c) Intangible assets under development		11,475,000	-	11,475,000	3,837,809	-	3,837,800
(d) Financial assets:							
Other financial assets	A	5,178,891	-	5,178,891	5,266,075	(1,088,269)	4,177,806
(e) Deferred tax assets (net)	B	18,762,054	(48,731)	18,713,323	21,403,119	(86,237)	21,316,882
(f) Non-current tax assets (net)		61,203,664	-	61,203,664	62,834,424	-	62,834,424
(g) Other non-current assets	A	50,900	-	50,900	83,900	804,679	888,579
		99,976,093	(48,731)	99,927,362	106,267,863	(369,827)	105,898,036
(2) Current assets							
(a) Financial assets:							
(i) Investments	C	8,691,817	150,197	8,842,014	6,592,363	260,826	6,853,189
(ii) Trade receivables		22,206,254	-	22,206,254	22,667,058	-	22,667,058
(iii) Cash and cash equivalents		16,232,254	-	16,232,254	9,514,471	-	9,514,471
(iv) Other financial assets		6,856,989	-	6,856,989	20,079,081	-	20,079,081
(b) Other current assets	A	3,914,624	-	3,914,624	4,018,172	252,978	4,271,150
		57,901,938	150,197	58,052,135	62,871,145	213,804	63,384,949
Total ASSETS		157,878,031	101,466	157,979,497	169,139,008	143,977	169,282,985
EQUITY AND LIABILITIES							
(1) Equity							
(a) Equity Share capital		25,000,000	-	25,000,000	25,000,000	-	25,000,000
(b) Other Equity	D	41,765,556	101,466	40,867,022	99,162,409	143,977	99,306,386
		65,765,556	101,466	65,867,022	124,162,409	143,977	124,306,386
(2) Non-current liabilities							
Provisions		6,177,000	-	6,177,000	7,218,000	-	7,218,000
		6,177,000	-	6,177,000	7,218,000	-	7,218,000
(3) Current liabilities							
(a) Financial liabilities:							
(i) Borrowings		33,000,000	-	33,000,000	-	-	-
(ii) Trade payables		31,585,783	-	31,585,783	13,578,836	-	13,578,836
(iii) Other financial liabilities		13,601,903	-	13,601,903	14,286,194	-	14,286,194
(b) Provisions		3,701,000	-	3,701,000	1,223,000	-	1,223,000
(c) Other current liabilities		4,046,789	-	4,046,789	8,670,569	-	8,670,569
		85,935,475	-	85,935,475	37,758,599	-	37,758,599
Total Equity and Liabilities		157,878,031	101,466	157,979,497	169,139,008	143,977	169,282,985

Explanations for Reconciliation of Balance Sheet as previously reported under IGAAP to Ind-AS

A. Other financial assets

Under Indian GAAP, Security Deposits related to Leased Premises were recognised at the transaction price.

Under Ind AS, Security Deposits relating to Leased Premises are recognized at its present value. The difference between transaction price and present value is deferred (included under Other Non-Current Assets & Other Current Assets) and recognised over the lease term. Further under Ind AS, interest is recognised on the present value of lease deposit.

B. Deferred Tax Assets

The consequential deferred tax effects of adjustments from Indian GAAP to Ind AS are recognised.

C. Investment

Under Indian GAAP, investments were classified into current and long term investments. Current Investments were measured at lower of cost or market value. Long Term investments were Under Ind AS, Investments categorised as fair value through profit or loss are measured at fair value at every reporting period end with the change in fair value being recognised in statement

D. Other Equity

Adjustments to retained earnings and other comprehensive income has been made in accordance with Ind-AS, for the above mentioned items.

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2.2.2 Net Profit for year ended March 31, 2016

Reconciliation of Statement of Profit and loss as previously reported under IGAAP to Ind AS

(Amount in ₹)

Particulars	Notes	Year ended March 31, 2016		
		IGAAP	Effect of transition to Ind-AS	Ind-AS
I. Revenue From Operations		259,309,468	-	259,309,468
II. Other Income	A	2,357,111	287,250	2,644,361
III. Total Income (I+II)		261,666,579	287,250	261,953,829
IV. Expenses:				
(a) Employee benefits expense	B	109,354,336	(1,479,000)	107,875,336
(b) Finance costs		2,777,995	-	2,777,995
(c) Depreciation and amortisation expense		3,036,177	-	3,036,177
(d) Other expenses	C	79,781,612	207,234	79,988,846
Total Expenses (IV)		194,950,120	(1,271,766)	193,678,354
V. Profit before tax (III-IV)		66,716,459	1,559,016	68,275,475
VI. Tax expense:				
(a) Current tax		10,960,670	-	10,960,670
(b) Deferred tax	D	(2,641,064)	526,507	(2,114,557)
		8,319,606	526,507	8,846,113
VII. Profit for the year (V-VI)		58,396,853	1,032,509	59,429,362
VIII. Other comprehensive income:				
<u>Items that will not be reclassified to profit and loss:</u>				
(a) Remeasurement losses on defined benefit obligations	B	-	(1,479,000)	(1,479,000)
(b) Tax relating to items that will not be reclassified to profit and loss	D	-	489,002	489,002
		-	(989,998)	(989,998)
IX. Total comprehensive income for the year (VII+VIII)		58,396,853	42,511	58,439,364

Explanations for Reconciliation of Statement of Profit and Loss as previously reported under IGAAP to Ind-AS

A. Other Income

i) Fair Valuation of investments

Under Indian GAAP, investments in mutual funds were carried at the lower of cost or market value.

Under Ind AS, Investments categorised as fair value through profit or loss are measured at fair value and the changes in fair value at every reporting periods are recognised in statement of profit and loss.

ii) Interest Income on Security deposit

Under Indian GAAP, Security Deposits related to Leased Premises were recognised at the carrying value of the deposit.

Under Ind AS, Security Deposits relating to Leased Premises are recognized at present value and interest is recognised on the present value.

B. Employee Benefits Expense

Under Indian GAAP, remeasurement gains and losses on defined benefit obligations were recognised in Statement of Profit and Loss under employee benefits expense.

Under Ind AS, remeasurement gains and losses on defined benefit obligations are recognized in other comprehensive income and not reclassified to Statement of Profit and Loss in a subsequent period.

C. Other Expenses

Under Ind AS, Security Deposits relating to Leased Premises are recognized at present value and the difference between maturity value and

D. Deferred Tax

The consequential deferred tax effects for the above mentioned adjustments from Indian GAAP to Ind AS are recognised.

2.2.3. Cash Flow Statement

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.



2

Property, Plant and Equipment & Intangible Assets Under Development

Particulars	Gross Book Value			Accumulated Depreciation / Amortisation			Net Book Value			
	Opening Balance as at April 1, 2016	Additions	Disposals/ Deductions	Closing Balance as at March 31, 2017	Opening Balance as at April 1, 2016	Depreciation /Amortisation expenses for the year	Disposals/ Deductions	Closing Balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
(i) Tangible Assets										
Leasehold Improvement	304,768	-	-	304,768	304,768	-	-	304,768	-	-
Office Equipment	2,026,707	162,716	244,977	1,944,446	1,049,590	232,147	240,419	1,041,318	903,128	977,117
Furniture Fixtures	284,903	508,968	783,871	783,871	9,654	21,835	-	31,489	762,382	275,249
Computer	915,951	3,453,513	8,400	4,361,064	26,893	492,926	8,400	511,419	3,849,645	889,058
Motor Vehicle	1,583,107	-	531,807	1,051,300	688,622	277,089	505,222	360,499	690,801	994,485
Total Tangible Assets (A)	5,115,436	4,125,197	785,194	8,455,449	1,979,627	1,024,007	754,041	2,249,493	6,205,956	3,135,909
(ii) Intangible Assets										
Website Development	162,746	-	-	162,746	162,746	-	-	162,746	-	-
Software	11,899,155	3,866,190	-	15,765,345	2,192,519	2,577,601	-	4,770,120	10,995,225	9,706,636
Total Intangible Assets (B)	12,061,901	3,866,190	-	15,928,091	2,355,265	2,577,601	-	4,932,866	10,995,225	9,706,636
Intangible Assets under development (C)	3,837,800	-	3,837,800	-	-	-	-	-	-	3,837,800
Grand Total (A)+(B)+(C)	21,015,137	7,991,387	4,622,984	24,383,540	4,334,792	3,601,608	754,041	7,182,359	17,201,181	16,680,345

Particulars	Gross Book Value			Accumulated Depreciation / Amortisation			Net Book Value			
	Opening Balance as at April 1, 2015	Additions	Disposals/ Deductions	Closing Balance as at March 31, 2016	Opening Balance as at April 1, 2015	Depreciation /Amortisation expenses for the year	Disposals/ Deductions	Closing Balance as at March 31, 2016	As at March 31, 2016	As at March 31, 2015
(i) Tangible Assets										
Leasehold Improvement	304,768	-	-	304,768	304,768	-	-	304,768	-	-
Office Equipment	1,347,297	914,450	235,040	2,026,707	1,023,166	241,377	214,953	1,049,590	977,117	324,131
Furniture Fixtures	9,558	275,345	284,903	284,903	1,145	8,509	-	9,654	275,249	8,413
Computer	167,076	907,591	158,676	915,951	117,954	32,582	123,643	26,893	889,058	49,122
Motor Vehicle	3,141,482	1,583,107	3,141,482	1,583,107	1,843,188	761,050	2,115,616	588,622	894,485	1,198,294
Total Tangible Assets (A)	4,970,181	3,680,453	3,535,198	5,115,436	3,390,221	1,043,518	2,454,212	1,979,527	3,135,909	1,579,960
(ii) Intangible Assets										
Website Development	162,746	-	-	162,746	162,624	10,122	-	162,746	-	10,122
Software	1,925,484	9,973,671	-	11,899,155	209,892	1,982,537	-	2,192,519	9,706,636	1,715,502
Total Intangible Assets (B)	2,088,230	9,973,671	-	12,061,901	362,606	1,992,659	-	2,355,265	9,706,636	1,725,624
Intangible Assets under development (C)	11,475,000	862,800	8,500,000	3,837,800	-	-	-	-	3,837,800	11,475,000
Grand Total (A)+(B)+(C)	18,533,411	14,516,924	12,035,198	21,015,137	3,752,827	3,036,177	2,454,212	4,334,792	16,680,345	14,780,584



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016	(Amount in ₹) As at April 1, 2015
Note No. "4"			
Other Financial Assets			
Non-current			
Interest accrued but not due	-	159,595	72,411
Restricted bank deposits with maturity of more than 12 months (Represents fixed deposit under lien with Insurance Regulatory & Development Authority)	1,000,000	1,000,000	1,000,000
Lease Deposits	3,343,312	3,018,211	4,106,480
	4,343,312	4,177,806	5,178,891
Current			
Unbilled Revenue	57,682,293	19,416,501	-
Interest Accrued but not due	253,445	-	290,589
Lease Deposits	522,720	662,580	6,566,400
	58,458,458	20,079,081	6,856,989
Note No. "5"			
Deferred Tax Assets (net)			
Property, plant and equipment	5,315,846	6,653,431	8,851,451
Provision for employee benefits	2,999,057	1,683,664	2,239,458
Allowance for bad and doubtful debts	3,001,921	1,893,178	6,062,112
Others	411,121	-	377,912
MAT credit entitlement	-	11,172,846	1,231,121
Deferred Tax Assets	11,727,945	21,403,119	18,762,054
Unrealised gain on investments carried at fair value	715,262	86,237	48,731
Deferred Tax Liabilities	715,262	86,237	48,731
Net Deferred Tax Assets	11,012,683	21,316,882	18,713,323

Deferred tax assets and deferred tax liabilities have been offset as the Company has a legally enforceable right to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority.

Movement in deferred tax assets / liabilities

	Allowance for bad and doubtful debts	Provision for employee benefits	Property, plant and equipment	Other Items	Total
As at April 1, 2015	6,062,112	2,239,458	8,851,451	1,560,302	18,713,323
(Charged) / credited :					
- to profit or loss	(4,168,935)	(1,044,795)	(2,198,020)	9,526,307	2,114,557
- to other comprehensive income	-	489,002	-	-	489,002
As at March 31, 2016	1,893,177	1,683,665	6,653,431	11,086,609	21,316,882
(Charged) / credited :					
- to profit or loss	1,108,743	985,223	(1,337,585)	(217,904)	538,477
- to other comprehensive income	-	330,170	-	-	330,170
- to other comprehensive income	-	-	-	-	-
Adjustment for MAT credit utilisation	-	-	-	(11,172,846)	(11,172,846)
As at March 31, 2017	3,001,920	2,999,058	5,315,846	(304,141)	11,012,683



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

		As at March 31, 2017	As at March 31, 2016	(Amount in ₹) As at April 1, 2015
Note No. "6"				
Income Tax Assets (net)				
Advance Income Tax (net of provision)		66,337,739	62,834,424	61,203,664
Note No. "7"				
Other Non-current Assets				
Considered good				
(a)	Security Deposits	75,900	75,900	50,900
(b)	Prepaid Expense	1,067,758	812,679	-
		1,143,658	888,579	50,900
Note No. "8"				
Current Investments (Investments carried at fair value through profit and loss)				
Investment in Mutual Funds: Unquoted	Face Value	No. of Units		
HDFC Liquid Fund - Direct Plan - Growth Option	10	1,271.94 (486.41) [34,606.8]	4,081,552	1,454,462
Birla Sun Life Saving Fund - Growth - Direct Plan	100	80,052.00 (4,875.27) [3,684.86]	25,625,508	1,432,440
Kotak Liquid Scheme Plan A - Direct Plan - Growth	1000	11,366.85 (394.67) [160.84]	37,481,920	1,213,244
Kotak Treasury Advantage Fund - Direct Plan - Growth	10	626,481.80 (23,624.17) [53,624.8]	16,513,496	575,409
ICICI Prudential Money Market Fund - Direct Plan - Growth	100	16,519.70 (8,515.96) [3,753.65]	3,717,319	1,784,658
ICICI Prudential Flexible Income - Direct Plan - Growth	10	48,938.30 (1,369.28) [5,727.84]	15,296,824	392,976
			102,716,619	6,853,189
				5,842,014
Advance for Investments				
Kotak Liquid Scheme Plan A - Direct Plan - Growth			4,000,000	-
Birla Sun Life Saving Fund - Growth - Direct Plan			-	2,000,000
HDFC Liquid Fund - Direct Plan - Growth Option			-	1,000,000
			4,000,000	3,000,000
			106,716,619	6,853,189
				8,842,014
Note : Figures in () and [] relate to units as at March 31, 2016 and April 1, 2015 respectively.				
Note No. "9"				
Trade Receivables				
Unsecured, considered good			25,704,653	22,667,058
Doubtful			8,674,065	5,725,970
Less: Allowance for bad and doubtful debts			(8,674,065)	(5,725,970)
			25,704,653	22,667,058
				22,206,254
Note No. "10"				
Cash and cash equivalents				
a) Balances with Banks				
- with current Account			4,197,969	9,496,431
- with deposit Account			-	4,000,000
b) Cheque on hand			-	1,860
c) Cash on hand			4,517	17,471
			4,202,486	9,514,471
				16,232,254
Note No. "11"				
Other Current Assets				
Considered good				
Indirect tax recoverable			2,280,263	2,173,045
Prepaid expenses			4,917,292	2,086,570
Others			28,950	11,537
			7,226,505	4,271,152
				3,914,624

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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

Note No. "12"

Disclosures on Financial Instruments

1) The carrying value and fair value of financial instruments by categories as of March 31, 2017 were as follows:

(Amount in ₹)

Particulars	Amortised Cost	Fair Value Through Profit / Loss	Fair Value Through Other Comprehensive Income	Total Carrying Value	Total Fair Value
Financial Assets					
a) Investments in mutual funds	-	106,716,619	-	106,716,619	106,716,619
b) Trade receivables	25,704,653	-	-	25,704,653	25,704,653
c) Cash and cash equivalents	4,202,486	-	-	4,202,486	4,202,486
d) Other financial assets - non-current	4,343,312	-	-	4,343,312	4,343,312
e) Other financial assets - current	58,458,458	-	-	58,458,458	58,458,458
Total	92,708,909	106,716,619	-	199,425,528	199,425,528
Financial Liabilities					
a) Trade payables	21,949,328	-	-	21,949,328	21,949,328
b) Other financial liabilities	28,206,015	-	-	28,206,015	28,206,015
Total	50,155,343	-	-	50,155,343	50,155,343

A) The hierarchy of financial instruments measured at fair value on recurring basis as of March 31, 2017:

(Amount in ₹)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
a) Investments in Mutual Funds	106,716,619	-	-	106,716,619
Total	106,716,619	-	-	106,716,619

2) The carrying value and fair value of financial instruments by categories as of March 31, 2016 were as follows:

(Amount in ₹)

Particulars	Amortised Cost	Fair Value Through Profit / Loss	Fair Value Through Other Comprehensive Income	Total Carrying Value	Total Fair Value
Financial Assets					
a) Investments in mutual funds	-	6,853,189	-	6,853,189	6,853,189
b) Trade receivables	22,667,058	-	-	22,667,058	22,667,058
c) Cash and cash equivalents	9,514,471	-	-	9,514,471	9,514,471
d) Other financial assets - non-current	4,177,806	-	-	4,177,806	4,177,806
e) Other financial assets - current	20,079,081	-	-	20,079,081	20,079,081
Total	56,438,416	6,853,189	-	63,291,605	63,291,605
Financial Liabilities					
a) Trade payables	13,578,836	-	-	13,578,836	13,578,836
b) Other financial liabilities	14,286,194	-	-	14,286,194	14,286,194
Total	27,865,030	-	-	27,865,030	27,865,030

B) The hierarchy of financial instruments measured at fair value on recurring basis as of March 31, 2016:

(Amount in ₹)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
a) Investments in Mutual Funds	6,853,189	-	-	6,853,189
Total	6,853,189	-	-	6,853,189



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

Note No. "12"

Disclosures on Financial Instruments

3) The carrying value and fair value of financial instruments by categories as of April 1, 2015 were as follows:

(Amount in ₹)

Particulars	Amortised Cost	Fair Value Through Profit / Loss	Fair Value Through Other Comprehensive Income	Total Carrying Value	Total Fair Value
Financial Assets					
a) Investments in mutual funds	-	8,842,014	-	8,842,014	8,842,014
b) Trade receivables	22,206,254	-	-	22,206,254	22,206,254
c) Cash and cash equivalents	16,232,254	-	-	16,232,254	16,232,254
d) Other financial assets - non-current	5,178,891	-	-	5,178,891	5,178,891
e) Other financial assets - current	6,856,989	-	-	6,856,989	6,856,989
Total	50,474,388	8,842,014	-	59,316,402	59,316,402
Financial Liabilities					
a) Short-term borrowings	33,000,000	-	-	33,000,000	33,000,000
b) Trade payables	31,585,783	-	-	31,585,783	31,585,783
c) Other financial liabilities	13,601,903	-	-	13,601,903	13,601,903
Total	78,187,686	-	-	78,187,686	78,187,686

C) The hierarchy of financial instruments measured at fair value on recurring basis as of April 1, 2015:

(Amount in ₹)

Particulars	Level 1	Level 2	Level 3	Total
Financial Assets				
a) Investments in Mutual Funds	8,842,014	-	-	8,842,014
Total	8,842,014	-	-	8,842,014

The management assessed that cash and cash equivalents, other financial assets, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of investments in mutual funds are based on closing NAV at respective reporting dates.

Fair value hierarchy

Level 1 - This hierarchy includes financial instruments measured using Quoted prices.

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

Level 3 - Inputs for the financial instruments that are not based on observable market data (unobservable inputs).



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

Note No. "13"

Financial risk management

In the course of its business, the Company is exposed primarily to fluctuations in market, credit and liquidity risk, which may adversely impact the fair value of its financial instruments.

1) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

The Company is not exposed to any of the market risks. In its insurance broking business, the Company solicits insurance policies for insurance companies (customers) which primarily result in receivables in INR at pre-determined rates, hence there is no impact of foreign currency fluctuations. There are no debt obligations which could be subject to variable interest rates. Further, investments of the Company are not subject to fluctuations in equity price.

2) 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 in mutual funds, security deposits, trade receivables and cash equivalents. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 199,425,527/- as of March 31, 2017, ₹ 63,291,605/- as of March 31, 2016 and ₹ 59,316,402/- as of April 1, 2015, being the total of the carrying amount of balances with banks, time deposits with banks, trade receivables, security deposits and investments in mutual funds.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other financial instruments that are neither impaired nor past due, there were no indications as of March 31, 2017, that defaults in payment obligations will occur.

Credit quality of trade receivables and impairment loss

The ageing of trade receivables as of balance sheet date is given below

Period (in months)	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
(a) Not past due up to 1 month	19,996,183	-	19,996,183	11,683,884	-	11,683,884	11,697,535	-	11,697,535
(b) Past due up to 3 months	2,566,271	-	2,566,271	2,635,013	-	2,635,013	6,113,975	-	6,113,975
(c) Past due 3 - 6 months	1,943,898	-	1,943,898	1,771,957	-	1,771,957	3,322,085	-	3,322,085
(d) Past due more than 6 months	9,872,366	(8,674,065)	1,198,301	12,302,174	(5,725,970)	6,576,204	19,756,933	(18,684,274)	1,072,659
Total	34,378,718	(8,674,065)	25,704,653	28,393,028	(5,725,970)	22,667,058	40,890,528	(18,684,274)	22,206,254

3) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulty in meeting the 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 Company does not have any obligation arising on account of interest bearing liabilities. The Company invests its surplus funds in liquid schemes of mutual funds, which carry no/low mark to market risks. The Company also constantly monitors expected working capital requirements, accordingly investments are made / redeemed with a view to maintaining financial flexibility.

As at March 31, 2017, 2016 and April 1, 2015 financial liabilities of ₹ 50,155,343/-, ₹ 27,865,030/- and ₹ 45,187,686/- respectively, was payable with maturity profile of one year. Further, borrowings of ₹ 3,300,000/- as of April 1, 2015 was payable on demand.

Note No. "14"

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

The Company monitors the capital structure on the basis of total debt to equity ratio (capital gearing ratio) and maturity profile of the overall debt portfolio of the Company.

There are no debt obligations for the Company as at March 31, 2017 & 2016, thereby capital gearing ratio will be Nil. As at April 1, 2015 borrowings (net of cash and cash equivalents) were ₹ 16,767,746/- and equity was to the tune of ₹ 65,867,022/- thereby construing to capital gearing ratio of 25.49% which is considered good.



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016	(Amount in ₹) As at April 1, 2015
Note No. "15"			
Equity Share Capital			
Authorised:			
189,000,000 (as at March 31, 2016 and April 1, 2015 : 189,000,000) Equity Shares of ₹ 10 each	1,890,000,000	1,890,000,000	1,890,000,000
	<u>1,890,000,000</u>	<u>1,890,000,000</u>	<u>1,890,000,000</u>
Issued, subscribed & paid up:			
Shares of ₹ 10 each fully paid-up	25,000,000	25,000,000	25,000,000
	<u>25,000,000</u>	<u>25,000,000</u>	<u>25,000,000</u>
Reconciliation of number of shares outstanding :			
Opening balance	2,500,000	2,500,000	2,500,000
Changes in equity share capital during the year	-	-	-
Closing balance	<u>2,500,000</u>	<u>2,500,000</u>	<u>2,500,000</u>
Notes :-			
(A) Terms / Rights attached to Equity Shares			
The Company has issued only one class of equity shares having a par value of Rs. 10/- per share. Each holder of equity share is entitled to one vote per share. The company declares and pays dividend in Indian rupees. The dividend proposed by the board of director's is subject to the approval of shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company the holder of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. Distribution will be in proportion of equity shares held by the shareholders.			
(B) Shares held by Holding Company / Shareholding in excess of 5%			
All the above equity shares are held by Tata Motors Limited (the holding company) and its nominees.			
(C) Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the five years immediately preceding the reporting date			
The company has not issued bonus shares, shares issued for consideration other than cash and bought back any shares during the five years immediately preceding the reporting date.			
Note No. "16"			
Other Equity			
(i) General Reserve	6,090,000	6,090,000	6,090,000
(ii) Retained Earnings			
Opening balance	94,206,384	34,777,022	81,786,323
Add: Profit / (Loss) for the year	104,959,295	59,429,362	(47,009,301)
Balance as at year end	<u>199,165,679</u>	<u>94,206,384</u>	<u>34,777,022</u>
(iii) Other Comprehensive Income			
Opening balance	(989,998)	-	-
Remeasurement of the net defined benefit liability, net of tax effect	(557,830)	(989,998)	-
	<u>(1,547,828)</u>	<u>(989,998)</u>	<u>-</u>
	<u>203,707,851</u>	<u>99,306,386</u>	<u>40,867,022</u>



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

	As at March 31, 2017	As at March 31, 2016	(Amount in ₹) As at April 1, 2015
Note No. "17"			
Non-current Provisions			
Provision for employee benefits :			
Provision for Compensated Absences	2,869,000	2,102,000	2,429,000
Provision for Gratuity	7,263,500	4,971,000	3,613,000
Provision for Long Term Services Awards	236,000	145,000	135,000
	10,368,500	7,218,000	6,177,000
Current Provisions			
Provision for employee benefits :			
Provision for Long Term Services Awards	31,000	66,000	13,000
Provision for Compensated Absences	693,000	507,000	1,067,000
Provision for Gratuity	978,000	650,000	2,621,000
	1,702,000	1,223,000	3,701,000
Note No. "18"			
Borrowings			
Loans repayable on demand			
Unsecured Loan from related party	-	-	33,000,000
	-	-	33,000,000
Note No. "19"			
Trade Payables			
Payable to related parties	13,411,915	9,657,036	20,668,438
Other payables	8,537,413	3,921,800	10,917,345
	21,949,328	13,578,836	31,585,783
Note No. "20"			
Other Financial Liabilities			
Employee benefit (Superannuation and Bonus)	26,800,919	12,866,811	12,421,128
Others	1,405,096	1,419,383	1,180,775
	28,206,015	14,286,194	13,601,903
Note No. "21"			
Other Current Liabilities			
Statutory dues	4,682,354	3,527,981	2,813,449
Income received in advance (Unearned Income)	1,853	3,832	299,241
Others	6,729,393	5,138,758	934,099
	11,413,600	8,670,571	4,046,789



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

(Amount in ₹)

Year ended March 31,

	2017	2016
Note No. "22"		
Revenue From Operation		
Brokerage Income	451,586,453	259,309,468
	451,586,453	259,309,468
Note No. "23"		
Other Income		
Interest Income		
- on lease deposits carried at amortised costs	229,101	176,622
- on deposits with banks	199,769	146,145
- on income tax refunds	-	1,801,406
Net gain on sale of investments	1,557,306	266,187
Net gain on sale of property, plant and equipment	-	9,013
Net gain on fair valuation of investments	1,805,927	244,988
	3,792,303	2,644,361
Note No. "24"		
Employee Benefit Expenses		
Salaries, wages and bonus	149,015,983	95,188,084
Contribution to provident and other funds	7,622,114	5,843,827
Gratuity expenses	1,875,000	1,613,233
Staff welfare	8,641,007	5,230,192
	167,154,104	107,875,336
Note No. "25"		
Finance Cost		
Interest expenses	-	2,777,995
	-	2,777,995
Note No. "26"		
Other Expenses		
Rent	11,917,183	15,066,842
Electricity & Water Charges	1,366,959	1,265,308
Rates and Taxes	54,379	48,291
Insurance Premium	1,895,525	1,650,409
Repairs and Maintenance (Other than on buildings and plant & machinery)	1,389,938	1,312,577
Travelling & Conveyance Expenses	15,917,212	9,543,963
Legal & Professional Charges	11,531,917	6,468,209
Auditors' Remuneration	1,188,919	752,903
Allowance for bad and doubtful debts (net of reversals)	2,948,095	(3,888,825)
Net loss on sale of property, plant and equipment	4,558	-
IT Support Expense	41,491,490	28,213,627
Call Centre Expense	18,606,516	9,272,564
Communication	7,516,205	5,310,659
Recruitment Expenses	2,610,688	1,149,943
Corporate Social Responsibility Expenses (Refer Note 35)	151,031	236,727
Miscellaneous Expenses	6,293,947	3,585,649
	124,884,562	79,988,846



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

Note No. "27"

Lease

The Company has taken premises under operating lease. The following is the summary of future minimum lease rental payments under non-cancellable operating lease entered into by the Company:

Particulars	(Amount in ₹)	
	As at March 31,	
	2017	2016
Not later than one year	8,654,415	8,242,300
Later than one year but not later than five years	20,420,277	29,074,692
Later than five years	-	-
Total minimum lease commitments	29,074,692	37,316,992

Operating lease expense were ₹ 11,917,183/- and ₹ 15,066,842/- for the year ended March 2017 and March 2016 respectively.

Note No. "28"

Income Taxes

Income tax expenses in the statement of profit and loss comprises of,

Current taxes	55,317,665	10,960,670
<u>Deferred taxes</u>		
Relating to origination and reversal of temporary differences	(538,478)	(2,114,557)
	54,779,187	8,846,113

The major components of tax expenses and the reconciliation of the expected tax expenses based on the domestic effective tax rate of the company at 34.608% (2015-16 33.063%) and the reported tax expenses in statement of profit and loss are as follows,

Profit before tax	159,738,482	68,275,475
Expected tax expenses	55,282,294	22,573,920
Items (net) not deductible for tax / not liable to tax :		
Tax effect of expenses that are not deductible for tax purposes	261,869	146,818
Tax effect due to not taxable income for tax purposes	(79,287)	(66,642)
Previously not considered deferred tax on timing differences	(234,518)	-
Tax effect on carry forwarded losses and unabsorbed depreciation not earlier recognised	-	(13,403,663)
Impact of change in tax rates	(451,171)	(404,321)
Tax expense reported	54,779,187	8,846,113



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements as at and for year ended March 31, 2017

Note No. 29. Related Party Disclosure

The Company's related parties principally consist of Tata Motors Limited (Holding Company), fellow subsidiaries and subsidiaries of Tata Sons Ltd. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for services with its related parties.

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

	(Amount in ₹)		
	Holding company	Fellow subsidiaries	Subsidiaries of Tata Sons Ltd.
Transactions :			
(a) Services received	7,747,659	-	43,160,389
(b) Services rendered	-	-	52,320,109
Balances:			
(a) Trade and other receivables	-	-	22,639,897
(b) Accounts payable	1,353,203	-	12,058,712

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

	(Amount in ₹)		
	Holding company	Fellow subsidiaries	Subsidiaries of Tata Sons Ltd.
Transactions :			
(a) Services received	4,209,881	(44,484)	30,356,030
(b) Services rendered	-	-	43,555,625
(c) Purchase of property, plant and equipment	-	531,807	-
(d) Interest expense	-	2,777,995	-
(d) Loans repaid	-	33,000,000	-
Balances:			
(a) Trade and other receivables	-	-	5,433,610
(b) Accounts payable	2,361,555	-	7,287,999

The following table summarizes related-party transactions and balances included in the financial statements for the year ended and as of April 1, 2015:

	(Amount in ₹)		
	Holding company	Fellow subsidiaries	Subsidiaries of Tata Sons Ltd.
Balances:			
(a) Amounts payable in respect of loans	-	33,000,000	-
(b) Trade and other receivables	-	-	7,509,568
(c) Accounts payable	66,210	145,527	20,457,247



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

30. Contingent liabilities in respect of service tax claims against the Company not acknowledged as debt ₹ 222,500 (Previous year: ₹ 214,800).
31. The Company has received a license from the IRDA to act as a Direct Broker identified in the Insurance Regulatory and Development Authority (Insurance Brokers) Regulations, 2002 effective from May 13, 2014. Apart from insurance broking activities, the Company does not have any other business segments. Also, in absence of separate geographical segments, segment information as required by the Indian Accounting Standard (Ind-AS) 108 on "Operations Segments" has not been furnished.
32. Particulars of earnings per share (EPS)

Particulars	Year ended March 31, 2017	Year ended March 31, 2016
Profit for the year - (in ₹)	104,959,295	59,429,362
Weighted average number of equity shares outstanding for calculation of Basic EPS for the year	2,500,000	2,500,000
Weighted average number of equity shares outstanding for calculation of Diluted EPS for the year	2,500,000	2,500,000
Nominal value of shares	10.00	10.00
Earnings per share – Basic and Diluted (in ₹)	41.98	23.77

33. Auditors' remuneration

Particulars	Amount (₹)	
	Year ended March 31, 2017	Year ended March 31, 2016
Audit fees	803,877	600,625
Tax audit fees	50,253	50,000
Other matters	301,025	75,000
Reimbursement of expenses	33,764	27,278
Total *	1,188,919	752,903

*Excluding Service Tax ₹ 171,915 (Previous year: ₹ 62,286) claimed as input credit.



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

34. Defined benefit plan / Long term Compensated absences - As per actuarial valuation as on March 31, 2017

Amount (₹)

S. No.	Particulars	Gratuity	
		2017	2016
I	Component of employer expenses		
	Current Service Cost	1,431,000	1,437,000
	Interest Cost	444,000	344,000
	Expected return on plan assets	-	-
	Actuarial Losses	888,000	1,479,000
	Total expenses	2,763,000	3,260,000
	Less : Received from other employers	-	167,767
	Total expenses recognised in the Statement of Profit and Loss	2,763,000	3,092,233
ii	Actual Contribution and Benefit Payments		
	Actual benefit payments	143,000	3,873,000
	Actual Contribution	-	-
iii	Net liability recognised in Balance Sheet		
	Present Value of Defined Benefit Obligation	8,241,000	5,621,000
	Fair Value of plan assets	-	-
	Experience adjustment on plan liabilities	-	-
	Experience adjustment on plan assets	-	-
	Net liability recognised in the Balance Sheet	(8,241,000)	(5,621,000)
iv	Change in Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	5,621,000	6,234,000
	Current Service Cost	1,431,000	1,437,000
	Acquisitions/ Transfer in	-	-
	Interest cost	444,000	344,000
	Actuarial Losses / (Gains)	888,000	1,479,000
	Benefits paid	(143,000)	(3,873,000)
	Present Value of DBO	8,241,000	5,621,000
V	Actuarial Assumptions		
	The actuarial assumptions used in account for the defined benefit obligation are set out below :		
	Discount rate (%)	7.50%	8.00%
	Expected Return on plan assets (%)	N/A	N/A
	Salary escalation	10% For First Two Years and 7.5% thereafter	10% For First Two Years and 7.5% thereafter
	Mortality	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

Amount (₹)

S. No.	Particulars	Compensated Absences	
		2017	2016
I	Component of employer expenses		
	Current Service Cost	708,000	554,000
	Interest Cost	192,000	207,000
	Expected return on plan assets	-	-
	Actuarial Losses	480,000	158,000
	Total expenses recognised in the Statement of Profit and Loss	1,380,000	919,000
ii	Actual Contribution and Benefit Payments		
	Actual benefit payments	427,000	1,806,000
	Actual Contribution	-	-
iii	Net liability recognised in Balance Sheet		
	Present Value of Defined Benefit Obligation	3,562,000	2,609,000
	Fair Value of plan assets	-	-
	Experience adjustment on plan liabilities	-	-
	Experience adjustment on plan assets	-	-
	Net liability recognised in the Balance Sheet	(3,562,000)	(2,609,000)
iv	Change in Defined Benefit Obligations (DBO)		
	Present Value of DBO at the beginning of the year	2,609,000	3,496,000
	Current Service Cost	708,000	554,000
	Acquisitions/ Transfer in	-	-
	Interest cost	192,000	207,000
	Actuarial Losses	480,000	158,000
	Benefits paid	(427,000)	(1,806,000)
	Present Value of DBO	3,562,000	2,609,000
V	Actuarial Assumptions		
	The actuarial assumptions used in account for the defined benefit obligation are set out below :		
	Discount rate (%)	7.50%	8.00%
	Expected Return on plan assets (%)	N/A	N/A
	Salary escalation	10% For First Two Years and 7.5% thereafter	10% For First Two Years and 7.5% thereafter
	Mortality	Indian Assured Lives Mortality (2003-08)	Indian Assured Lives Mortality (2006-08)

- (a) Significant actuarial assumptions used for the determination defined benefit obligation are discount rate and salary escalation rate. Sensitivity analysis below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of reporting period, while holding other assumptions constant.



Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

(b) Sensitivity Analysis

Effect on defined benefit Obligation	Amount (₹)			
	March 31, 2017		March 31, 2016	
	Increase 1%	Decrease 1%	Increase 1%	Decrease 1%
Discount rate	(458,000)	505,000	(323,000)	357,000
Salary escalation rate	498,000	(460,000)	353,000	(326,000)

(c) Defined Contribution Plan

The Company's contribution to defined contribution plan aggregated ₹ 7,622,114 (Previous year ₹ 5,843,827) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in Note no 24.

- (d) The assumptions of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (e) The present value of the defined benefit obligation calculated with the same method (project unit credit) as the defined benefit obligation recognised in the balance sheet. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

35. Corporate Social Responsibility (CSR) Expenditure

The Company has incurred a total expenditure of ₹ 1,51,031/- which is being debited to the Statement of Profit and Loss for the year ended 31 March 2017.

Nature of expenses	Schedules in the financial statements	Amount in ₹
Donation to Prasad Chikitsa	Other Expenses	151,031
Total		151,031

The CSR committee constituted by the Board of Directors of the Company under sec 135 of the Act supervises all the expenditure incurred for CSR purposes.

Following is the information regarding projects undertaken and expenses incurred on CSR activities during the year ended 31 March 2017

- a. Gross amount required to be spent by the Company during the year - ₹ 151,031/-
b. Amount spent during the year on CSR activities:

Sr. No.	Nature of expenses	Amount paid	Amount yet to be paid	Amount (₹)
				Total
(i)	Construction/acquisition of any asset	-	-	-
(ii)	On purposes other than (i) above	151,031	-	151,031
Total		151,031	-	151,031

36. Proposed Dividend

The Board of Directors of the Company in its meeting dated May 11, 2017 have proposed a dividend of ₹ 2,50,00,000 (₹ 10 per fully paid equity share). As the distribution of dividends by the Company requires approval of the shareholders in the ensuing annual general meeting, no liability in this respect is recognised in the financial statements for the year ended March 31, 2017.



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Tata Motors Insurance Broking & Advisory Services Limited

Notes forming part of Financial Statements

37. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notifications G.S.R. 308(E) dated March 31, 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	Amount (₹)		
	Specified Bank Notes #	Other Denomination Notes	Total
Closing cash in hand as on November 8, 2016	20,000	6,481	26,481
(+) Cash withdrawn from bank	-	70,000	70,000
(-) Permitted payments	-	(49,632)	(49,632)
(-) Amount deposited in Banks	(20,000)	-	(20,000)
Closing cash in hand as on December 30, 2016	-	26,849	26,849

For the purpose of this clause 'Specified Bank Notes' shall have same meaning provided in the notification of Government of India, in Ministry of Finance, Department of Economic Affairs no. S.O. 3407(e) dated November 8, 2016.

38. Recent accounting pronouncements

Amendment to Ind AS 7:

The amendment to Ind AS 7 requires the entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the balance sheet for liabilities arising from financing activities, to meet the disclosure requirement.

The company is evaluating the requirements of the amendment and the effect on the financial statements.

Signature to note 1 to 38

For Walker Chandiook & Co LLP
Chartered Accountants
Firm Registration No. 001076N/N500013



Khushroo B. Panthaky
Partner
Membership No. 42423

Place : Mumbai
Date : 11th May 2017



For and on behalf of the Board of Directors

Shyam Mani
Director
DIN - 00273598



Tarun Samant
Chief Executive Officer

Place : Mumbai
Date : 11th May 2017

V B Somaiya
Director
DIN - 03185227



Bhanu Bhai Sharma
Chief Financial Officer

