

**TATA MOTORS FINANCE SOLUTIONS
LIMITED**

**DIRECTORS' REPORT
MARCH 2017**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TATA MOTORS FINANCE SOLUTIONS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of **TATA MOTORS FINANCE SOLUTIONS LIMITED** ("the Company"), which comprise the Balance Sheet as at 31st March, 2017, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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



We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2017, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, based on our audit we report, to the extent applicable that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

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- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31st March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts ;
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. The Company has provided requisite disclosures in the financial statements as regards its holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the 8th November, 2016 of the Ministry of Finance, during the period from 8th November 2016 to 30th December 2016. Based on audit procedures performed and the representations provided to us by the management we report that the disclosures are in accordance with the books of account maintained by the Company.

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

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



V. SRIKUMAR
(Partner)
(Membership No. 84494)

Place: *Mumbai*
Date: May 12, 2017

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

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

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

We have audited the internal financial controls over financial reporting of **TATA MOTORS FINANCE SOLUTIONS LIMITED** (“the Company”) as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.



Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

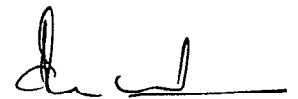
Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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Opinion

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

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



V. SRIKUMAR
(Partner)
(Membership No.84494)

Place: *Mumbai*

Date: May 12, 2017

ANNEXURE B TO THE INDEPENDENT AUDITOR'S REPORT

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

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Some of the fixed assets were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.
- (c) The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i)(c) of the CARO 2016 is not applicable.
- (ii) The Company does not have any inventory and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) CARO 2016 is not applicable.
- (vii) According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.
 - (b) There were no undisputed amounts payable in respect of Provident Fund, Income-tax, Sales Tax, Service Tax, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.
 - (c) There are no dues of Income-tax, Sales Tax, Service Tax and Value Added Tax as on March 31, 2017 on account of disputes.
- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and dues to debenture holders. The Company has not taken any loans or borrowings from government.

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Haskins & Sells LLP**

- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no material fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has not paid / provided managerial remuneration and hence the provisions of section 197 of the Companies Act, 2013 do not apply to the Company.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xiv) During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xvi) The Company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and it has obtained the registration.

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



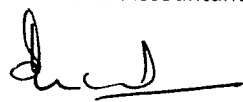
V. SRIKUMAR
(Partner)
(Membership No. 84494)

Place: *Mumbai*
Date: May 12, 2017


Particulars	Notes	As at March 31, 2017	As at March 31, 2016
I EQUITY AND LIABILITIES			
1 Shareholders' funds			
(i) Share capital	3	1700,49.74	1500,49.74
(ii) Reserves and surplus	4	(512,61.56)	(21,49.09)
		1187,88.18	1479,00.65
2 Non-current liabilities			
(i) Long-term borrowings	5	1937,50.00	2750,00.00
(ii) Long-term provisions	6	3,87.05	1,60.45
		1941,37.05	2751,60.45
3 Current liabilities			
(i) Short-term borrowings	7	1148,71.42	434,11.86
(ii) Trade payables	8		
(a) Total outstanding dues of micro, small and medium enterprises		-	3.94
(b) Total outstanding dues of creditors other than above		25,30.25	26,24.27
(iii) Other current liabilities	9	830,97.80	810,95.36
(iv) Short-term provisions	6	7,17.84	6,31.25
		2012,17.31	1277,66.68
Total		5141,42.54	5508,27.78
II ASSETS			
1 Non-current assets			
(i) Fixed assets			
(a) Tangible assets	10	1,22.51	1,56.18
(b) Intangible assets	10A	180,25.25	582,25.25
(ii) Non-current investments	11	111,76.30	-
(iii) Deferred tax assets (net)	12A	2,13.43	7,20.14
(iv) Finance receivables	13	394,73.15	532,55.53
(v) Long-term loans and advances	14	237,94.42	10,10.50
		928,05.06	1133,67.60
2 Current assets			
(i) Current investments	15	762,76.81	73,14.78
(ii) Trade receivables	16	476,15.39	1424,89.00
(iii) Cash and cash equivalents	17	524,59.77	179,61.47
(iv) Finance receivables	13	1998,83.89	2659,85.24
(v) Short-term loans and advances	18	310,75.87	4,93.96
(vi) Other current assets	19	140,25.75	32,15.73
		4213,37.48	4374,60.18
Total		5141,42.54	5508,27.78

See accompanying notes forming part of the financial statements (1 to 49)

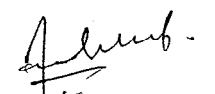
In terms of our report attached
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



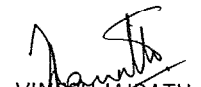
V. Srikumar
Partner

Place 
May 12, 2017

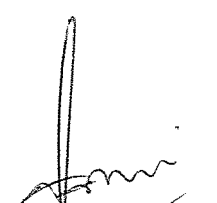
For and on behalf of the Board of Directors



C. RAMAKRISHNAN
Chairman
(DIN - 0020076)



VINESH JAIRATH
Director
(DIN - 00391684)



SHYAM MANI
Managing Director
(DIN - 00273598)



AMIT MITTAL
Chief Financial Officer
Place: Mumbai
May 12, 2017



VINAY LAVANNIS
Company Secretary


Particulars	Notes	For the year ended March 31, 2017	For the year ended March 31, 2016
I Revenue from operations	20	391,67.75	593,87.06
II Other income	21	42,40.63	40,32.32
III Total revenue (I + II)		434,08.38	634,19.38
IV Expenses:			
1 Employee benefits expenses	22	33,31.51	23,08.22
2 Finance cost	23	339,26.92	458,35.54
3 Depreciation and amortisation expenses	10	64.14	68.32
4 Other expenses	24	144,91.57	146,02.63
Total expenses		518,14.14	628,14.71
V (Loss) / Profit before exceptional and extraordinary items and tax (III - IV)		(84,05.76)	6,04.67
VI Exceptional items			
Impairment of goodwill [Refer: Note "45"]		402,00.00	-
VII (Loss) / Profit before extraordinary items and tax (V - VI)		(486,05.76)	6,04.67
VIII Extraordinary items		-	-
IX (Loss) / Profit before tax (VII - VIII)		(486,05.76)	6,04.67
X Tax expense / (income)	12	5,06.71	(1,67.35)
XI (Loss) / Profit for the year from continuing operations (IX - X)		(491,12.47)	7,72.02
XII Earnings per equity share of ₹ 100 each. Basic and diluted (in ₹)		(32.03)	0.51
XIII Weighted average number of outstanding shares		15,33,37,406	15,00,49,735

See accompanying notes forming part of the financial statements (1 to 49)

In terms of our report attached

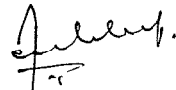
For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

For and on behalf of the Board of Directors



V. Srikumar
Partner

Place *Mumbai*
May 12, 2017



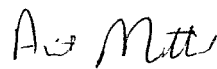
C. RAMAKRISHNAN
Chairman
(DIN - 0020076)



VINESH JAIRATH
Director
(DIN - 00391684)



SHYAM MANI
Managing Director
(DIN - 00273598)



AMIT MITTAL
Chief Financial Officer

Place: Mumbai
May 12, 2017



VINAY LAVANNIS
Company Secretary

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net (loss) / profit for the year	(491,12.47)	7,72.02
Adjustments for:		
Interest income on bank deposits	(8,53.49)	(11,70.44)
Interest income on finance receivables	(196,26.85)	(279,73.04)
Interest income on PTC investments	(18,11.60)	(3,12.61)
Interest income on other loans	(6,27.89)	-
Interest expenses and other borrowing costs	321,58.42	402,70.40
Share issue expenses	20.00	-
Discounting charges on commercial paper	17,68.50	55,65.14
Provision for employee benefit schemes	(1,27.14)	90.06
Provisions on standard assets	2,78.95	(4,35.00)
Gain on sale of current investments	23,56.43	(14,37.03)
Provision for doubtful finance receivables and finance receivables written off	478,03.40	(14,56.05)
Delinquency support on provisions and write off	(1,78.05)	(13,02.59)
Provision for diminution in the value of investment	32.43	-
Bonus written back	(1,59.89)	1,59.07
Tax expenses	5,06.71	(1,67.35)
Provision for indirect tax	0.50	-
Depreciation	64.14	68.32
Impairment of goodwill	402,00.00	-
Operating cash flow before working capital changes and discounting charges	526,92.10	126,70.90
Movements in working capital		
Trade payables	61.93	10,18.43
Other current liabilities	273,41.87	47,94.16
Senior pass through certificates	(475,77.72)	(73,14.78)
Security deposit	-	(19.15)
Trade receivables	948,73.61	(86,72.84)
Finance receivables	331,85.25	1069,73.65
Long-term loans and advances	(227,84.42)	-
Short-term loans and advances	(305,81.91)	(18,19.35)
Other current assets	(108,10.02)	162,00.83
	964,00.69	1238,31.85
Current taxes paid (net)	-	(15,41.12)
Interest expense and other borrowing cost paid	(321,58.42)	(388,22.17)
Interest income received	209,61.42	302,43.70
Net cash from operating activities	852,03.69	1137,12.26
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of fixed assets (including capital work-in-progress and capital adv.)	(37.51)	(99.60)
Proceeds from sale of fixed assets	7.04	1.47
Investment in fixed deposits with banks	-	(100,00.00)
Purchase of non-current investments	(6,95.49)	-
Investment in fellow subsidiary Company	(105,00.00)	-
Purchase of current investments	(16393,69.55)	(9726,93.00)
Redemption of current investments	16156,15.57	9741,30.03
Interest on fixed deposit / investments	8,53.49	14,35.24
Net cash used in investing activities	(341,26.45)	(72,25.86)

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Cash Flow Statement for the year ended March 31, 2017

(₹ in lakhs)

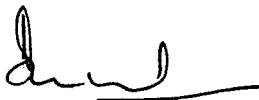
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share issue expenses	(20.00)	-
Proceeds from issue of equity share capital	200,00.00	-
Cash credit	(149,16.70)	236,84.38
Discounting charges on commercial paper	(32,75.78)	(56,31.99)
Proceeds from long-term borrowings	500,00.00	1500,00.00
Repayment of long-term borrowings	(1562,50.00)	(2000,00.00)
Proceeds short-term borrowings less than 3 months	219,88.43	(221,58.35)
Proceeds short-term borrowings more than 3 months	1726,19.33	-
Repayment of short-term borrowings 3 months and above	17,35.53	(776,18.41)
Repayment of short-term borrowings less than 3 months	(1084,59.75)	-
Net cash used in financing activities	(165,78.94)	(1317,24.37)
Net increase / (decrease) in cash and cash equivalents (A + B + C)	344,98.30	(252,37.97)
Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Cash and cash equivalents at the beginning of the year	79,61.47	331,99.44
Cash and cash equivalents at the end of the year	424,59.77	79,61.47
Net increase / (decrease) in cash and cash equivalents [Refer: Notes below]	344,98.30	(252,37.97)

See accompanying notes forming part of the financial statements (1 to 49)

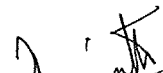

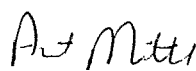
Notes:

- Finance costs has been considered as arising from operating activities in view of the nature of the Company's business.
- Previous period figures have been regrouped, wherever necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants

V. Srikumar
PartnerPlace *Mumbai*
May 12, 2017

For and on behalf of the Board of Directors


C. RAMAKRISHNAN
Chairman
(DIN - 0020076)

VINESH JAIRATH
Director
(DIN - 00391684)

SHYAM MANI
Managing Director
(DIN - 00273598)

AMIT MITTAL
Chief Financial Officer

VINAY LAVANNIS
Company SecretaryPlace: Mumbai
May 12, 2017

Note 1 CORPORATE INFORMATION

The Company is wholly owned subsidiary of Tata Motors Finance Limited (TMFL) with effect from January 19, 2015 and is registered as a Non-Banking Financial (Non deposit accepting or holding) Company with the Reserve Bank of India with effect from, December 08, 2003. In the month of June, 2015, the Company was changed from Private Company to Public Company.

Note 2 SIGNIFICANT ACCOUNTING POLICIES

(i) Basis for preparation of financial statements

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards specified under section 133 of Companies Act, 2013, and the relevant provision of Companies Act, 2013 ("the 2013 Act"). The financial statements have been prepared on accrual basis under the historical cost convention. Further, the Company follows the directions issued by the Reserve Bank of India (RBI) for Non- Banking Financial Companies (NBFC). The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

(ii) Use of estimates

The preparation of Financial Statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent liabilities as at the date of these financial statements and reported amounts of income and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future years.

Material estimates in these Financial Statements that are susceptible to change as more information becomes available include provisions for doubtful finance receivables, provision for income taxes, provision for employee benefits and disclosure of contingent liabilities.

(iii) Revenue recognition

A. Income on finance receivables and loans

Income on finance receivables and loans is accounted on accrual basis by using the contracted rate. Consequently, a constant rate of return on net outstanding amount is accrued over the period of the contract, except that no income is recognised on non-performing / doubtful assets as per the prudential norms for income recognition issued by the RBI for NBFCs. Interest income on such assets is recognised on receipt basis.

Late payment charges are accounted on receipt basis on account of uncertainty of ultimate collection.

B. Income from current and long term Investments

Dividend income is accounted when the Company's right to receive the dividend is established. Interest income on pass through certificates is accounted on accrual basis.

C. Income from service charges

Income from service charges is recognised as per contractual terms on an accrual basis.

D. Compensation towards interest loss

Compensation towards interest loss receivable from parent company is accrued and recognized as per the contractual terms.

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(iv) Provision for standard / non performing assets

The Company classifies its finance receivable and loans into performing and Non-performing assets and provides an allowance for finance receivables and loans in line with the prudential norms on asset classification and provision as issued by the RBI. The Company has early adopted prudential norm for asset classification and provisioning based on 90 days overdue criteria which is effective for financial year ending March 31, 2018.

In addition to the provisioning as per the RBI norms, provision is also made in respect of loans whereby the asset has been repossessed.

The Company makes a provision on all outstanding standard assets as per the prudential norms issued by the RBI as applicable or early implemented by the Company. The Company has early adopted the provision rate of 0.40 percent for standard asset provisioning which is effective for financial year ending March 31, 2018.

(v) Fixed assets and depreciation

Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement.

Taking into account these factors, the Company has decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act. Estimated useful lives of assets are as follows:

<u>Type of assets</u>	<u>Estimated useful life of the assets</u>
(A) Vehicles	4 years
(B) Office equipment:	
a. HHT machines	4 years
b. Other than HHT machines	5 years
(C) Data processing machines	3 years

(vi) Investments

Long term investments are stated at cost less provision for diminution, if any. Provision for diminution is made to recognise a decline, other than temporary, in the value of such investments. Current investments are stated at lower of cost and fair value.

(vii) Commission to agents

Commission for sourcing of contracts is amortised over the term of the contract in the ratio of interest earned. Commission on achievement of targets is amortised equally over the term of the contract. Commission on collection is charged to the statement of profit and loss when incurred.

(viii) Employee benefits

(A) Defined contribution plans

Contributions to the Company's defined contribution plans, as described below, are charged to the statement of profit and loss.

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(a) Provident fund

The employees are entitled to receive benefits under provident fund, where both, the employees and the Company, make monthly contributions at a specified percentage of the covered employees' basic salary. The contribution is paid to the fund managed by the parent company, except that the employer's contribution towards pension fund is paid to the Regional Provident Fund office. The Company is generally liable for annual contribution and any shortfall to the extent of Company's share in the fund managed by parent company, based on the Government specified minimum rates of return and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(b) Superannuation

Contribution to the superannuation fund is made at 15% of basic salary for the employees who have opted to the scheme, managed by the parent Company and is charged to the statement of profit and loss.

(B) Defined benefit plans

Provision for the Company's defined benefit plans, as described below, are actuarially determined using the projected unit credit method, based on an independent actuarial valuation at the end of the year. Actuarial valuation of defined benefit plans is determined based on certain assumptions regarding rate of interest, salary growth, mortality and staff attrition. Actuarial gains and losses are charged to the statement of profit and loss.

(a) Gratuity

Contributions are made towards gratuity, covering eligible employees, which provides for a lump sum payment of an amount equivalent to 15 to 30 days salary at the time of resignation or retirement, payable for each completed year of service. Vesting occurs upon completion of five years of service.

(b) Compensated absences

Provision is made 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 liability is provided based on the number of days of unutilised leave at each balance sheet date.

(ix) Business segment

The Company has been operating only in one segment viz., financing activities and the operations being only in India, the disclosure requirements of Accounting Standard-17 Segment Reporting are not applicable.

(x) Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share reflect the potential dilution that could occur if contracts to issue equity shares were exercised or converted during the year. Diluted earnings per equity share is calculated using the weighted average number of equity shares and dilutive potential equity shares during the year, except where the results are anti-dilutive.

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(xi) Taxation

Current tax is the amount of tax payable on the taxable income for the year, as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and other applicable tax laws.

Deferred tax is recognised on timing differences, being the differences between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws enacted or substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent to that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there is unabsorbed depreciation and carry forward of losses and items relating to capital losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed at each balance sheet date for their realisability.

Current and deferred taxes relating to items directly recognised in reserves are recognised in reserves and not in the statement of profit and loss.

Minimum Alternative tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognised as an asset in accordance with the recommendations contained in guidance note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the statement of profit and loss and shown as MAT Credit Entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT Credit Entitlement to the extent there is no longer convincing evidence to the effect that the company will pay normal income tax during the specified period.

(xii) Impairment of goodwill

At each Balance Sheet date, the Company assesses whether there is any indication that the intangible assets - goodwill may be impaired. If any such impairment indicators exists, the recoverable amount of an asset is estimated to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. An impairment loss recognised for goodwill is not reversed in the subsequent period unless there are changes in external events.

(xiii) Provisions, contingent liability and contingent assets

Provisions are recognised in accounts in respect of present probable obligations arising out of past events, the amount of which can be reliably estimated.

Contingent liabilities are disclosed in respect of possible obligations that arise from the past events but their existence is confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither recognised, nor disclosed in the financial statements.

(xiv) Delinquency support

Delinquency support receivable from parent company, being compensation towards provision / write off of finance receivable, is credited to the statement of profit and loss as per the contractual terms in the period when the corresponding provision / write off charge on the underlying portfolio of contracts is recognised. Receivable is due when the loan is written off and the loss is crystallised.

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Note "3"
Share capital

(₹ in lakhs)

Particulars	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Authorised				
Equity shares of ₹ 100 each	180,000,000	1800,00.00	160,000,000	1600,00.00
Preference shares of ₹ 100 each (redeemable)	20,000,000	200,00.00	40,000,000	400,00.00
	200,000,000	2000,00.00	200,000,000	2000,00.00
Issued, subscribed and fully paid up				
Equity shares of ₹ 100 each	170,049,735	1700,49.74	150,049,735	1500,49.74
Total	170,049,735	1700,49.74	150,049,735	1500,49.74

(i) Reconciliation of the shares outstanding at the beginning and at the end of the reporting year

(₹ in lakhs)

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	150,049,735	1500,49.74	150,049,735	1500,49.74
Shares issued during the year	20,000,000	200,00.00	-	-
Shares outstanding at the end of the year	170,049,735	1700,49.74	150,049,735	1500,49.74

(ii) Shares in the Company held by each shareholder (holding more than 5% shares specifying the number of shares held)

(₹ in lakhs)

Equity Shares	As at March 31, 2017		As at March 31, 2016	
	Number	% of Holding	Number	% of Holding
Tata Motors Finance Limited	170,049,735	100%	150,049,735	100%

(iii) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of ₹ 100 per share. Each holder of equity share is entitled to one vote per share. The holders of equity shares are also entitled for the dividend as proposed by the Board of Directors and approved in the Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Note "4"
Reserves and surplus

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Special reserve*		
Balance as per the last financial statements	1,58.62	4.22
Add: Transfer from surplus in the statement of profit and loss	-	1,54.40
Closing balance	1,58.62	1,58.62
Surplus in the statement of profit and loss		
Balance as per the last financial statements	(23,07.71)	(29,25.33)
Less: Transfer to special reserve*	-	1,54.40
Add: Net (loss) / profit for the year	(491,12.47)	7,72.02
Net deficit in the statement of profit and loss	(514,20.18)	(23,07.71)
Total	(512,61.56)	(21,49.09)

*Transfer to special reserve: As per Section 45-IC of Reserve Bank of India Act, 1934 every non-banking financial company shall create a reserve fund and transfer therein a sum not less than twenty per cent of its net profit every year as disclosed in the Statement of Profit and Loss and before any dividend is declared. No appropriation of any sum from the reserve fund shall be made by the non-banking financial company except for the purpose as may be specified by the Reserve Bank of India from time to time and every such appropriation shall be reported to the Reserve Bank of India within twenty-one days from the date of such withdrawal.

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Note "5"

Long-term borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Debentures		
Unsecured		
Privately placed non convertible debentures	500,00.00	1000,00.00
Term loans from		
Secured		
State Bank of India	437,50.00	1250,00.00
Axis Bank	150,00.00	-
Syndicate Bank	50,00.00	-
Unsecured		
Uco Bank	300,00.00	-
Union Bank of India	500,00.00	500,00.00
Total	1937,50.00	2750,00.00

Nature of security on borrowings :

All receivables of the Company arising out of loan, lease, and trade advances;

All other book debts;

All receivables from pass through certificates, in which the Company has invested; and

Such other current assets as may be identified by the Company from time to time, and accepted by the relevant Lender / Security Trustee.

Terms of repayment of debentures outstanding as at March 31, 2017

Privately placed non-convertible debentures (unsecured) - Face value of ₹ 100 Lakhs each (redeemable at par).

(₹ in lakhs)

Particulars	As at March 31, 2017	Redemption Date
9.84% Non-convertible debentures	500,00.00	July 30, 2018
9.99% Non-convertible debentures	500,00.00	March 10, 2018
Total	1000,00.00	

Terms of repayment for term loans

The term loans from banks are repayable at periodic intervals on a quarterly / half-yearly basis. Tenure of such loans ranges from 1 year 2 months to 5 years, loans are borrowed at a floating rate of interest linked to bank's base rate plus spread with half-yearly / yearly reset options. On the reset date, the Company has an option to repay the loans.

Note "6"

Provisions

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Long-term provisions		
Provision for employee benefits	1,14.50	82.85
Contingent provisions against standard assets	2,72.55	77.60
Total	3,87.05	1,60.45
Short-term provisions		
Provision for employee benefits	6.44	3.85
Contingent provisions against standard assets	7,11.40	6,27.40
Total	7,17.84	6,31.25

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Note "7"

Short-term borrowings

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Loans repayable on demand		
Secured		
Cash credit (Refer security description given under Note "5")	87,67.68	236,84.38
Unsecured		
Commercial papers (Net of unamortised discounting charges ₹ 17,68.50 lakhs at rate ranging from 6.90% to 9.39%; March 31, 2016: ₹ 2,72.52 lakhs at the rate of 9.39%. Maximum amount outstanding ₹ 1725,00.00 lakhs; March 31, 2016: ₹ 1250,00.00 lakhs)	1061,03.74	197,27.48
Total	1148,71.42	434,11.86

Note "8"

Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
To micro and small enterprises [Refer: Note "44"] *	-	3.94
To related party	10.09	4.19
To others	25,20.16	26,20.08
Total	25,30.25	26,28.21

* Information in respect of micro enterprises and small enterprises as defined under Micro, Small and Medium Enterprises Development Act, 2006 to whom the Company owes dues, which are outstanding as at the balance sheet date has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

Note "9"

Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Current maturities of long-term debt		
Debtures	500,00.00	-
Term loan from bank (secured)		
State Bank of India [Refer: Note "5"]	-	750,00.00
	500,00.00	750,00.00
Interest accrued but not due on borrowings	8,58.84	19,80.83
Current dues of long term employee benefits	1,46.73	3,08.11
Statutory dues	2,00.81	3,07.07
Book overdraft	39,98.51	24,91.72
Other liabilities		
To related party	272,64.90	4,03.29
To others	6,28.01	6,04.34
Total	830,97.80	810,95.36

Nature of security on borrowings :

All receivables of the Company arising out of loan, lease, and trade advances;

All other book debts;

All receivables from pass through certificates, in which the Company has invested; and

Such other current assets as may be identified by the Company from time to time, and accepted by the relevant Lender / Security Trustee.

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Note "10"
Tangible assets

Particulars	Gross block			Depreciation			Net block	
	Opening balance as at April 01, 2016	Additions	Closing balance as at March 31, 2017	For the year	Deletions	Closing balance as at March 31, 2017	As at March 31, 2017	As at March 31, 2016
Vehicles	51.47	22.63	41.87	13.14	25.19	19.42	22.45	20.00
	80.88	-	51.47	15.25	27.94	31.47	20.00	36.72
Office equipment	2,86.44	14.88	3,01.32	50.31	-	2,02.40	98.92	1,34.35
	1,89.51	96.93	2,86.44	52.73	-	1,52.09	1,34.35	90.15
Data processing machines	2.17	-	2.17	0.69	-	1.03	1.14	1.83
	-	2.17	2.17	0.34	-	0.34	1.83	-
Total	3,40.08	37.51	3,45.36	64.14	25.19	2,22.85	1,22.51	1,56.18
<i>As at March 31, 2016</i>	<i>2,70.39</i>	<i>99.10</i>	<i>3,40.08</i>	<i>68.32</i>	<i>27.94</i>	<i>1,83.90</i>	<i>1,56.18</i>	<i>1,26.87</i>

Note: Figures in italics pertain to previous year ended March 31, 2016

Note "10 A"

Intangible assets - other than internally generated

Particulars	Gross block			Amortisation			Net block	
	Opening balance as at April 01, 2016	Additions	Closing balance as at March 31, 2017	For the year	Deletions	Impairment loss recognised [Refer: Note - "45"]	As at March 31, 2017	As at March 31, 2016
Goodwill	582,25.25	-	582,25.25	-	-	402,00.00	180,25.25	582,25.25
<i>As at March 31, 2016</i>	<i>582,25.25</i>	<i>-</i>	<i>582,25.25</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>582,25.25</i>	<i>582,25.25</i>

Note: Figures in italics pertain to previous year ended March 31, 2016

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Note "11"

Non-current investments (at cost unless otherwise stated)

				(₹ in lakhs)	
Particulars				As at March 31, 2017	As at March 31, 2016
Trade investment:					
Investments in equity shares (unquoted)					
Sheba Properties Limited (fellow subsidiary Company)					
91,912 equity shares @ ₹ 544.00 (face value of ₹ 100 each) (as at March 31, 2016: Nil)					
1,730,104 equity shares @ ₹ 578.00 (face value of ₹ 100 each) (as at March 31, 2016: Nil)					
Other investment:					
Investment in debentures (unquoted)					
Less: Provision for diminution in value of debentures					
				6,95.49	-
				19.19	-
				6,76.30	-
Description	ROI	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)		
Ebony Motors	14.00%	1,67.88	-		
Fortune Cars (P) Ltd.	14.00%	1,43.89	-		
Mohandas Motors	14.00%	1,91.86	-		
Pandit Automotive (P) Ltd.	14.00%	1,91.86	-		
		6,95.49	-		
Total				111,76.30	-

Note "12"

Tax expense / (income)

			(₹ in lakhs)	
Particulars	As at March 31, 2017	As at March 31, 2016		
Current tax	-	5,52.79		
Deferred tax expenses / (income) [Refer: Note "12A"]	5,06.71	(7,20.14)		
Net tax income	5,06.71	(1,67.35)		

Note "12A"

Deferred tax assets (net):

Major components of deferred tax arising on account of timing differences

				(₹ in lakhs)	
Particulars	As at March 31, 2016	(Charge) / Credit for the year	As at March 31, 2017		
Assets					
Provision for doubtful debts	6,85.45	(4,69.24)	2,16.21		
Expenses allowable on payment basis	6.98	9.40	16.38		
Depreciation	35.78	(0.01)	35.77		
Disallowance u/s 43B of Income Tax Act, 1961	1.77	0.63	2.40		
Total	7,29.98	(4,59.22)	2,70.76		
Liabilities					
Commission	(9.84)	(47.49)	(57.33)		
Total	(9.84)	(47.49)	(57.33)		
Net deferred tax assets	7,20.14	(5,06.71)	2,13.43		

At

Note "13"

Finance receivables (Secured)

Particulars	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
A) Finance receivables - Non-current		
Vehicle loans (#)		
Other than related parties		
Considered good	394,73.15	532,55.53
Considered doubtful	8,01.01	45,80.11
Less: Provision for doubtful loans [Refer: Note "47"]	8,01.01	45,80.11
Total	394,73.15	532,55.53
B) Finance receivables - Current		
Vehicle loans (#)		
Other than related parties		
Considered good	1998,83.89	2659,85.24
Considered doubtful	600,45.02	527,75.16
Less: Provision for doubtful loans [Refer: Note "47"]	600,45.02	527,75.16
Total	1998,83.89	2659,85.24

Vehicle loans are secured against hypothecation of the underlying vehicle and security by way of mortgage of the identified assets from Tata Motors Limited [Refer: Note "47"]

Note "14"

Long-term loans and advances

Particulars	(₹ in lakhs)	
	As at March 31, 2017	As at March 31, 2016
Loan to others		
Secured, considered good	195,61.75	-
Unsecured, considered good	16,61.93	-
Capital advances	16.44	0.49
Security deposits	19.15	19.15
Prepaid expenses	97.49	-
Advance payment of income tax, net of provisions	24,36.16	9,88.86
Advance payment of VAT	1.50	2.00
Total	237,94.42	10,10.50

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Note "15"

Current investments (at cost unless otherwise stated)

(₹ in lakhs)

Particulars				As at March 31, 2017	As at March 31, 2016
Current portion of long-term investment:					
Investment in debentures (unquoted)				3,97.55	-
Less: Provision for diminution				12.21	-
				3,85.34	-
Description	ROI	As at March 31, 2017 (₹)	As at March 31, 2016 (₹)		
Ebony Motors	14.00%	68.81	-		
Fortune Cars (P) Ltd.	14.00%	58.98	-		
Mohandas Motors	14.00%	1,47.63	-		
Pandit Automotive (P) Ltd.	14.00%	1,22.13	-		
		3,97.55	-		
Other current investment:					
Investment in trust securities					
Senior pass through certificates (unquoted)				548,92.50	73,14.78
Less: Provision for diminution				1.03	-
				548,91.47	73,14.78
Investment in mutual funds (unquoted) (at cost or fair value whichever is lower)				210,00.00	-
Description	NAV as at March 31, 2017 (₹ per unit)	Total NAV as at March 31, 2017 (₹ in lakhs)	Cost as at March 31, 2017 (₹ in lakhs)		
290,424.64 units of Invesco India Liquid Fund @ ₹ 10,00.00	22,38.10	65,00.00	65,00.00		
187,361.98 units of Kotak Floater Short Term @ ₹ 10,00.00	26,68.63	50,00.00	50,00.00		
370,751.15 units of Tata Money Market Fund @ ₹ 10,00.00	25,62.37	95,00.00	95,00.00		
			210,00.00		
Total				762,76.81	73,14.78

Note "16"

Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
From related party		
Not due	217,48.87	1205,90.05
Due for less than 6 months	258,66.52	218,98.95
Due for more than 6 months	-	-
Total	476,15.39	1424,89.00

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Note "17"

Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Cash and cash equivalents (as per AS 3 (Revised) Cash Flow Statements)		
Deposits with bank (<3 months)	225,00.00	-
Balances with banks - current accounts	126,05.02	79,54.78
Cheques / drafts on hand	73,23.86	0.43
Cash on hand	30.89	6.26
Total (A)	424,59.77	79,61.47
Other bank balances		
Deposits with banks	100,00.00	100,00.00
Total (B)	100,00.00	100,00.00
Total Cash and cash equivalents (A+B)	524,59.77	179,61.47

Note "18"

Short-term loans and advances

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Loan to others		
Secured, considered good	111,00.81	-
Unsecured, considered good	188,60.79	-
Other advances, considered good		
to others	11,14.27	4,93.96
Total	310,75.87	4,93.96

Note "19"

Other current assets

(₹ in lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
Interest accrued but not due on bank deposits	27.34	30.99
Interest accrued on investments	2,66.80	16.82
Other claims recoverable	1,19.76	16,30.22
Refurbishment receivable from related party	-	1,53.83
Stamp papers	37.35	14.66
Receivable towards refund of application money	131,04.87	13,44.62
Prepaid expenses	1,34.81	24.59
Other current assets	3,34.82	-
Total	140,25.75	32,15.73

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Note "20"

Revenue from operations

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on finance receivables	196,26.85	279,73.04
Interest on other loans (secured and unsecured)	6,27.89	-
Interest on senior pass through certificates (unquoted)	18,11.60	3,12.61
Loan processing fees and other charges	22,41.90	14,35.79
Compensation towards interest loss on manufacturer guaranteed business	148,27.81	295,80.69
Others	31.70	84.93
Total	391,67.75	593,87.06

Note "21"

Other income

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest on bank deposits	8,53.49	11,70.44
Interest on income tax refund	-	0.04
Interest on inter corporate deposits	5,64.27	-
Net gain on sale of current investments	23,56.43	14,37.03
Recovery of bank charges (Net of bank charges incurred and service tax thereon of ₹ 2,89.41 lakhs; previous year: ₹ 3,40.92 lakhs)	2,76.46	1,12.40
Other liability not required written back	1,78.05	13,02.59
Miscellaneous receipts / recoveries	11.93	9.82
Total	42,40.63	40,32.32

Note "22"

Employee benefits expenses

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Salaries	28,82.81	20,81.81
Contributions to provident and other funds	2,62.58	93.46
Staff welfare expenses	1,86.12	1,32.95
Total	33,31.51	23,08.22

Note "23"

Finance costs

(₹ in lakhs)

Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
Interest expense	319,96.44	402,25.02
Discounting charges on commercial paper	17,68.50	55,65.14
Other borrowing costs	1,61.98	45.38
Total	339,26.92	458,35.54

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Note "24"

Other expenses

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Insurance	5.51	7.18
Rates and taxes	6.48	5.67
Incentive / commission	10,75.68	15,31.38
Professional fees / consultancy expenses	8,99.41	5,43.47
Service providers fees	91,34.20	86,37.95
Payment to auditors [Refer: Note (i) below]	45.62	38.22
Provisions and write offs		
Provision for doubtful finance receivables	34,90.75	(336,96.02)
Add / (Less): Delinquency support on provisions	(46,27.97)	361,11.63
	(11,37.22)	24,15.61
Finance receivables written off	443,12.65	322,39.97
Less: Delinquency support on write off	(441,56.64)	(321,44.59)
	1,56.01	95.38
Standard asset provision (net of reversal)	2,78.95	(4,35.00)
Premium on acquisition written off	16,32.96	-
Provision for diminution in value of investments	32.43	-
Other expenses	23,61.54	17,62.77
Total	144,91.57	146,02.63

(i) Auditors' remuneration (excluding service tax):

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
As auditors - statutory audit	33.00	33.00
Taxation matters	5.00	-
For other services	4.75	3.85
Reimbursement of out of pocket expenses	2.87	1.37
Total	45.62	38.22

Note "25"

Expenditure in foreign currency (on accrual basis)

Particulars	(₹ in lakhs)	
	For the year ended March 31, 2017	For the year ended March 31, 2016
Travelling	-	4.05
Total	-	4.05

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Note "26"

Contingent liabilities and commitments

1 Commitments:

Loan commitment towards vehicle financing ₹ Nil lakhs (as at March 31, 2016: ₹ 1,12.17 lakhs).

2 Contingent liabilities to the extent not provided for:

(i) Claims against the company, not acknowledged as debts:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
In respect of pending consumer disputes	1,72.29	1,42.22
Total	1,72.29	1,42.22

(ii) Bank guarantee for which the company is contingently liable:

(₹ in Lakhs)

Particulars	As at March 31, 2017	As at March 31, 2016
In respect of CST and VAT registration	13.60	13.60
Total	13.60	13.60

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Note "27"

Employee defined benefits

Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2017

(₹ in Lakhs)

I Components of expense recognised in the statement of profit and loss for the year ended March 31, 2017				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Current service cost	31 Mar 17	64.54	21.05
		31 Mar 16	34.07	3.65
2	Interest cost	31 Mar 17	24.08	5.75
		31 Mar 16	19.01	3.30
3	Expected return on plan assets	31 Mar 17	-	-
		31 Mar 16	-	-
4	Past service cost	31 Mar 17	-	-
		31 Mar 16	-	-
5	Actuarial (gains) / losses	31 Mar 17	51.85	37.14
		31 Mar 16	(36.49)	34.95
6	Total expense recognised in the statement of profit and loss	31 Mar 17	1,40.47	63.94
		31 Mar 16	16.59	41.90

(₹ in Lakhs)

II Actual contribution and benefit payments for the year ended March 31, 2017				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Actual benefit payments	31 Mar 17	14.26	29.69
		31 Mar 16	-	21.74
2	Actual contributions	31 Mar 17	2,87.59	(29.69)
		31 Mar 16	-	(21.74)

(₹ in Lakhs)

III Net asset / (liability) recognised in the balance sheet as at respective year ends and experience adjustments				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Defined benefit obligation	31 Mar 17	4,34.32	1,20.95
		31 Mar 16	3,08.11	86.70
		31 Mar 15	2,37.60	-
2	Fair value of plan assets	31 Mar 17	2,87.59	NA
		31 Mar 16	-	NA
		31 Mar 15	-	NA
3	Net asset / (liability) recognised in balance sheet	31 Mar 17	(1,46.73)	1,20.95
		31 Mar 16	(3,08.11)	(86.70)
		31 Mar 15	2,37.60	-
4	(a) Experience adjustments arising on plan liabilities [(gain) / loss]	31 Mar 17	51.85	37.14
		31 Mar 16	(36.49)	34.95
		31 Mar 15	-	NA
	(b) Experience adjustments arising on plan assets [(gain) / loss]	31 Mar 17	-	-
		31 Mar 16	-	-
		31 Mar 15	-	-

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Note "27"

Employee defined benefits

Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2017

(₹ in Lakhs)

IV Change in defined benefit obligation (DBO) for the year ended March 31, 2017				
S.no.	Particulars	Period	Gratuity	Compensated absences
1	Present value of DBO at beginning of year	31 Mar 17	3,08.11	86.70
		31 Mar 16	2,37.60	52.15
2	Current service cost	31 Mar 17	64.54	21.05
		31 Mar 16	34.07	3.65
3	Interest cost	31 Mar 17	24.08	5.75
		31 Mar 16	19.01	3.30
4	Past Service Cost	31 Mar 17	-	-
		31 Mar 16	-	-
5	Transfers to / from other funds	31 Mar 17	-	-
		31 Mar 16	53.92	14.39
6	Actuarial (gains) / losses	31 Mar 17	51.85	37.14
		31 Mar 16	(36.49)	34.95
7	Benefits paid	31 Mar 17	(14.26)	(29.69)
		31 Mar 16	-	(21.74)
8	Present value of DBO at the end of the year	31 Mar 17	4,34.32	1,20.95
		31 Mar 16	3,08.11	86.70

(₹ in Lakhs)

V Change in fair value of plan assets for the year ended March 31, 2017				
S.no.	Particulars	Period	Gratuity	Compensated absences
1	Plan assets at beginning of year	31 Mar 17	-	-
		31 Mar 16	-	-
2	Expected return on plan assets	31 Mar 17	-	-
		31 Mar 16	-	-
3	Acquisition Adjustments	31 Mar 17	-	-
		31 Mar 16	-	-
4	Actual Company contributions	31 Mar 17	2,87.59	-
		31 Mar 16	-	-
5	Actuarial (gains) / loss	31 Mar 17	-	-
		31 Mar 16	-	-
6	Benefits paid	31 Mar 17	-	-
		31 Mar 16	-	-
7	Plan assets at the end of year	31 Mar 17	2,87.59	-
		31 Mar 16	-	-

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Note "27"

Employee defined benefits

Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2017

(₹ in Lakhs)

VI Actuarial assumptions				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Discount rate	31 Mar 17	7.50%	7.50%
		31 Mar 16	8.00%	8.00%
2	Expected rate of return on plan assets	31 Mar 17	8.00%	NA
		31 Mar 16	NA	NA
3	Salary escalation	31 Mar 17	9.00%	9.00%
		31 Mar 16	9.00%	9.00%
4	Mortality rates	31 Mar 17	Indian Assured Lives Mortality (2006-08) (modified) Ult	Indian Assured Lives Mortality (2006-08) (modified) Ult
		31 Mar 16		

(₹ in Lakhs)

VII The major categories of plan assets as percentage of total plan assets				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Govt bonds	31 Mar 17	27.81%	0.00%
		31 Mar 16	0.00%	0.00%
2	Infra bonds	31 Mar 17	0.00%	0.00%
		31 Mar 16	0.00%	0.00%
3	Corporate bonds	31 Mar 17	57.42%	0.00%
		31 Mar 16	0.00%	0.00%
4	Others	31 Mar 17	14.77%	0.00%
		31 Mar 16	0.00%	0.00%

(₹ in Lakhs)

VIII Current, non-current disclosure				
S. no.	Particulars	Period	Gratuity	Compensated absences
1	Current portion	31 Mar 17	(1,46.73)	(6.44)
		31 Mar 16	(3,08.11)	(3.85)
2	Non-current portion	31 Mar 17	-	(1,14.51)
		31 Mar 16	-	(82.85)
3	Total	31 Mar 17	(1,46.73)	(1,20.95)
		31 Mar 16	(3,08.11)	(86.70)

Notes:

- 1 Defined contribution plans – The Company's contribution to defined contribution plan aggregating ₹ 1,22.11 lakhs for the year ended March 31, 2017 has been recognised in the statement of profit and loss.
- 2 The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- 3 The plan assets in respect of gratuity represent funds managed by the insurers. The company expects to contribute ₹ 1,02.09 lakhs in financial year 2017-18 towards gratuity fund.
- 4 Discount rate is based on government bond yields as at the year end.
- 5 Figures in italics pertain to previous year.

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Note "28"

Related parties

1 Related parties and their relationship:

(a) Holding Company:

Ultimate Holding Company:
Tata Motors Limited

Holding Company:
Tata Motors Finance Limited

(b) Fellow subsidiaries with whom there are transactions:

Tata Technologies Limited
Concorde Motors (India) Limited
Sheba Properties Limited

(c) Key management personnel:

Mr. Shyam Mani - Managing Director

2 Transactions with related parties:

(a) Tata Motors Limited - Ultimate Holding Company:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Delinquency support income	541,47.23	291,00.29
2	Deputation of employees expenses	1,89.29	58.28
3	Interest cost recovery income on over due	109,70.57	121,96.68
4	Reimbursement of expenses	5.37	-

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2017	As at March 31, 2016
1	Payable	10.09	4.19
2	Receivables	476,15.39	1437,08.67

(b) Tata Motors Finance Limited - Holding Company:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Service providers fees expenses	15,80.47	20,48.00
2	Reimbursement of expenses	68.58	2,76.94
3	Reimbursement of refurbishment charges income	1,82.25	1,53.83
4	Acquisition of financial assets under Corporate Lending Portfolio	269,00.00	-
5	Proceeds towards equity share capital	200,00.00	-
6	Other income - Interest cost recovery	-	6,86.00
7	Interest income on inter company deposits placed	4,57.40	-
8	Inter company deposits placed	500,00.00	-
9	Inter company deposits refund received	500,00.00	-

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2017	As at March 31, 2016
1	Payables	268,78.65	3,24.16

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Note "28"

Related parties

(c) Sheba Properties Limited - Fellow Subsidiary:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	Subscription made towards equity share capital	105,00.00	-
2	Service provider Fees expense	3,54.51	-
3	Reimbursement of expenses	3.76	-
4	Reimbursement of refurbishment charges income	0.90	-
5	Interest income on inter company deposits placed	1,06.88	-

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2017	As at March 31, 2016
1	Payables	3,86.25	-

(d) Concorde Motors (India) Limited - Fellow Subsidiary:

1	There is no transaction with Concorde Motors (India) Limited.
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(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2017	As at March 31, 2016
1	Receivables (Acquired as part of purchase of Corporate Lending Portfolio from Tata Motors Finance Limited)	5,96.67	-

(e) Tata Technologies Limited - Fellow Subsidiary:

(₹ in lakhs)

Sr. No.	Particulars	For the year ended March 31, 2017	For the year ended March 31, 2016
1	IT services expenses	1,03.21	1,08.92

(₹ in lakhs)

Sr. No.	Closing balances	As at March 31, 2017	As at March 31, 2016
1	Payables	-	2.55

3. Also refer to Note "47" for additional security provided by Tata Motors Limited.

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2017

Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "29"

Asset Liability Maturity Pattern of certain items of assets and liabilities

S. No.	Particulars	Up to 30/31 days	Over 1 month up to 2 months	Over 2 months up to 3 months	Over 3 month & up to 6 months	Over 6 months & up to 1 year	Over 1 year & up to 3 years	Over 3 years & up to 5 years	Over 5 years	Total
1	Deposits	225,00.00	-	-	-	100,00.00	-	-	-	325,00.00
2	Advances (Gross) [Refer: Note 1 below]	569,23.85 1031,15.10	39,51.48 59,24.38	37,45.37 58,76.35	107,53.91 173,01.83	192,89.94 141,56.81	250,03.93 251,60.84	206,34.30 825,95.61	2110,85.56 1224,65.12	100,00.00 3513,88.34 3765,96.04
3	Investments	261,65.60	43,46.17	371,29.12 57,90.00	83,19.59 15,24.80	2,06.43	4,72.22	3,13.98	105,00.00	874,53.11
4	Borrowings from banks / financial institutions (Term-loans / Cash credit)	-	-	-	-	87,67.68	837,50.00	600,00.00	-	73,14.80
5	Market borrowings (Privately placed non convertible debentures and gross commercial papers) [Refer: Note 2 below]	-	550,00.00	500,00.00	187,50.01	611,84.38	1000,00.00	750,00.00	-	1525,17.68 2736,84.39
		-	200,00.00	-	-	525,00.00	500,00.00	-	-	2075,00.00
		-	-	-	-	-	1000,00.00	-	-	1200,00.00

Notes:

- 1 Advances are reported gross of provision for Non Performing Assets.
- 2 Includes commercial papers which are considered at gross of unamortised discounting charges.
- 3 Figures in italics pertains to previous year.

Note "30"

Capital to Risk Assets Ratio (CRAR)

The ratios calculated in accordance with the guidelines of the Reserve Bank of India, are as under:

S.No.	Particulars	April 01, 2016 to March 31, 2017	April 01, 2015 to March 31, 2016
1	CRAR (%)		
2	CRAR - Tier I capital (%)	22.61%	18.95%
3	CRAR - Tier II capital (%)	22.39%	18.80%
4	Amount of subordinated debt raised as Tier-II capital	0.22%	0.15%
5	Amount raised by issue of Perpetual Debt Instruments	-	-

Note "31"

Exposure to real estate sector

The Company does not have exposure to the real estate sector.

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Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "32"

Disclosure of restructured advances

Sr. No.	Type of Restructuring =>	Others						Total					
		Stand ard	Sub- stand ard	Doubtful	Loss	Total	Stand ard	Sub- stand ard	Doubtful	Loss	Total		
1	Restructured accounts as on April 1, 2016 [opening figures]	No. of Borrowers	-	228.00	227.00	-	455.00	-	228.00	227.00	-	455.00	
		Amount Outstanding	-	5,89.78	723.77	-	13,13.55	-	5,89.78	723.77	-	13,13.55	
		Provision Amount	-	77.52	155.14	-	232.66	-	77.52	155.14	-	232.66	
2	Fresh restructuring during the year 2016 - 2017	No. of Borrowers	-	39.00	1,37.00	-	1,76.00	-	39.00	1,37.00	-	1,76.00	
		Amount Outstanding	-	1,61.71	3,85.06	-	5,46.76	-	1,61.71	3,85.06	-	5,46.76	
		Provision Amount	-	23.77	89.14	-	1,12.90	-	23.77	89.14	-	1,12.90	
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	
		Provision Amount	-	-	-	-	-	-	-	-	-	-	
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	
		Provision Amount	-	-	-	-	-	-	-	-	-	-	
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(134.00)	134.00	-	-	-	(134.00)	134.00	-	-	
		Amount Outstanding	-	(3,93.35)	3,35.92	-	(57.43)	-	(3,93.35)	3,35.92	-	(57.43)	
		Provision Amount	-	(51.55)	79.43	-	27.88	-	(51.55)	79.43	-	27.88	
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(5.00)	(5.00)	-	(10.00)	-	(5.00)	(5.00)	-	(10.00)	
		Amount Outstanding	-	(15.75)	(17.57)	-	(33.32)	-	(15.75)	(17.57)	-	(33.32)	
		Provision Amount	-	(2.08)	(4.24)	-	(6.32)	-	(2.08)	(4.24)	-	(6.32)	
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	(79.00)	(62.00)	-	(141.00)	-	(79.00)	(62.00)	-	(141.00)	
		Amount Outstanding	-	(165.54)	(221.74)	-	(387.28)	-	(165.54)	(221.74)	-	(387.28)	
		Provision Amount	-	(21.81)	(19.70)	-	(41.51)	-	(21.81)	(19.70)	-	(41.51)	
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-	
		Provision Amount	-	-	-	-	-	-	-	-	-	-	
9	Restructured accounts as on March 31, 2017 [closing figures]	No. of Borrowers	-	50.00	4,30.00	-	4,80.00	-	50.00	4,30.00	-	4,80.00	
		Amount Outstanding	-	1,76.85	12,05.43	-	13,82.28	-	1,76.85	12,05.43	-	13,82.28	
		Provision Amount	-	25.84	2,99.77	-	3,25.61	-	25.84	2,99.77	-	3,25.61	

The Company has not done any restructuring under CDR mechanism and SME Debt restructuring mechanism and hence no disclosure is required for same.

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2017

Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "32"

Disclosure of restructured advances

For the previous year i.e. financial year 2015-16

Sr. No.	Type of Restructuring =>	Asset Classification =>	Others				Total					
			Standard	Sub-standard	Doubtful	Loss	Standard	Sub-standard	Doubtful	Loss		
1	Restructured accounts as on April 1, 2015 [opening figures]	No. of Borrowers	-	53.00	4.00	-	-	53.00	4.00	-	-	57.00
		Amount Outstanding	-	1,85.99	18.40	-	-	1,85.99	18.40	-	-	2,04.39
		Provision Amount	-	27.45	13.64	-	-	27.45	13.64	-	-	41.09
2	Fresh restructuring during the year 2015 - 2016	No. of Borrowers	-	222.00	1,96.00	-	-	222.00	1,96.00	-	-	4,18.00
		Amount Outstanding	-	5,53.54	6,04.42	-	-	5,53.54	6,04.42	-	-	11,57.96
		Provision Amount	-	72.23	128.44	-	-	72.23	128.44	-	-	2,00.67
3	Upgradations to restructured standard category during the financial year	No. of Borrowers	-	(8.00)	-	-	-	(8.00)	-	-	-	(8.00)
		Amount Outstanding	-	(19.53)	-	-	-	(19.53)	-	-	-	(19.53)
		Provision Amount	-	(3.02)	-	-	-	(3.02)	-	-	-	(3.02)
4	Restructured standard advances which cease to attract higher provisioning and / or additional risk weight at the end of the financial year and hence need not be shown as restructured standard advances at the beginning of the next financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision Amount	-	-	-	-	-	-	-	-	-	-
5	Down gradations of restructured accounts during the financial year	No. of Borrowers	-	(27.00)	27.00	-	-	(27.00)	27.00	-	-	-
		Amount Outstanding	-	(1,10.45)	1,00.63	-	-	(1,10.45)	1,00.63	-	-	(9.81)
		Provision Amount	-	(15.24)	21.67	-	-	(15.24)	21.67	-	-	6.43
6	Write offs of restructured accounts during the financial year	No. of Borrowers	-	(4.00)	-	-	-	(4.00)	-	-	-	(4.00)
		Amount Outstanding	-	(18.79)	-	-	-	(18.79)	-	-	-	(18.79)
		Provision Amount	-	(2.81)	-	-	-	(2.81)	-	-	-	(2.81)
7	Recovery from restructured accounts during the financial year	No. of Borrowers	-	(11.00)	-	-	-	(11.00)	-	-	-	(11.00)
		Amount Outstanding	-	(0.98)	0.31	-	-	(0.98)	0.31	-	-	(0.67)
		Provision Amount	-	(0.78)	(8.91)	-	-	(0.78)	(8.91)	-	-	(9.69)
8	Sale of restructured accounts during the financial year	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
		Amount Outstanding	-	-	-	-	-	-	-	-	-	-
		Provision Amount	-	-	-	-	-	-	-	-	-	-
9	Restructured accounts as on March 31, 2016 [closing figures]	No. of Borrowers	-	225.00	2,27.00	-	-	225.00	2,27.00	-	-	4,52.00
		Amount Outstanding	-	5,89.78	7,23.77	-	-	5,89.78	7,23.77	-	-	13,13.55
		Provision Amount	-	77.83	1,54.83	-	-	77.83	1,54.83	-	-	2,32.66

The Company has not done any restructuring under CDR mechanism and SME Debt restructuring mechanism and hence no disclosure is required for same.

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Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "33"

Break up of 'Provisions and Contingencies' shown under the head 'Expenditure' in the statement of profit and loss

(₹ in lakhs)

S. No.	Particulars	For the year ended March 31, 2017		For the year ended March 31, 2016	
1	Provision for doubtful loans and advances (others)	-	-	-	-
2	Provision for doubtful finance receivables	34,90.75		(336,96.02)	
	Add / (Less): Delinquency support	(46,27.97)	(11,37.22)	361,11.63	24,15.61
3	Finance receivables written off (net of recoveries of ₹ 3,69.24 lakhs; previous year ₹ 3,50.62)	443,12.65		322,39.97	
	Add / (Less): Delinquency support	(441,56.64)	1,56.01	(321,44.59)	95.38
4	Provision for standard assets		2,78.95		(4,35.00)
5	Provision for diminution in the value of investment		32.43		-
6	Provision on consumer disputes		19.14		14.13
7	Provision made towards income tax		-		-

Note "34"

Investments

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Value of investments		
(i)	Gross value of investments		
(a)	In India	874,85.54	73,14.78
(b)	Outside India	-	-
(ii)	Provision for depreciation		
(a)	In India	32.43	-
(b)	Outside India	-	-
(iii)	Net value of investments		
(a)	In India	874,53.11	73,14.78
(b)	Outside India		
2	Movement of provisions held towards depreciation of investments		
(i)	Opening balance	-	-
(ii)	Add: Provisions made during the year	32.43	-
(iii)	Less: write-off / write back of excess provisions during the year	-	-
(iv)	Closing balance	32.43	-

Note "35"

Ratings assigned by credit rating agencies and migrations of ratings in respect of all credit facilities and debt instruments during the year:

S. No.	Rating agency	Period	Instruments					
			Long-term bank facilities	Short-term bank facilities	Secured Non-convertible debentures	Unsecured subordinated Tier II NCDs	Commercial papers	Perpetual debt
1	CRISIL	31 Mar 17	AA/ Positive	A1 +	AA/ Positive	AA/ Positive	A1 +	NA
		31 Mar 16	AA/ Stable	A1+	AA/ Stable	NA	NA	NA
2	ICRA	31 Mar 17	NA	NA	NA	AA/ Positive	NA	A+ / Positive
		31 Mar 16	NA	NA	NA	NA	NA	NA

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Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "36"

Concentration of advances

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Total advances to twenty largest borrowers / customer	562,20.25	44,20.66
2	Percentage of advances to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	13.60%	2.35%

Note "37"

Concentration of exposures

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Total exposure to twenty largest borrowers / customer	692,33.06	44,20.66
2	Percentage of exposures to twenty largest borrowers / customer to total exposure of the NBFC on borrowers / customer	14.77%	1.59%

Note "38"

Concentration of NPAs

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Total exposure to top four NPA accounts	4,72.16	1,85.03

Note "39"

Sector-wise NPAs (Percentage of NPAs to total advances* in that sector)

S. No.	Sector	As at March 31, 2017	As at March 31, 2016
1	Agriculture and allied activities	-	-
2	MSME	-	-
3	Corporate borrowers	-	-
4	Services	-	-
5	Unsecured personal loans	-	-
6	Auto loans (#)	47.20%	58.64%
7	Other personal loans	-	-

* Represents exposure

Includes short-term and long-term loan facility given to vendor and dealer of TML.

Note "40"

Details of non-performing financial assets purchased

(₹ in lakhs)

S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Number of NPA accounts purchased during the year	-	-
2	Aggregate outstanding	-	-
	Of these,		
3	Number of accounts restructured during the year	-	-
4	Aggregate outstanding	-	-

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Additional disclosures given in terms of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

Note "41"

Movement of NPAs

(₹ in lakhs)			
S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	Net NPAs to net advances**	39.32%	52.92%
2	Movement of NPAs (Gross)		
(i)	Opening balances	2770,85.14	2994,28.22
(ii)	Additions during the year	110,49.44	411,42.60
(iii)	Reductions during the year	668,69.52	634,85.69
(iv)	Closing balances	2212,65.06	2770,85.13
3	Movement of Net NPAs		
(i)	Opening balances	2197,29.86	2083,76.93
(ii)	Additions during the year	(51,36.86)	232,51.33
(iii)	Reductions during the year	542,06.39	118,98.40
(iv)	Closing balances	1603,86.61	2197,29.87
4	Movement of provisions for NPAs (excluding provisions on standard assets)		
(i)	Opening balances	573,55.28	910,51.29
(ii)	Provisions made during the year	161,86.31	178,91.27
(iii)	Write back of excess provisions	126,63.12	515,87.29
(iv)	Closing balances	608,78.47	573,55.27

** Represents exposure

Note "42"

Customer complaints

(Numbers)			
S. No.	Particulars	As at March 31, 2017	As at March 31, 2016
1	No of complaints pending at the beginning of the year	11	-
2	No of complaints received during the year	559	752
3	No of complaints redressed during the year	559	741
4	No of complaints pending at the end of the year	11	11

Note "43" - Other disclosures

- 1 No penalties were imposed by RBI and other regulators during the financial year 2016-17. (March 31, 2016: Nil)
- 2 The Company has not entered in to any assignment transactions during the financial year 2016-17. (March 31, 2016: Nil)
- 3 The Company does not have any exposure in capital market during the financial year 2016-17. (March 31, 2016: Nil)
- 4 The Company has not exceeded the prudential exposure limits in respect to single borrower limit / group borrower limit during the financial year 2016-17. (March 31, 2016: Nil)
- 5 The Company is only registered with Reserve Bank of India as a Systematically Important Non Deposit Taking Non Banking Financial Company.
- 6 The Company has not entered in to any derivative contracts during the financial year 2016-17 or holds any exposure in respect of derivative transactions as on March 31, 2017. (March 2016: Nil)
- 7 The Company has not entered in to any securitisation transactions during the financial year 2016-17 or holds any securitisation exposure as on March 31, 2017. (March 2016: Nil)
- 8 The Company has not drawn down any amounts from the reserves during the financial year 2016-17. (March 31, 2016: Nil)
- 9 The Company has not sold any Financial Assets to Securitisation / Reconstruction Company for Asset Reconstruction during financial year 2016-17 (financial year 2015-16: Nil)

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Note "44"

Dues to Micro and Small Enterprises

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ("MSMED Act"). Disclosures pursuant to the said MSMED Act are as follows:

(₹ in lakhs)

Particulars		For the year ended March 31, 2017	For the year ended March 31, 2016
(a)	Amounts remaining unpaid to any supplier as at the year end		
	Principal	-	3.94
	Interest	-	0.27
(b)	Total interest paid in terms of Section 16 of the MSMED Act, 2006 along with the amount paid to the supplier beyond the appointed day during the year	-	-
(c)	Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
(d)	Amount of interest accrued and remaining unpaid as at the year end	-	0.27
(e)	Amount of interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	-	-

The above information regarding Small and Micro Enterprises given in Note 7 has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the Auditors.

Note "45"

Impairment of Goodwill

The Company had purchased Manufactured Guaranteed Financing Business (MGB) and Used Vehicle Financing Business (UV) on a going concern and slump sale basis from Tata Motors Finance Limited (Holding Company) during the financial year 2014-15 at a premium which was recorded as Goodwill in the books of ₹ 582,25.25 lakhs. The Company has decided to scale up corporate lending business and discontinue the MGB on account of withdrawal of the manufacturer's support on fresh disbursements under MGB. Considering an internal assessment by the management for MGB and relying on independent valuers report determining the fair value (value in use) of Used Vehicle Business as at the year end, the management has recorded an impairment in the value of Goodwill of ₹ 402,00.00 lakhs in the statement of profit and loss, which is disclosed under 'Exceptional items'. The discount rate used in arriving at the value in use in the current financial year is 13.14% and in the earlier financial year is 15.33%.

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Note "46"

Detail of Specified Bank Notes (SBN) held and transacted during the period November 08, 2016 to December 30, 2016

(₹ in lakhs)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 08, 2016 #	12.51	0.28	12.79
(+) Permitted receipts	-	1,34.47	1,34.47
(-) Permitted payments	-	-	-
(-) Amount deposited in the banks	12.51	1,26.46	1,38.97
Closing cash in hand as on December 30, 2016	-	8.29	8.29

Includes amount of ₹ 4.75 lakhs of SBN notes collected by Collection and Recovery agents and deposited with branch during the period November 08, 2016 to December 30, 2016. These amount have been deposited with Bank before December 30, 2016.

Note: For the purpose of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated November 08, 2016.

Note "47"

Tata Motors Limited as reinforcement of its commitment, has provided additional security by way of mortgage of the identified assets for a value that does not exceeds ₹ 2500,00 lakhs for covering the Doubtful assets (as defined under NBFC prudential norms issued by Reserve Bank of India) under the Manufactured Guaranteed Business (MGB) of the Company. The charge with respect to the above has been created on December 23, 2015 and the registration has been completed by January 20, 2016. Based on the above, the Company has considered these doubtful assets as secured and provision on the same has been made accordingly.

Note "48"

Fraud

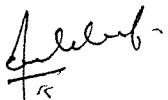
As required by Reserve Bank of India circular No RBI/2011-12/424 DNBS.PD.CC. No. 256 /03.10.042 / 2011-12 dated March 02, 2012 on monitoring of frauds, the Company has reported fraud amounting to ₹ 10.76 lakhs during the financial year ended March 31, 2017 (During the previous year ended March 31, 2016: ₹ 7.24 lakhs) vide Form FMR 1.

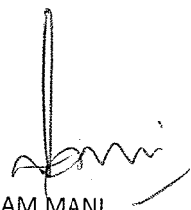
Note "49"

Previous period's figures

Figures as at March 31, 2017 and for the financial year April 01, 2015 to March 31, 2016 have been regrouped, wherever necessary.

For and on behalf of the Board of Directors


C. RAMAKRISHNAN
Chairman
(DIN - 0020076)


SHYAM MANI
Managing Director
(DIN - 00273598)


VINESH JATRATH
Director
(DIN - 00391684)


AMIT MITTAL
Chief Financial Officer


VINAY LAVANNIS
Company Secretary

Place: Mumbai
May 12, 2017

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
 Schedule to the Balance Sheet as at March 31, 2017 of a non-deposit taking NBFC

Disclosure as per Annexure I of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

LIABILITIES SIDE:

(₹ in lakhs)

1	Loans and advances availed by the non-banking financial Company inclusive of interest accrued thereon but not paid:	Amount Outstanding	Amount Overdue
(i)	Debentures	-	-
	Secured	-	-
	Unsecured	1003,28.02	-
(ii)	Term-loans	1442,58.56	-
(iii)	Commercial papers	1061,03.74	-
(iv)	Other loans		
	Cash credit	87,67.68	-

Note: Commercial papers of ₹ 1061,03.74 lakhs are net of unamortised discounting charges ₹ 17,68.50 lakhs.

ASSETS SIDE:

(₹ in lakhs)

2	Break-up of loans and advances including bills receivables [other than those included in (4) below]:	Amount Outstanding
(i)	Secured	229,74.33
(ii)	Unsecured	166,62.83

(₹ in lakhs)

3	Break up of leased assets and stock on hire and other assets towards AFC activities:	Amount Outstanding
(i)	Lease assets including lease rentals under sundry debtors :	
	Financial lease	-
	Operating lease	-
(ii)	Stock on hire including hire charges under sundry debtors :	
	Assets on hire	-
	Repossessed assets	-
(iii)	Other loans counting towards AFC activities:	
	Loans where assets have been repossessed	67,32.96
	Loans other than (a) above	3192,16.14

(₹ in lakhs)

4	Break-up of investments:	Amount Outstanding
	Current (unquoted)	
	Senior pass through certificates	548,92.50
	Investment in mutual funds	210,00.00
	Long-term investments (unquoted)	
	Investments in equity shares	105,00.00

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Disclosure as per Annexure I of the Non Banking Financial Companies - Systematically Important Non Deposit Taking Company and Deposit Taking Company (Reserve Bank) Directions, 2016

ASSETS SIDE:

(₹ in lakhs)

5 Borrower group-wise classification of assets financed as in (2) and (3) above :				
	Category	Amount net of provisions		
		Secured	Unsecured	Total
(i)	Related parties			
	Fellow subsidiaries	-	5,96.67	5,96.67
(ii)	Other than related parties	2700,19.60	471,97.43	3172,17.03
	Total	2700,19.60	477,94.10	3178,13.70

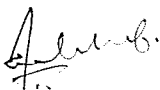
(₹ in lakhs)

6 Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):			
	Category	Cost as at March 2017	Book value (Net of provision)
(i)	Related parties		
	Quoted	-	-
	Unquoted		
	Fellow subsidiaries	105,00.00	105,00.00
(ii)	Other than related parties		
	Quoted	-	-
	Unquoted	758,92.50	758,60.07
	Total	863,92.50	863,60.07


(₹ in lakhs)

7 Other information		
	Particulars	Amount
(i)	Gross non-performing assets	
	Related parties	-
	Other than related parties	2212,65.06
(ii)	Net non-performing assets	
	Related parties	-
	Other than related parties	1603,86.61
(iii)	Assets acquired in satisfaction of debt	-

For and on behalf of the Board of Directors


 C. RAMAKRISHNAN
 Chairman
 (DIN - 0020076)


 SHYAM MANI
 Managing Director
 (DIN - 00273598)


 VINESH JAIRATH
 Director
 (DIN - 00391684)


 AMIT MITTAL
 Chief Financial Officer


 VINAY LAVANNIS
 Company Secretary
 Place: Mumbai
 May 12, 2017