

Tata Motors Finance Solution Limited

CIN: U65910MH1992PLC187184

2015 – 16

Registered Office:

C/o Tata Motors Finance Limited
10th Floor, 106 A & B,
Maker Chambers III,
Nariman Point, Mumbai 400021

**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, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

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

Auditor's Responsibility

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

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under section 143 (11) of the Act.

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

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

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

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, 2016, and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143 (3) of the Act, we report that:

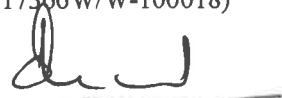
- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards prescribed under section 133 of the Act, as applicable.
- e) On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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



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

Place: *Mumbai*
Date: *6 May, 2016*

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

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

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

We have audited the internal financial controls over financial reporting of **Tata Motors Finance Solutions Limited** ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditor's Responsibility

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

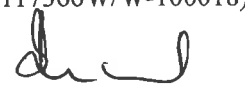
Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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



V. SRIKUMAR

(Partner)

(Membership No. 84494)

Place: *Mumbai*
Date: 6 May, 2016

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) The Company has not granted any loans, made investments or provide guarantees and hence reporting under clause (iv) of the CARO 2016 is not applicable.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.
- (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.

14

- (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, 2016 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, 2016 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 government and dues to debenture holders.
- (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.

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- (xvi) The Company is required to be registered under section 45-I 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:

Date: 6 May, 2016

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Balance Sheet as at March 31, 2016

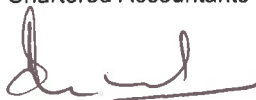
(Rs. in lakhs)

Particulars	Notes	As at March 31, 2016	As at March 31, 2015
I. EQUITY AND LIABILITIES			
(1) Shareholders' funds			
(a) Share capital	3	1500,49.74	1500,49.74
(b) Reserves and surplus	4	(21,49.09)	(29,21.12)
		1479,00.65	1471,28.62
(2) Non-current liabilities			
(a) Long-term borrowings	5	2750,00.00	4000,00.00
(b) Long-term provisions	6	1,60.45	3,80.13
		2751,60.45	4003,80.13
(3) Current liabilities			
(a) Short-term borrowings	7	434,11.86	1195,71.10
(b) Trade payables	8	26,28.21	14,50.71
(c) Other current liabilities	9	810,95.36	10,98.05
(d) Short-term provisions	6	6,31.25	8,12.06
		1277,66.68	1229,31.92
Total		5508,27.78	6704,40.67
II. ASSETS			
(1) Non-current assets			
(a) Fixed assets			
Tangible assets	10	1,56.18	1,26.87
Intangible assets	10A	582,25.25	582,25.25
(b) Deferred tax assets (net)	11A	7,20.14	-
(c) Finance receivables	12	532,55.53	1813,58.92
(d) Long-term loans and advances	13	10,10.50	0.57
		1133,67.60	2397,11.61
(2) Current assets			
(a) Current investments	14	73,14.78	-
(b) Trade receivables	15	1424,89.00	1338,16.16
(c) Cash and cash equivalents	16	179,61.47	331,99.44
(d) Finance receivables	12	2659,85.24	2456,70.10
(e) Short-term loans and advances	17	18,63.17	43.82
(f) Other current assets	18	18,46.52	179,99.54
		4374,60.18	4307,29.06
Total		5508,27.78	6704,40.67

See accompanying notes forming part of the financial statements

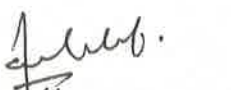
In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



V. Srikumar
Partner
Place: *Mumbai*
Date: 6 May, 2016

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 Secretary
Place: Mumbai
Date: 6 May, 2016

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)

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

(Rs. in lakhs)

Particulars	Notes	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
I. Revenue from operations	19	587,01.06	1.33
II. Other income	20	47,18.32	0.51
III. Total revenue (I + II)		634,19.38	1.84
IV. Expenses:			
Employee benefits expenses	21	23,08.22	-
Finance cost	22	458,35.54	22,52.68
Depreciation and amortisation expense	10	68.32	-
Share issue expenses		-	4,47.01
Other expenses	23	146,02.63	2,20.47
Total expenses		628,14.71	29,20.16
V. Profit/(Loss) before tax (III-IV)		6,04.67	(29,18.32)
VI. Tax (income) / expense	11	(1,67.35)	1.90
VII. Profit / (loss) for the year from continuing operations (V-VI)		7,72.02	(29,20.22)
VIII. Earnings per equity share (of Rs. 100/- each)			
Basic and diluted (in Rs.)		0.51	(93.65)
Weighted average number of outstanding shares		15,00,49,735	31,18,228

See accompanying notes forming part of the financial statements

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
Date: 6 May, 2016



C. RAMAKRISHNAN
Chairman
(DIN - 0020076)



VINESH JAIRATH
Director
(DIN - 00391684)



SHYAM MANI
Managing Director
(DIN - 00273598)



AMIT MITTAL
Chief Financial Officer



VINAY LAVANNIS
Company Secretary
Place:
Date: 6 May, 2016

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Cash flow statement for the year ended March 31, 2016

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net profit / (loss) for the period	7,72.02	(29,20.22)
Adjustments for:		
Interest income on bank deposits	(11,70.44)	-
Interest income on finance receivables	(279,73.04)	-
Interest income on PTC investments	(3,12.61)	-
Interest expenses and other borrowing costs	402,70.40	20,74.81
Discounting charges on commercial Paper	55,65.14	1,77.87
Share issue expenses	-	4,47.01
Provision for employee benefit schemes	90.06	-
Gain on sale of current investments	(14,37.03)	-
Provision for doubtful finance receivables and finance receivables written off	(14,56.05)	-
Delinquency fund written back	(13,02.59)	-
Bonus written back	1,59.07	-
Provisions on Standard Assets	(4,35.00)	-
Current taxes	5,52.79	-
Deferred taxes	(7,20.14)	1.90
Depreciation	68.32	-
Operating cash flow before working capital changes and discounting charges	126,70.90	(2,18.63)
Movements in working capital		
Trade payables	10,18.43	7,20.52
Other current liabilities	47,94.16	1,40.75
Senior pass through certificates	(73,14.78)	-
Security deposit	(19.15)	-
Trade receivables	(86,72.84)	-
Finance receivables	1069,73.65	-
Short-term loans and advances	(18,19.35)	(43.82)
Other current assets	162,00.83	-
	1238,31.85	5,98.82
Current taxes paid (net)	(15,41.12)	(0.18)
Interest income received	302,43.70	-
Net cash from / (used in) operating activities	1525,34.43	5,98.64
B. CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of business on Slump Sale [Refer note 41]	-	(6350,00.00)
Purchase of fixed assets (including capital work-in-progress and capital adv.)	(99.60)	-
Investment in fixed deposits with banks	(100,00.00)	-
Proceeds from sale of fixed assets	1.47	-
Purchase of current investments	(9726,93.00)	-
Redemption of current investments	9741,30.03	-
Interest on fixed deposit / investments	14,35.24	0.25
Net cash used in investing activities	(72,25.86)	(6349,99.75)
C. CASH FLOW FROM FINANCING ACTIVITIES		
Share issue expenses paid	-	(298.01)
Issue of share capital	-	1500,00.00
Cash credit (net)	236,84.38	-
Discounting charges on commercial papers paid	(56,31.99)	(56,06.75)
Interest expense and other borrowing cost paid	(388,22.17)	(15,42.21)
Proceeds from long-term borrowings	1500,00.00	4000,00.00
Repayment of long-term borrowings	(2000,00.00)	-
(Repayment) / proceeds short-term borrowings less than 3 months (net)	(221,58.36)	425,00.00
Proceeds short-term borrowings more than 3 months	-	825,00.00
Repayment of short-term borrowings 3 months and above	(776,18.41)	-
Net cash (used in) / from financing activities	(1705,46.55)	6675,53.03
Net (decrease) / increase in cash and cash equivalents (A + B + C)	(252,37.98)	331,51.92

A-3

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)

Cash flow statement for the year ended March 31, 2016

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Cash and cash equivalents at the beginning of the year	331,99.44	47.52
Cash and cash equivalents at the end of the year [Refer note 16]	79,61.47	331,99.44
Net (decrease) / increase in cash and cash equivalents	(252,37.97)	331,51.92

See accompanying notes forming part of the financial statements

Note: Previous year figures have been regrouped, wherever necessary.

In terms of our report attached

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants



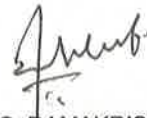
V. Srikumar

Partner

Place: *Mumbai*

Date: 6 May, 2016

For and on behalf of the Board of Directors



C. RAMAKRISHNAN

Chairman

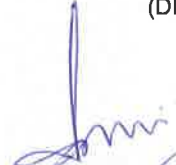
(DIN - 0020076)



VINESH JAIRATH

Director

(DIN - 00391684)



SHYAM MANI

Managing Director

(DIN - 00273598)



AMIT MITTAL

Chief Financial Officer



VINAY LAVANNIS

Company Secretary

Place: Mumbai

Date: 6 May, 2016

Note "1" – CORPORATE INFORMATION

The Company is wholly owned subsidiary of Tata Motors Finance Limited (TMFL) w.e.f. 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. The Company had purchased the Manufacturer Guaranteed Business and Used Vehicle Financing Business as a going concern on a slump sale basis from Tata Motors Finance Limited (Holding Company) in previous year. [Refer note 41 and 42]

Note "2" – SIGNIFICANT ACCOUNTING POLICIES

1. 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.

2. 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 periods 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.

3. Revenue recognition

a. Income on finance receivables and loans

Income on Finance receivables and Loans is accounted on accrual basis by using the internal rate of return method. 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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4 Provision for standard / non performing assets

The Company classifies its finance receivable and loans into performing and NPAs in accordance with RBI guidelines. The Company provides an allowance for finance receivables and loans based on the prudential norms issued by the RBI. 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 / guidelines issued by the RBI.

5 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 asset</u>	<u>Estimated useful life</u>
Vehicles	4 years
Office equipment	4 years
Data processing machines	3 years

6 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.

7 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.

8 Employee benefits

i) Defined contribution plans

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

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.

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ii) 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.

c) Post retirement medicare scheme

Under this scheme, the employees are provided medical benefits after retirement, subject to certain limits.

d) Bhavishya Kalyan Yojana (BKY)

The benefits of the plan are provided to eligible employees based on their entitlement on death or permanent disablement, while in service.

9 Business segment

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

10 Earnings per Share

Basic earnings per share is calculated by dividing the net profit or loss for the period 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.

11 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.

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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.

12 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.

13 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.

14 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 when the 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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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "3"

Share capital

(Rs. in lakhs)

Particulars	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Authorised				
Equity shares of Rs.100 each	16,00,00,000	1600,00.00	16,00,00,000	1600,00.00
Preference shares of Rs.100 each (redeemable)	4,00,00,000	400,00.00	4,00,00,000	400,00.00
	20,00,00,000	2000,00.00	20,00,00,000	2000,00.00
Issued, subscribed and fully paid up				
Equity shares of Rs.100 each	15,00,49,735	1500,49.74	15,00,49,735	1500,49.74
Total	15,00,49,735	1500,49.74	15,00,49,735	1500,49.74

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

(Rs. in lakhs)

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number	Amount	Number	Amount
Shares outstanding at the beginning of the year	15,00,49,735	1500,49.74	49,735	49.74
Shares issued during the year	-	-	15,00,00,000	1500,00.00
Shares outstanding at the end of the year	150,049,735	1500,49.74	150,049,735	1500,49.74

b) Shares in the company held by each shareholder holding more than 5 percent shares specifying the number of shares held

Equity Shares	As at March 31, 2016		As at March 31, 2015	
	Number	% of Holding	Number	% of Holding
Tata Motors Finance Limited	15,00,49,735	100.00%	15,00,49,735	100.00%

c) Terms / rights attached to equity shares

The Company has issued only one class of equity shares having a par value of Rs. 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

(Rs. in lakhs)

Particulars	As at	As at
	March 31, 2016	March 31, 2015
a. Special reserve*		
Balance as per the last financial statements	4.22	-
Add: Transfer from surplus in the statement of profit	1,54.40	4.22
Closing balance	1,58.62	4.22
b. Surplus in the statement of profit and loss		
Balance as per the last financial statements	(29,25.33)	(0.89)
Less: Transfer to special reserve*	1,54.40	4.22
Add: Net profit / (loss) for the year	7,72.02	(29,20.22)
Net deficit in the statement of profit and loss	(23,07.71)	(29,25.33)
Total	(21,49.09)	(29,21.12)

***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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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "5"

Long-term borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(i) Debentures		
Unsecured		
Privately placed non convertible debentures	1000,00.00	2000,00.00
(ii) Term loans from banks		
Secured		
From State Bank of India	1250,00.00	2000,00.00
Unsecured		
From Union Bank of India	500,00.00	-
Total	2750,00.00	4000,00.00

Nature of security on borrowings :

Secured Borrowings from banks in the form of term loans, are secured by a first pari-passu charge in favour of the security trustee on receivables where receivables mean collectively,

- All receivables of the Company arising out of loan, lease and hire purchase transactions,
- All other book debts
- All receivables from senior and junior 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, 2016

A. Privately placed non-convertible debentures (Unsecured)- Face value of Rs. 100 Lakhs each (redeemable at par)

(Rs. in lakhs)

Particulars	As at March 31, 2016	Redemption Date
9.99% Non-convertible debentures	500,00.00	March 10, 2018
9.84% Non-convertible debentures	500,00.00	July 30, 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 3 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

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
A) Long-term provisions		
Provision for employee benefits	82.85	52.15
Contingent provisions against standard assets	77.60	3,27.98
Total	1,60.45	3,80.13
B) Short-term provisions		
Provision for employee benefits	3.85	-
Provision for income tax, net of advances	-	0.04
Contingent provisions against standard assets	6,27.40	8,12.02
Total	6,31.25	8,12.06

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Note "7"

Short-term borrowings

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Loans repayable on demand		
Cash credit (secured)	236,84.38	-
Commercial papers (unsecured)	197,27.48	1195,71.10
(Net of unamortised discounting charges Rs. 2,72.52 lakhs at the rate of 9.39%; March 31, 2015: Rs. 54,28.90 lakhs ranging from 8.99% to 9.15%. Maximum amount outstanding Rs. 1250,00.00 lakhs; March 31, 2015: Rs. 1250,00.00 lakhs)		
Total	434,11.86	1195,71.10

Note "8"

Trade payables

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Dues to micro, small and medium enterprises [Refer Note - 43]	3.94	-
Dues to others	26,24.27	14,50.71
Total	26,28.21	14,50.71

Note "9"

Other current liabilities

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Term loans from banks		
State Bank of India (secured) [Refer Note - 5]	750,00.00	-
Interest accrued but not due on borrowings	19,80.83	5,32.60
Current dues of long term employee benefits	3,08.11	2,52.60
Statutory dues	3,07.07	81.37
Book overdraft	24,91.72	-
Other liabilities	10,07.63	2,31.48
Total	810,95.36	10,98.05

Nature of security on borrowings :

Secured Borrowings from banks in the form of term loans, are secured by a first pari-passu charge in favour of the security trustee on receivables where receivables mean collectively,

- All receivables of the Company arising out of loan, lease and hire purchase transactions;
- All other book debts;
- All receivables from senior and junior 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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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "10"

Tangible Assets

Particulars	Gross block			Depreciation			Net block		
	Opening balance as at April 01, 2015	Additions	Deletions	Closing balance as at March 31, 2016	Opening balance as at April 01, 2015	For the year		Deletions	Closing balance as at March 31, 2016
Vehicles	80.88	-	29.41	51.47	44.16	15.25	27.94	31.47	20.00
Office equipment	1,89.51	36.72	-	36.72	-	-	-	-	36.72
Data processing machines	-	96.93	-	2,86.44	99.36	52.73	-	1,52.09	1,34.35
	-	90.15	-	90.15	-	-	-	-	90.15
	-	2.17	-	2.17	-	0.34	-	0.34	1.83
Total	2,70.39	99.10	29.41	3,40.08	1,43.52	68.32	27.94	1,83.90	1,56.18
<i>As at March 31, 2015</i>	-	1,26.87	-	1,26.87	-	-	-	-	1,26.87

Note: Figures in italics pertain to previous year ended March 31, 2015.

Note "10 A"

Intangible Assets - other than internally generated

Particulars	Gross block			Amortisation			Net block		
	Opening balance as at April 01, 2015	Additions	Deletions	Closing balance as at March 31, 2016	Opening balance as at April 01, 2015	For the year		Deletions	Closing balance as at March 31, 2016
Goodwill	582,25.25	-	-	582,25.25	-	-	-	-	582,25.25
<i>As at March 31, 2015</i>	-	582,25.25	-	582,25.25	-	-	-	-	582,25.25

Note: Figures in italics pertain to previous year ended March 31, 2015.

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "11"

Tax (Income) / expense

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Current tax	5,52.79	-
Deferred tax (income) / expense (Note "11")	(7,20.14)	1.90
Net tax (income) / expense	(1,67.35)	1.90

Note "11A" Deferred Tax Assets (net):

Major components of deferred tax arising on account of timing differences

(Rs. in lakhs)

Particulars	As at March 31, 2015	Credit / (charge) for the year	As at March 31, 2016
Assets			
Provision for doubtful debts	-	6,85.45	6,85.45
Expenses allowable on payment basis	-	6.98	6.98
Disallowance u/s 43B of the Income Tax Act	-	1.77	1.77
Total - Assets component	-	6,94.20	6,94.20
Liabilities			
Depreciation	-	(35.78)	(35.78)
Commission	-	9.84	9.84
Total - Liabilities component	-	(25.94)	(25.94)
Net deferred tax assets / (liabilities)	-	7,20.14	7,20.14

Note "12"

Finance receivables (Secured) [Refer Note 44]

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
A) Finance receivables - Non-current		
Vehicle loans (#)		
Other than related parties		
Considered good	532,55.53	1813,58.92
Considered doubtful	45,80.11	222,24.70
Less: Provision for doubtful loans	45,80.11	222,24.70
Total	532,55.53	1813,58.92
B) Finance receivables - Current		
Vehicle loans (#)		
Other than related parties		
Considered good	2659,85.24	2456,70.10
Considered doubtful	527,75.16	688,26.59
Less: Provision for doubtful loans	527,75.16	688,26.59
Total	2659,85.24	2456,70.10

Vehicle loans are secured against hypothecation of the underlying vehicle.

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Note "13"

Long-term loans and advances

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good		
Capital Advances	0.49	-
Security deposits	19.15	-
Other loans and advances		
Advance payment of income tax, net of provisions	9,88.86	0.57
Advance payment of VAT	2.00	-
Total	10,10.50	0.57

Note "14"

Current investments (at cost unless otherwise stated)

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Investment in Trust securities		
Senior pass through certificates (unquoted)	73,14.78	-
Total	73,14.78	-

Note "15"

Trade receivables

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
From related party		
Not due	1205,90.05	1295,69.95
Due for less than 6 months	218,98.95	42,46.21
Total	1424,89.00	1338,16.16

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Note "16"

Cash and cash equivalents

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Cash and cash equivalents (as per AS 3 Cash Flow Statements)		
Balances with banks - current accounts	79,54.78	331,99.44
Cheques / drafts on hand	0.43	-
Cash on hand	6.26	-
Total - Cash and cash equivalents (as per AS 3 (Revised) - Cash flow statements) (A)	79,61.47	331,99.44
Other Bank Balances		
Deposits with banks	100,00.00	-
Total - Other bank balances (B)	100,00.00	-
Total Cash and cash equivalents (A+B)	179,61.47	331,99.44

Note "17"

Short-term loans and advances

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Unsecured, considered good unless otherwise stated		
Prepaid expenses	24.59	-
Other advances		
Considered good	18,38.58	43.82
Total	18,63.17	43.82

Note "18"

Other current assets

(Rs. in lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Interest accrued but not due on bank deposits	30.99	-
Interest accrued on investments	16.82	-
Other claims recoverable	16,30.22	179,99.54
Refurbishment receivable from related party	1,53.83	-
Stamp papers	14.66	-
Total	18,46.52	179,99.54

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Note "19"

Revenue from operations

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Interest Income:		
Interest income from finance receivables	279,73.04	1.33
Interest income on pass through certificates investment	3,12.61	-
Loan processing fees and other charges	14,35.79	-
Compensation towards interest loss on manufacturer guaranteed business	288,94.69	-
Others	84.93	-
Total	587,01.06	1.33

Note "20"

Other income

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Interest income:		
on bank deposits	11,70.44	0.51
on Income tax refund	0.04	-
Net gain on sale of current investments	14,37.03	-
Recovery of bank charges (net of bank charges incurred and service tax thereon of Rs. 3,40.92 lakhs; previous year: NIL)	1,12.40	-
Other liability not required written back	13,02.59	-
Compensation of finance cost	6,86.00	-
Miscellaneous receipts / recoveries	9.82	-
Total	47,18.32	0.51

Note "21"

Employee benefits expenses

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Salaries	20,81.81	-
Contributions to provident and other funds	93.46	-
Staff welfare expenses	1,32.95	-
Total	23,08.22	-

Note "22"

Finance costs

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Interest expense	402,25.02	5,88.98
Discounting charges on commercial Paper	55,65.14	1,77.87
Other borrowing costs	45.38	14,85.83
Total	458,35.54	22,52.68

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "23"

Other expenses

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Insurance	7.18	-
Rates and taxes	5.67	0.02
Incentive / commission	15,31.38	-
Professional fees / consultancy expenses	5,51.47	77.77
Service providers fees	86,37.95	-
Payment to auditors (Note (i) below)	30.22	15.00
Provisions and write offs		
Provision for doubtful finance receivables	(336,96.02)	-
Add / (Less): Delinquency support on provisions	361,11.63	-
	24,15.61	-
Finance receivables written off	322,39.97	-
Add / (Less): Delinquency support on write off	(321,44.59)	-
	95.38	-
Standard asset provision	(4,35.00)	-
Other expenses	17,62.77	1,27.68
Total	146,02.63	2,20.47

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

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
As auditors - statutory audit	25.00	15.00
For other Services	3.85	-
Reimbursement of out of pocket expenses	1.37	-
Total	30.22	15.00

Note "24"

Expenditure in foreign currency (on accrual basis)

(Rs. in lakhs)

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Travelling	4.05	-
Total	4.05	-

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Note "25"

Contingent liabilities and commitments

1. Commitments

Loan commitment towards vehicle financing Rs. 1,12.17 lakhs (as at March 31, 2015: Rs. 7.70 lakhs).

2. Contingent liabilities to the extent not provided for:

Claims against the company not acknowledged as debts:

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
In respect of pending consumer disputes	1,42.22	1,10.41
Total	1,42.22	1,10.41

3. Contingent liabilities to the extent not provided for

Bank Guarantee for which the company is contingently liable:

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
In respect of CST and VAT registration	13.60	-
Total	13.60	-

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Note "26"

Employee defined benefits

Defined benefit plans / long term compensated absences - as per actuarial valuations as at March 31, 2016				
I Components of expense recognised in the Statement of Profit and Loss for the year ended March 31, 2016				
S. no.	Particulars		Gratuity	Compensated absences
1	Current service cost	31 Mar 16	34.07	3.65
		31 Mar 15	-	-
2	Interest cost	31 Mar 16	19.01	3.30
		31 Mar 15	-	-
3	Expected return on plan assets	31 Mar 16	-	-
		31 Mar 15	-	-
4	Past Service Cost	31 Mar 16	-	-
		31 Mar 15	-	-
4	Actuarial (gains)/losses	31 Mar 16	(36.49)	34.95
		31 Mar 15	-	-
5	Total expense recognised in the Statement of Profit and Loss	31 Mar 16	16.59	41.90
		31 Mar 15	-	-
II Actual contribution and benefit payments for the year ended March 31, 2016				
S. no.	Particulars		Gratuity	Compensated absences
1	Actual benefit payments	31 Mar 16	-	21.74
		31 Mar 15	-	-
2	Actual contributions	31 Mar 16	-	(21.74)
		31 Mar 15	-	-
III Net asset / (liability) recognised in the balance sheet as at respective year ends and experience adjustments				
S. no.	Particulars		Gratuity	Compensated absences
1	Defined benefit obligation	31 Mar 16	3,08.11	86.70
		31 Mar 15	2,37.60	-
2	Fair value of plan assets	31 Mar 16	-	NA
		31 Mar 15	-	-
3	Net asset / (liability) recognised in balance sheet	31 Mar 16	(3,08.11)	(86.70)
		31 Mar 15	(2,37.60)	NA
4	Experience adjustments arising on			
		a) Plan liabilities [(gain)/loss]		
		31 Mar 16	(36.49)	34.95
		31 Mar 15	-	NA
	b) Plan assets [(gain)/loss]	31 Mar 16	-	-
		31 Mar 15	-	-

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Note "26"

Employee defined benefits

IV Change in defined benefit obligation (DBO) for the year ended March 31, 2016				
S.no.	Particulars		Gratuity	Compensated absences
1	Present value of DBO at beginning of year	31 Mar 16 31 Mar 15	2,37.60 -	52.15 -
2	Current service cost	31 Mar 16 31 Mar 15	34.07 -	3.65 -
3	Interest cost	31 Mar 16 31 Mar 15	19.01 -	3.30 -
4	Past Service Cost	31 Mar 16 31 Mar 15	- -	- -
4	Transfers from other funds	31 Mar 16 31 Mar 15	53.92 -	14.39 -
5	Actuarial (gains)/ losses	31 Mar 16 31 Mar 15	(36.49) -	34.95 -
6	Benefits paid	31 Mar 16 31 Mar 15	- -	(21.74) -
7	Present value of DBO at the end of the year	31 Mar 16 31 Mar 15	3,08.11 -	86.70 -
V Actuarial assumptions				
S. no.	Particulars		Gratuity	Compensated absences
1	Discount rate	31 Mar 16 31 Mar 15	8.00% 0.00%	8.00% 0.00%
2	Expected rate of return on plan assets	31 Mar 16 31 Mar 15	NA 0.00%	NA 0.00%
3	Salary escalation	31 Mar 16 31 Mar 15	9.00% 0.00%	9.00% 0.00%
4	Medical cost inflation	31 Mar 16 31 Mar 15	0.00% 0.00%	0.00% 0.00%
5	Indian Assured Lives Mortality (2006-08)(modified) ultimate			
VI Current, non-current disclosure				
S. no.	Particulars		Gratuity	Compensated absences
1	Current portion	31 Mar 16 31 Mar 15	(308.11) (2,37.60)	(3.85) -
2	Non-current portion	31 Mar 16 31 Mar 15	- -	(82.85) (52.15)
	Total	31 Mar 16 31 Mar 15	(3,08.11) (2,37.60)	(86.70) (52.15)

Notes:

- 1 Defined Contribution Plans – The Company's contribution to defined contribution plan aggregating Rs. 91.87 lakhs for the year ended March 31, 2016 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 Rs. 308.11 lakhs in financial year 2016-17 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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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "27"

Related party disclosures:

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 (TTL)

c) Key management personnel:

Mr. Shyam Mani - Managing Director

2) Transactions with related parties

a) Tata Motors Limited - Ultimate holding company

(Rs. in Lakhs)

Sr. No.	Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
1	Delinquency support income	291,00.29	-
2	Deputation of employees expenses	58.28	-
3	Other income - interest cost recovery	121,96.68	-

(Rs. in Lakhs)

Closing balances		As at March 31, 2016	As at March 31, 2015
Net receivables		1437,04.48	1338,16.17

b) Tata Motors Finance Limited - Holding company

(Rs. in Lakhs)

Sr. No.	Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
1	Subscription towards equity share capital	-	150,000.00
2	Acquisition of business in slump sales	-	635,000.00
3	Service providers fees expense	20,48.00	-
4	Reimbursement of expenses	2,76.94	60.00
5	Reimbursement of refurbishment charges income	1,53.83	-
6	Other income - Interest cost recovery	6,86.00	-

(Rs. in Lakhs)

Closing balances		As at March 31, 2016	As at March 31, 2015
Net Payables		3,24.16	60.00

c) Tata Technologies Limited - Fellow Subsidiary

(Rs. in Lakhs)

Sr. No.	Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
1	IT Services	1,08.92	-

(Rs. in Lakhs)

Closing balances		As at March 31, 2016	As at March 31, 2015
Net Payables		2.55	-

3) Also refer Note 44 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, 2016

Note "28"

Asset Liability Maturity Pattern of certain items of Assets and Liabilities as per Annexure 4 of the Non Banking Financial Companies Corporate Governance (Reserve Bank) Direction 2015

(Rs. in Lakhs)

Particulars	Upto 30/31 days	Over 1 month upto 2 months	Over 2 months upto 3 months	Over 3 month & upto 6 month	Over 6 month & upto 1 year	Over 1 year & upto 3 year	Over 3 years & upto 5 years	Over 5 years	Total
Deposits	-	-	-	-	100,00.00	-	-	-	100,00.00
Advances (Gross Finance Receivables) [Refer Note 1 below]	1031,15.10 832,90.42	59,24.38 88,01.71	58,76.35 86,75.69	173,01.83 259,36.74	141,56.81 485,69.16	251,60.84 1017,20.25	825,95.61 1878,87.03	1224,65.12 598,73.87	3765,96.04 5247,54.87
Investments	-	-	57,90.00	15,24.80	-	-	-	-	73,14.80
Borrowings from Banks/ Financial Institutions (Term Loans)	-	-	187,50.00	187,50.01	611,84.38	1000,00.00 1500,00.00	750,00.00 500,00.00	-	2736,84.39 2000,00.00
Market Borrowings (Privately placed Non convertible debentures and Gross commercial papers) [Refer Note 2 below]	-	200,00.00	-	-	-	1000,00.00	-	-	1200,00.00
	-	275,00.00	150,00.00	425,00.00	400,00.00	-	2000,00.00	-	3250,00.00

Notes:

- Advances are reported gross of provision for Non Performing Assets.
- Includes Commercial Paper which are considered at gross of unamortised discounting charges.
- Figures in italics pertains to previous year.

Note "29"

Capital to Risk Assets Ratio (CRAR) as per Annexure 4 of the Non Banking Financial Companies Corporate Governance (Reserve Bank) Direction 2015

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

Particulars	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
CRAR (%)	18.95%	15.37%
CRAR - Tier I capital (%)	18.80%	15.18%
CRAR - Tier II capital (%)	0.15%	0.19%

Note "30"

Exposure to real estate sector

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

A-3

TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial

Note "31"

Disclosure of restructured advances (appendix 4) in accordance with guidelines on restructured advances issued in Jan 2014 by RBI

Sr. No.	Type of Restructuring => Asset Classification =>	Others					Total					
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total	
1	Restructured Accounts as on April 1, 2015 (opening figures)	No. of Borrowers	-	53.00	4.00	-	57.00	-	53.00	4.00	-	57.00
		Amount Outstanding	-	1,85.99	18.40	-	2,04.39	-	1,85.99	18.40	-	2,04.39
		Provision Amount	-	27.45	13.64	-	41.09	-	27.45	13.64	-	41.09
2	Fresh Restructuring During the Year 2015 - 2016	No. of Borrowers	-	2,22.00	1,96.00	-	4,18.00	-	2,22.00	1,96.00	-	4,18.00
		Amount Outstanding	-	5,53.54	6,04.42	-	11,57.96	-	5,53.54	6,04.42	-	11,57.96
		Provision Amount	-	72.23	1,28.44	-	2,00.67	-	72.23	1,28.44	-	2,00.67
3	Upgradations to restructured standard category during the year	No. of Borrowers	-	(8.00)	-	(8.00)	-	(8.00)	-	-	(8.00)	
		Amount Outstanding	-	(19.53)	-	(19.53)	-	(19.53)	-	-	(19.53)	
		Provision Amount	-	(3.02)	-	(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 FY and hence need not be shown as restructured standard advances at the beginning of the next FY	No. of Borrowers	-	-	-	-	-	-	-	-	-	
		Amount Outstanding	-	-	-	-	-	-	-	-	-	
		Provision Amount	-	-	-	-	-	-	-	-	-	
5	Downgradations of restructured accounts during the FY	No. of Borrowers	-	(27.00)	27.00	-	-	-	(27.00)	27.00	-	-
		Amount Outstanding	-	(1,10.45)	1,00.63	-	(9.82)	-	(1,10.45)	1,00.63	-	(9.82)
		Provision Amount	-	(15.24)	21.67	-	6.43	-	(15.24)	21.67	-	6.43

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial

Note "31"

Disclosure of restructured advances (appendix 4) in accordance with guidelines on restructured advances issued in Jan 2014 by RBI

(Rs. in Lakhs)

Sr. No.	Type of Restructuring => Asset Classification =>	Others					Total				
		Standard	Sub-standard	Doubtful	Loss	Total	Standard	Sub-standard	Doubtful	Loss	Total
6	No. of Borrowers	-	(4.00)	-	-	(4.00)	-	(4.00)	-	-	(4.00)
	Amount Outstanding	-	(18.79)	-	-	(18.79)	-	(18.79)	-	-	(18.79)
	Provision Amount	-	(2.81)	-	-	(2.81)	-	(2.81)	-	-	(2.81)
7	No. of Borrowers	-	(11.00)	-	-	(11.00)	-	(11.00)	-	-	(11.00)
	Amount Outstanding	-	(0.98)	0.31	-	(0.67)	-	(0.98)	0.31	-	(0.67)
	Provision Amount	-	(0.78)	(8.91)	-	(9.69)	-	(0.78)	(8.91)	-	(9.69)
8	No. of Borrowers	-	-	-	-	-	-	-	-	-	-
	Amount Outstanding	-	-	-	-	-	-	-	-	-	-
	Provision Amount	-	-	-	-	-	-	-	-	-	-
9	No. of Borrowers	-	2,25.00	2,27.00	-	4,52.00	-	2,25.00	2,27.00	-	4,52.00
	Amount Outstanding	-	5,89.78	7,23.77	-	13,13.55	-	5,89.78	7,23.77	-	13,13.55
	Provision Amount	-	77.83	1,54.83	-	2,32.66	-	77.83	1,54.83	-	2,32.66

Note 1: 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, 2016

Disclosure as per Annexure 4 of the Non Banking Financial Companies Corporate Governance (Reserve Bank)
Note "32"

Break up of 'Provisions and Contingencies' shown under the head Expenditure in Statement of Profit & Loss

(Rs. in Lakhs)

Particulars	For the year ended March 31, 2016	For the year ended March 31, 2015
1) Provision for doubtful loans and advances (others)	-	-
2) Provision for doubtful Finance Receivables	(336,96.02)	-
Add / (Less): Delinquency support	361,11.63	-
Finance receivables written off (net of recoveries of Rs. 350.62 lakhs; previous year Rs. Nil)	322,39.97	-
Add / (Less): Delinquency support	(321,44.59)	-
3) Provision on Standard Assets	(4,35.00)	-
4) Provision for Diminution in the Value of Investment	-	-
5) Provision on consumer disputes	14.13	-

Note "33"
Investments

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
1) Value of Investments		
i) Gross Value of Investments		
(a) In India	73,14.78	-
(b) Outside India	-	-
ii) Provision for Depreciation		
(a) In India	-	-
(b) Outside India	-	-
iii) Net Value of Investments		
(a) In India	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	-	-
iii) Less: write-off/write back of excess provisions during the year	-	-
iv) Closing balance	-	-

Note "34"

Ratings assigned by credit rating agencies and migrations of Ratings during the year

Instrument	CRISIL	
	As at March 31, 2016	As at March 31, 2015
Non Convertible Debentures	CRISIL AA/Stable	CRISIL AA/Stable
Long-term Bank Facilities	CRISIL AA/Stable	CRISIL AA/Stable
Commercial Papers	CRISIL A1+	CRISIL A1+

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "35"

Concentration of Exposures

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to twenty largest borrowers / customers	44,20.66	23,81.62
Percentage of Exposures to twenty largest borrowers/customers to total exposure of	1.59%	0.35%

Note "36"

Concentration of NPAs

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
Total Exposure to top four NPA accounts	1,85.03	1,90.17

Note "37"

Sector-wise NPAs (Percentage of NPAs to Total Advances* in that sector)

Sector	As at March 31, 2016	As at March 31, 2015
1) Agriculture and allied activities	-	-
2) MSME	-	-
3) Corporate borrowers	-	-
4) Services	-	-
5) Unsecured personal loans	-	-
6) Auto loans / other receivables	58.64%	44.26%
7) Other personal loans	-	-

*Represents exposure

Note "38"

Details of non-performing financial assets purchased (Acquisition of business on slump sale)

(Rs. in Lakhs)

Particulars	As at March 31, 2016	As at March 31, 2015
(a) Number of NPA accounts purchased during the year	-	110706
(b) Aggregate Outstanding	-	356,187.74
Of these,		
(a) Number of accounts restructured during the year	-	-
(b) Aggregate Outstanding	-	-

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)
Notes forming part of the financial statements for the year ended March 31, 2016

Note "39"

Movement of NPAs

Particulars	(Rs. in Lakhs)	
	As at March 31, 2016	As at March 31, 2015
i) Net NPAs to Net Advances** (%)	52.92%	35.59%
ii) Movement of NPAs (Gross)		
a) Opening Balances	2994,28.22	-
b) Additions during the year (acquired balance for previous year)	411,42.60	2994,28.22
c) Reductions during the year	634,85.69	-
d) Closing balances	2770,85.14	2994,28.22
iii) Movement of Net NPAs		
a) Opening Balances	2083,76.93	-
b) Additions during the year (acquired balance)	232,51.33	2083,76.93
c) Reductions during the year	118,98.40	-
d) Closing balances	2197,29.87	2083,76.93
iv) Movement of provisions for NPAs (excluding		
a) Opening Balances	910,51.29	-
b) Additions during the year (acquired balance for previous year)	178,91.27	910,51.29
c) Write back of excess provisions	515,87.29	-
d) Closing balances	573,55.27	910,51.29

** Represents exposure

Note "40"

Customer Complaints

Particulars	March 31, 2016	March 31, 2015
a) No of complaints pending at the beginning of the year	-	-
b) No of complaints received during the year	752	-
c) No of complaints redressed during the year	741	-
d) No of complaints pending at the end of the year	11	-

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)

Notes forming part of the financial statements for the year ended March 31, 2016

Note "41"

The Company had purchased the Manufacturer Guranteed Business and Used Vehicle Financing business as a going concern on a slump sale basis from Tata Motors Finance Limited (Holding Company) in previous year. All related assets and liabilities pertaining to this line of business have been acquired at fair value. Summary of assets, liabilities and goodwill acquired were as follows:

Particulars	(Rs. in Lakhs)
	As at March 31, 2015
Assets	
Finance Receivables (Net of Interest reversal Rs. 567,77 lakhs)	5247,54.86
Trade Receivables	1338,16.17
Fixed Assets -Vehicles	36.72
Fixed Assets -Office Equipment	90.15
Sub Total	6586,97.90
Liabilities	
NPA Provisioning	910,51.30
Other Current Liabilities	70,98.61
Contingent provision against standard assets	11,40.00
Trade Payable	5,80.63
Provision for employee benefits	52.15
Sub Total	999,22.69
Net Assets	5587,75.21
Other Claims recoverable*	179,99.54
Total Net Assets	5767,74.75
Consideration Paid	6350,00.00
Goodwill**	582,25.25

*Other claims recoverable pertains to NPA balances acquired which are not due for delinquency support claims. These amounts are considered good and recoverable in due course.

**Management does not foresee any risk of impairment on the carrying value of goodwill as at March 31, 2016.

Note "42"

During the previous year the Company had purchased the Manufactured Guranteed Business and Used Vehicle Financing business as a going concern on a slump sale basis from Tata Motors Finance Limited (Holding Company). Consequently employees were also transferred from Tata Motors Finance Limited on continuity basis. The Company has recorded Rs. 2,52.60 lakhs towards Gratuity liability (unfunded) and Rs. 52.15 lakhs towards leave encashment provision as determined by independent actuary.

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Note "43"

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"). The disclosures pursuant to the said MSMED Act are as follows:

Particulars	(Rs. in Lakhs)	
	April 01, 2015 to March 31, 2016	April 01, 2014 to March 31, 2015
Amounts remaining unpaid to any supplier as at the year end		
Principal	3.94	-
Interest	0.27	-
Total interest paid in terms of Section 16 of the MSMED Act	-	-
Amount of interest due and payable for the period of delay on payments made beyond the appointed day during the year	-	-
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	-	-
Amount of interest accrued and remaining unpaid as at the year end	0.27	-

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.

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TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)

Notes forming part of the financial statements for the year ended March 31, 2016

Note "44"

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 Rs. 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 of the Company. The charge with respect to the above has been created on 23rd December 2015 and the registration has been completed by 20th January 2016. Based on the above, the Company has considered these doubtful assets as secured and provision on the same has been made accordingly.

Note "45"

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 Rs. 7.24 lacs in FY 2016 (FY 2015: NIL) vide form FMR 1.

Note "46"

Previous year's figures

Previous year's figures have been regrouped, wherever necessary. Statement of Profit and Loss and corresponding explanatory notes are not comparable due to purchase of Manufacturer Guaranteed Business and Used Vehicle Financing business as a going concern on a slump sale basis from Tata Motors Finance Limited (Holding Company) as on March 31, 2015.

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 Secretary
Place: Mumbai
Date: 6 May, 2016


TATA MOTORS FINANCE SOLUTIONS LIMITED (CIN - U65910MH1992PLC187184)


Schedule to the Balance Sheet as at March 31, 2016 of a non-deposit taking non-banking financial Company

(Disclosure as per Annexure 1 of Non-Banking Financial (Non-Deposit Accepting or Holding) Companies Prudential Norms (Reserve Bank) Directions, 2015.)


(6) Investor group-wise classification of all investments (current and long term) in shares and securities (both quoted and unquoted):		
Category	Market Value/ Break up or fair value or NAV	Book Value (Net of Provision)
Unquoted	73,14.78	73,14.78
Total	73,14.78	73,14.78
(7) Other information		
Particulars	Amount	
(i) Gross Non-Performing Assets		
(a) Related parties		
(b) Other than related parties	2770,85.14	
(ii) Net Non-Performing Assets		
(a) Related parties	-	
(b) Other than related parties	2197,29.86	
(iii) Assets acquired in satisfaction of debt	-	

For and on behalf of the Board of Directors

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C. RAMAKRISHNAN
Chairman
(DIN - 0020076)


VINESH JAIRATH
Director
(DIN - 00391684)


SHYAM MANI
Managing Director
(DIN - 00273598)


AMIT MITTAL
Chief Financial Officer


VINAY LAVANNIS
Company Secretary
Place: Mumbai
Date: 6 May, 2016