

**TML Drivelines Limited**  
**Condensed Balance Sheet as at June 30, 2017**

	As at June 30, 2017	(₹ in lakhs) As at March 31, 2017
<b>I. ASSETS</b>		
<b>(1) Non-current assets</b>		
(a) Property, Plant and Equipment	53,270.09	53,514.57
(b) Capital work-in-progress	4,211.92	3,167.94
(c) Intangible assets	911.40	929.43
(d) Intangible assets under development	246.31	234.36
(f) Financial assets:		
(i) Loans and advances	110.15	111.34
(g) Advance Income tax assets (net)	5,228.82	4,809.59
(h) Other non-current assets	522.75	483.40
	<b>64,501.44</b>	<b>63,250.63</b>
<b>(2) Current assets</b>		
(a) Inventories	5,151.96	5,288.90
(b) Financial assets:		
(i) Investments	3,716.65	3,649.96
(ii) Cash and cash equivalents	20.56	4,055.57
(iii) Loans and advances	29,326.92	25,803.91
(iv) Other financial assets	65.81	78.15
(c) Other current assets	849.18	1,653.60
	<b>39,131.08</b>	<b>40,530.09</b>
<b>TOTAL ASSETS</b>	<b>103,632.52</b>	<b>103,780.72</b>
<b>II. EQUITY AND LIABILITIES</b>		
<b>(1) Equity</b>		
(a) Equity Share capital	7,700.00	7,700.00
(b) Other Equity	73,411.21	73,563.15
	<b>81,111.21</b>	<b>81,263.15</b>
<b>(2) Non-current liabilities</b>		
(a) Financial liabilities:		
(i) Other finance liabilities	630.70	657.12
(b) Provisions	3,972.69	4,019.73
(c) Deferred tax liabilities (net)	5,198.74	5,276.61
	<b>9,802.13</b>	<b>9,953.46</b>
<b>(3) Current liabilities</b>		
(a) Financial liabilities:		
(i) Trade payables	8,855.80	8,467.43
(ii) Other finance liabilities	1,857.55	2,028.81
(b) Provisions	1,304.81	1,046.13
(c) Current Income tax liabilities (net)	304.09	304.09
(d) Other current liabilities	396.93	717.65
	<b>12,719.18</b>	<b>12,564.11</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>103,632.52</b>	<b>103,780.72</b>

In terms of our report

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

**MOHAMMED BENGALI**

Partner

For and on behalf of the Board

**M SAMPATH KUMAR**

Chief Executive Officer

**GURVINDER SINGH AHUJA**

Chief Financial Officer

**VISPI S PATEL**

Company Secretary

**S B BORWANKAR**

Chairman

**RAKESH MAKHIJA**

Director

Mumbai, August 1, 2017

Mumbai, August 1, 2017

**TML Drivelines Limited**  
**Condensed Statement of Profit and Loss for the period ended June 30, 2017**

Particulars	(₹ in lakhs)	
	Three months ended June 30, 2017	2016
I. Revenue From Operations	9,866.11	15,022.77
II. Other Income	615.87	617.24
III. <b>Total Income (I+II)</b>	<b>10,481.98</b>	<b>15,640.01</b>
IV. <b>Expenses:</b>		
(a) Changes in inventories of work-in-progress	283.92	54.76
(b) Employee cost / benefits expense	4,882.19	5,231.84
(c) Finance costs	1.56	1.87
(d) Depreciation and amortisation expense	1,644.73	1,747.22
(e) Other expenses	3,850.98	6,141.51
(f) Expenditure transferred to capital and other accounts	-	(10.24)
<b>Total Expenses (IV)</b>	<b>10,663.38</b>	<b>13,166.96</b>
V. <b>Profit/(loss) before exceptional items and tax (III-IV)</b>	<b>(181.40)</b>	<b>2,473.05</b>
VI. <b>Profit/(loss) before tax (V-VI)</b>	(181.40)	2,473.05
VII. <b>Tax expense:</b>		
(a) Current tax	16.75	592.48
(b) Deferred tax	(77.87)	96.25
VIII. <b>Profit/(loss) for the period from continuing operations (VII-VIII)</b>	<b>(120.28)</b>	<b>1,784.32</b>
IX. <b>Other comprehensive income:</b>		
(A) (i) Items that will not be reclassified to profit and loss:		
(a) Remeasurement gains and (losses) on defined benefit obligations (net)	(48.41)	(29.03)
(ii) Income tax relating to remeasurement gains and (losses) on defined benefit obligations (net)	16.75	8.96
<b>Other comprehensive income/(loss) for the period</b>	<b>(31.66)</b>	<b>(20.07)</b>
X. <b>Total comprehensive income/(loss) for the period (IX+X)</b>	<b>(151.94)</b>	<b>1,764.25</b>
XI. <b>Earnings per equity share:</b>		
(a) Ordinary shares:		
(i) Basic	₹ (0.20)	₹ 2.29
(ii) Diluted	₹ (0.20)	₹ 2.29

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Mumbai, August 1, 2017

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**TML Drivelines Limited**  
**Condensed Cash Flow Statement for the period ended June 30, 2017**

	Three Months ended June 30, 2017	(₹ in lakhs) 2016
<b>Cash flows from operating activities:</b>		
Profit/(loss) for the year from continuing operations	(120.28)	1,784.32
Adjustments for:		
Depreciation and amortization	1,644.73	1,747.22
Loss on sale of assets/assets written off and others (net)	(16.68)	750.23
(Gain) on sale/loss on fair valuation of investments (net)	(66.69)	(68.60)
Remeasurement gains and (losses) on defined benefit obligations	(48.41)	(29.03)
Foreign exchange (gain)/loss (net)	1.02	(15.05)
Income tax expense	(61.12)	688.73
Interest income	(549.18)	(548.64)
<b>Cash flows from operating activities before working capital changes</b>	<b>783.40</b>	<b>4,309.18</b>
(Increase)/decrease in inventories	136.94	(309.89)
(Increase)/decrease in loans and advances	3.18	(0.72)
(Increase)/decrease in other current assets	804.42	(44.79)
(Increase)/decrease in other non-current assets	(5.36)	3.38
Increase/(decrease) in trade payables	387.35	38.33
Increase/(decrease) in other financial liabilities	(26.42)	(15.53)
Increase/(decrease) in provisions	211.65	53.03
Increase/(decrease) in other current liabilities	(320.71)	419.03
<b>Cash generated from operations</b>	<b>1,974.47</b>	<b>4,452.03</b>
Income tax paid (net)	(419.23)	(551.18)
<b>Net cash generated by operating activities</b>	<b>1,555.24</b>	<b>3,900.85</b>
<b>Cash flows from investing activities:</b>		
(Increase)/decrease in short term Inter-corporate deposits	(6,525.00)	(205.00)
(Increase)/decrease in Fixed Deposit	3,000.00	-
Interest received	561.52	577.66
Payments for property, plant and equipment	(2,654.86)	(1,974.01)
Proceeds from sale of property, plant and equipment	28.09	-
<b>Net cash used in investing activities</b>	<b>(5,590.25)</b>	<b>(1,601.35)</b>
<b>Cash flows from financing activities:</b>		
Dividends paid (including dividend distribution tax)	-	(2,316.88)
<b>Net cash provided by/(used in) financing activities</b>	<b>-</b>	<b>(2,316.88)</b>
Net change in cash and cash equivalents	(4,035.01)	(17.38)
Cash and cash equivalents at the beginning of the period	4,055.57	43.72
<b>Cash and cash equivalents at the end of the period</b>	<b>20.56</b>	<b>26.34</b>

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Chartered Accountants

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Partner

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Chief Executive Officer

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**RAKESH MAKHIJA**

Director

Mumbai, August 1, 2017

Mumbai, August 1, 2017

(₹ in lakhs)

	Owned assets						Given on lease	
							Plant and equipment	Total
4. Property, plant and equipment	Buildings	Plant and equipment	Furniture and fixtures	Office Equipments	Vehicles	Water System and Sanitation	Computers	
Cost as of April 1, 2017	5,693.44	103,707.34	190.60	455.75	225.17	196.84	260.38	111,308.71
Additions	245.09	1,065.43	-	-	5.65	-	37.46	1,353.63
Disposal	-	(233.55)	(3.02)	(2.39)	(6.95)	-	(2.92)	(248.83)
Cost as of June 30, 2017	5,938.53	104,539.22	187.58	453.36	223.87	196.84	294.92	112,413.51
Accumulated depreciation as of April 1, 2017	1,361.88	55,462.21	97.25	385.17	104.04	33.92	217.70	57,794.14
Depreciation for the period	44.92	1,498.82	2.39	8.24	9.64	5.06	7.28	1,586.70
Disposal / adjustments *	-	(222.60)	(3.02)	(2.39)	(6.49)	-	(2.92)	(237.42)
Accumulated depreciation as of June 30, 2017	1,406.80	56,738.43	96.62	391.02	107.19	38.98	222.06	59,143.42
Net carrying amount as of June 30, 2017	4,531.73	47,800.79	90.96	62.34	116.68	157.86	72.86	53,270.09
Cost as of April 1, 2016	4,622.03	95,446.53	193.01	455.53	191.52	170.97	255.12	101,971.30
Additions	1,071.41	10,988.14	-	3.52	44.28	25.87	5.26	12,142.00
Disposal	-	(2,727.33)	(2.41)	(3.30)	(10.63)	-	-	(2,804.59)
Cost as of March 31, 2017	5,693.44	103,707.34	190.60	455.75	225.17	196.84	260.38	111,308.71
Accumulated depreciation as of April 1, 2016	1,199.41	51,345.64	89.29	350.74	69.71	17.37	187.86	53,375.68
Depreciation for the year	162.47	6,010.48	9.96	35.78	43.32	16.55	29.10	6,346.53
Disposal	-	(1,893.91)	(2.00)	(1.35)	(8.99)	-	0.74	(1,928.07)
Accumulated depreciation as of March 31, 2017	1,361.88	55,462.21	97.25	385.17	104.04	33.92	217.70	57,794.14
Net carrying amount as of March 31, 2017	4,331.56	48,245.13	93.35	70.58	121.13	162.92	42.68	53,514.57

(₹ in lakhs)

5. Other Intangible assets	Software	Intellectual property rights	Product development	Total
<b>Cost as of April 1, 2017</b>	<b>918.16</b>	<b>18,174.10</b>	<b>200.23</b>	<b>19,292.49</b>
Additions	40.00	-	-	40.00
Disposal	(0.22)	-	-	(0.22)
<b>Cost as of June 30, 2017</b>	<b>957.94</b>	<b>18,174.10</b>	<b>200.23</b>	<b>19,332.27</b>
<b>Accumulated amortisation as of April 1, 2017</b>	<b>616.57</b>	<b>17,709.86</b>	<b>36.63</b>	<b>18,363.06</b>
Amortization for the period	22.13	27.72	8.18	58.03
Disposal/ adjustments	(0.22)	-	-	(0.22)
<b>Accumulated amortisation as of June 30, 2017</b>	<b>638.48</b>	<b>17,737.58</b>	<b>44.81</b>	<b>18,420.87</b>
<b>Net carrying amount as of June 30, 2017</b>	<b>319.46</b>	<b>436.52</b>	<b>155.42</b>	<b>911.40</b>
<b>Cost as of April 1, 2016</b>	<b>870.86</b>	<b>18,174.10</b>	<b>143.76</b>	<b>19,188.72</b>
Additions	47.30	-	56.47	103.77
Disposal	-	-	-	-
<b>Cost as of March 31, 2017</b>	<b>918.16</b>	<b>18,174.10</b>	<b>200.23</b>	<b>19,292.49</b>
<b>Accumulated amortisation as of April 1, 2016</b>	<b>495.76</b>	<b>17,617.62</b>	<b>20.72</b>	<b>18,134.10</b>
Amortization for the year	120.50	92.24	15.91	228.65
Disposal	0.31	-	-	0.31
<b>Accumulated amortisation as of March 31, 2017</b>	<b>616.57</b>	<b>17,709.86</b>	<b>36.63</b>	<b>18,363.06</b>
<b>Net carrying amount as of March 31, 2017</b>	<b>301.59</b>	<b>464.24</b>	<b>163.60</b>	<b>929.43</b>

		(₹ in Lakhs)	
6. Other Loans and advances	As at June 30, 2017	As at March 31, 2017	
<b>Non-current</b>			
<b>Unsecured, considered good:</b>			
(a) Loans to employees	26.48	28.67	
(b) Others	83.67	82.67	
<b>Total</b>	<b>110.15</b>	<b>111.34</b>	
<b>Current</b>			
<b>Unsecured, considered good:</b>			
(a) Loans and advances to employees	101.92	103.91	
(b) Inter corporate deposits to related parties*			
- Tata Motors Limited	28,225.00	21,700.00	
(c) Fixed deposit with Financial Institutions **	1,000.00	4,000.00	
<b>Total</b>	<b>29,326.92</b>	<b>25,803.91</b>	

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

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

7. Other financial assets	As at June 30, 2017	As at March 31, 2017	
<b>Current</b>			
(a) Interest accrued on deposits	65.81	78.15	
<b>Total</b>	<b>65.81</b>	<b>78.15</b>	

8. Deferred tax :

(₹ in lakhs)

Significant components of deferred tax assets and liabilities for the period ended June 30, 2017:	Opening balance	Recognized in profit or loss	Closing balance
<b>Deferred tax assets:</b>			
Employee Separation Scheme	219.20	29.36	248.56
Employee Benefits / Expenses allowable on payment basis	436.87	(9.38)	427.49
Others	26.69	(2.34)	24.35
<b>Total deferred tax assets</b>	<b>682.76</b>	<b>17.64</b>	<b>700.40</b>
<b>Deferred tax liabilities:</b>			
Property, plant and equipment	5,224.39	(47.29)	5,177.10
Others	734.98	(12.94)	722.04
<b>Total deferred tax liabilities</b>	<b>5,959.37</b>	<b>(60.23)</b>	<b>5,899.14</b>
<b>Net assets/(liabilities)</b>	<b>(5,276.61)</b>	<b>77.87</b>	<b>(5,198.74)</b>

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

(₹ in lakhs)

<b>9. Other non-current assets</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Capital advances	251.43	217.43
(b) VAT, other taxes recoverable, statutory deposits and dues from government	271.32	265.97
<b>Total</b>	<b>522.75</b>	<b>483.40</b>

<b>10. Other current assets</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Advances and other receivables	411.28	660.07
(b) VAT, other taxes recoverable, statutory deposits and dues from government	209.37	878.23
(c) Prepaid expenses	202.72	92.45
(d) Others	25.81	22.85
<b>Total</b>	<b>849.18</b>	<b>1,653.60</b>

<b>11. Inventories</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Unbilled Cost	741.16	1,025.08
(b) Stores and spare parts	2,934.44	2,860.48
(c) Consumable tools	1,476.36	1,403.34
<b>Total</b>	<b>5,151.96</b>	<b>5,288.90</b>

During the quarter ended June 30, 2017, the Company recorded inventory write-down expenses of Rs. Nil and of ` 44.59 Lakhs for year ended March 31, 2017 respectively.

<b>12. Cash and cash equivalents</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Cash on hand	0.23	0.83
(b) Balances with banks in		
-Current Accounts*	20.33	54.74
-Fixed Deposit	-	4,000.00
	<b>20.56</b>	<b>4,055.57</b>

\* Includes remittances in transit

<b>13. Investments - current</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
<b>Quoted:</b>		
(a) Mutual funds - measured at FVTPL	3,716.65	3,649.96
<b>Total</b>	<b>3,716.65</b>	<b>3,649.96</b>



(₹ in lakhs)		
14. Equity Share Capital	As at June 30, 2017	As at March 31, 2017
(a) <b>Authorised:</b>		
(i) 100,000,000 Ordinary shares of ₹10 each (as at March 31, 2017: 100,000,000 Ordinary shares of ₹10 each)	10,000.00	10,000.00
<b>Total</b>	<b>10,000.00</b>	<b>10,000.00</b>
(b) <b>Issued:</b>		
(i) 77,000,000 Ordinary shares of ₹10 each (as at March 31, 2017: 77,000,000 Ordinary shares of ₹10 each)	7,700.00	7,700.00
<b>Total</b>	<b>7,700.00</b>	<b>7,700.00</b>
(c) <b>Subscribed and fully paid:</b>		
(i) 77,000,000 Ordinary shares of ₹10 each (as at March 31, 2017: 77,000,000 Ordinary shares of ₹10 each)	7,700.00	7,700.00
	<b>7,700.00</b>	<b>7,700.00</b>

(d) The company has not issued any shares during the quarter ended June 30, 2017.

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

- i) In respect of every Equity share (whether fully paid or partly paid), voting right shall be in the same proportion as the capital paid upon such Equity share bears to the total paid up Equity capital of the Company.
- ii) The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- iii) In the event of liquidation, the shareholders of Equity shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

(f) <i>Number of shares held by each shareholder holding more than 5 percent of the issued share capital :</i>	As at June 30, 2017		As at March 31, 2017	
	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
(i) <b>Ordinary shares :</b>				
Tata Motors Limited	100.00%	77,000,000	100.00%	77,000,000

15. Other financial liabilities – non-current	As at June 30, 2017	As at March 31, 2017
(a) Pension - Employee Separation Scheme	630.70	657.12
	<b>630.70</b>	<b>657.12</b>

16. Other financial liabilities – current	As at June 30, 2017	As at March 31, 2017
(a) Liability for capital expenditure*	1,110.27	1,185.50
(b) Deposits and retention money	747.28	843.31
	<b>1,857.55</b>	<b>2,028.81</b>

\* Includes payable to related parties  
TAL Manufacturing Solutions Limited

**29.76** **29.76**

(₹ in lakhs)

<b>17. Trade payables</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Trade Payables*	8,855.80	8,467.43
<b>Total</b>	<b>8,855.80</b>	<b>8,467.43</b>

\* Includes payable to related parties

Tata Motors Limited	2,003.51	1,603.47
Tata Technologies Limited	59.36	55.20

<b>18. Provisions</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
<b>Non-current</b>		
(a) Employee benefits	3,954.99	3,930.62
(b) Warranty and product liability	17.70	89.11
<b>Total-Non-current</b>	<b>3,972.69</b>	<b>4,019.73</b>
<b>Current</b>		
(a) Employee benefit	320.20	190.78
(b) Warranty and product liability	984.61	855.35
<b>Total-Current</b>	<b>1,304.81</b>	<b>1,046.13</b>

**The movement of provisions for Warranty and product liability**

	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
Balance at the beginning	944.45	1,194.48
Provision made during the Period	128.17	708.59
Provision used during the Period	(75.00)	(961.29)
Impact of discounting	4.69	2.68
<b>Balance at the end</b>	<b>1,002.31</b>	<b>944.46</b>
Non-current	17.70	89.11
Current	984.61	855.35

<b>19. Other current liabilities</b>	<b>As at June 30, 2017</b>	<b>As at March 31, 2017</b>
(a) Amount due to Customer	64.02	89.25
(b) Statutory dues*	123.58	407.58
(c) Others	209.33	220.82
<b>Total</b>	<b>396.93</b>	<b>717.65</b>

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

(₹ in lakhs)

20. Revenue From Operations	Three months ended June 30,	
	2017	2016
(a) Sale of services	9,563.74	14,784.20
	9,563.74	14,784.20
(b) Other operating revenues ( Note 1)	302.37	238.57
<b>Total</b>	<b>9,866.11</b>	<b>15,022.77</b>

Note 1. Includes :

(i) Scrap Sales	96.11	95.99
(ii) Profit on Sale of Assets held for Disposal	16.79	-
(iii) Lease rental of Plant & Machinery	22.44	22.31
(iv) Liability no longer required	118.70	-

21. Other income	Three months ended June 30,	
	2017	2016
(a) Interest income on financial assets held at amortised cost		
- Interest on Inter Corporate Deposit	515.24	536.43
- Interest on Fixed Deposits	33.94	12.21
(b) Gain arising on financial assets held at FVTPL	66.69	68.60
<b>Total</b>	<b>615.87</b>	<b>617.24</b>

(₹ in lakhs)

22. Employee cost	Three months ended June 30,	
	2017	2016
(a) Salaries, wages and bonus	4,394.45	4,781.29
(b) Contribution to provident fund and other funds	344.35	362.27
(c) Staff welfare expenses	143.39	88.28
<b>Total</b>	<b>4,882.19</b>	<b>5,231.84</b>

23. Other expenses	Three months ended June 30,	
	2017	2016
(a) Consumption of stores & spare parts	890.25	1,481.79
(b) Power & fuel	1,433.76	1,430.14
(c) Rent	125.13	125.76
(d) Repairs to buildings	9.21	65.11
(e) Repairs to plant, machinery etc.	28.73	278.92
(f) Insurance	24.34	22.62
(g) Freight, transportation, port charges etc.	12.24	37.10
(h) Warranty and product liability expenses	128.17	217.84
(i) Corporate Social Responsibility expenses	1.00	3.69
(j) Share of Expenses for common services facilities	621.18	734.86
(k) Asset written down	-	750.23
(l) Excise duty expense	9.32	8.77
(m) Works operation and other expenses <sup>1</sup>	567.65	984.66
<b>Total</b>	<b>3,850.98</b>	<b>6,141.49</b>

<sup>1</sup> Works operation and other expenses	Three months ended June 30,	
	2017	2016
(a) Foreign Exchange Fluctuation (Profit) / Loss (net)	15.86	(15.05)
(b) Loss on Sale of Assets	0.11	-

## 24. Commitments and contingencies

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

Income tax:

- The Company has a dispute with income tax authorities relating to tax treatment of certain item of expense. As at June 30, 2017, the amount of dispute pending appeal is ` 316.83 Lakhs (as at March 31, 2017 - ` 316.83 Lakhs).

Excise Duties:

- There are pending litigation for various matters relating to excise duty demands (including interest and penalties) that are contested by the Company. The amount of disputes pending appeal is ` 10093.24 Lakhs (as at March 31, 2017 - ` 10093.24 Lakhs )

Sales tax:

- There are pending litigation for various matters relating to sales tax demands (including interest and penalties) that are contested by the Company. The amount of disputes pending appeal is ` 1611.00 Lakhs (as at March 31, 2017 - ` 1611.00 Lakhs ).

II) Estimated amount of contracts remaining to be executed on capital account and not provided for: ` 9751.01 lakhs (As at March 31, 2017: ` 11272.42 lakhs ) and advances of ` 251.43 lakhs (As at March 31, 2016: ` 217.43 lakhs )

## 25. Capital Management

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

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

## 26. Disclosures on financial instruments

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

### (a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at June 30, 2017.

(₹ in lakhs)				
Financial assets	Measured at amortised Cost	Measured at fair value through Profit & Loss ( FVTPL)	Total carrying value	Total fair value
(a) Investments - current	-	3,716.65	3,716.65	3,716.65
(b) Cash and cash equivalents	20.56	-	20.56	20.56
(c) Loans and advances - non-current	83.66	26.48	110.15	110.15
(d) Loans and advances - current	29,326.92	-	29,326.92	29,326.92
(e) Other financial assets - current	65.81	-	65.81	65.81
<b>Total</b>	<b>29,496.95</b>	<b>3,743.14</b>	<b>33,240.09</b>	<b>33,240.09</b>

(₹ in lakhs)			
Financial liabilities	Measured at amortised Cost	Total carrying value	Total fair value
(a) Trade payables	8,855.80	8,855.80	8,855.80
(b) Other financial liabilities - non-current	630.70	630.70	630.70
(c) Other financial liabilities - current	1,857.55	1,857.55	1,857.55
<b>Total</b>	<b>11,344.05</b>	<b>11,344.05</b>	<b>11,344.05</b>

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

(₹ in lakhs)				
Financial assets	Measured at amortised Cost	Measured at fair value through Profit & Loss ( FVTPL)	Total carrying value	Total fair value
(a) Investments - current	-	3,649.96	3,649.96	3,649.96
(b) Cash and cash equivalents	4,055.57	-	4,055.57	4,055.57
(c) Loans and advances - non-current	82.68	28.67	111.34	111.34
(d) Loans and advances - current	25,803.91	-	25,803.91	25,803.91
(e) Other financial assets - current	78.15	-	78.15	78.15
<b>Total</b>	<b>30,020.31</b>	<b>3,678.63</b>	<b>33,698.94</b>	<b>33,698.94</b>

(₹ in lakhs)			
Financial liabilities	Measured at amortised Cost	Total carrying value	Total fair value
(a) Trade payables	8,467.43	8,467.43	8,467.43
(b) Other financial liabilities - non-current	657.12	657.12	657.12
(c) Other financial liabilities - current	2,028.81	2,028.81	2,028.81
<b>Total</b>	<b>11,153.35</b>	<b>11,153.35</b>	<b>11,153.35</b>

#### Fair value hierarchy:

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

- Level 1 — Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 — Inputs are other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 — Inputs are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in lakhs)				
As at June 30, 2017	Level 1	Level 2	Level 3	Total
(a) Mutual funds	3,716.65	-	-	3,716.65
(b) Cash and cash equivalents	20.56	-	-	20.56
<b>Total</b>	<b>3,737.31</b>	<b>-</b>	<b>-</b>	<b>3,737.31</b>

(₹ in lakhs)				
As at March 31, 2017	Level 1	Level 2	Level 3	Total
(a) Mutual funds	3,649.96	-	-	3,649.96
(b) Cash and cash equivalents	4,055.57	-	-	4,055.57
<b>Total</b>	<b>7,705.54</b>	<b>-</b>	<b>-</b>	<b>7,705.54</b>

**27. Related-party transactions**

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

The following table summarizes related-party transactions and balances included in the financial statements for the period ended June 30, 2017:

	(₹ in lakhs)		
	Holding Company	*Fellow Subsidiaries	Total
<b><u>Transactions:</u></b>			
(a) Purchase of products	16.17	-	16.17
(b) Services received	1,229.06	11.22	1,240.28
(c) Services rendered	9,563.74	-	9,563.74
(d) Excise duty Recovered	8,673.32	-	8,673.32
(e) Purchase of property, plant and equipment	-	49.31	49.31
(f) Interest income	515.24	-	515.24
(g) Rent paid	143.90	-	143.90
(h) Reimbursements Received	686.00	-	686.00
(i) Reimbursements Made	1,453.02	-	1,453.02
(j) Inter Corporate Deposit Given	12,200.00	-	12,200.00
(k) Inter Corporate Deposit Received Back	5,675.00	-	5,675.00
(l) Lease Rental	25.70	-	25.70
(m) ED transferred	4,982.29	-	4,982.29
<b><u>Balances:</u></b>			
(a) Accounts payable	2,003.51	83.92	2,087.43
(b) Deposits receivable	28,225.00	-	28,225.00

\* Fellow Subsidiary

TAL Manufacturing Solutions Limited

The following table summarizes related-party transactions and balances included in the condensed financial statements for the period ended as of June 30, 2016:

	(₹ in lakhs)		
	Holding Company	*Fellow Subsidiaries	Total
<b><u>Transactions:</u></b>			
(a) Purchase of products	127.18	2.01	129.19
(b) Services received	1,445.80	70.09	1,515.89
(c) Services rendered	14,784.20	-	14,784.20
(d) Excise duty Recovered	13,309.68	-	13,309.68
(e) Purchase of property, plant and equipment	-	21.54	21.54
(f) Interest income	536.43	-	536.43
(g) Rent paid	143.49	-	143.49
(h) Reimbursements Received	637.18	-	637.18
(i) Reimbursements Made	1,509.47	-	1,509.47
(j) Transfer of Research & Development	9.81	-	9.81
(k) Inter Corporate Deposit Given	17,150.00	-	17,150.00
(l) Inter Corporate Deposit Received Back	16,945.00	-	16,945.00
(m) Lease Rental	25.43	-	25.43
(n) ED transferred	6,952.89	-	6,952.89
<b><u>Balances as at March 31, 2017 :</u></b>			
(a) Accounts payable	1,603.47	84.95	1,688.42
(b) Deposits receivable	21,700.00	-	21,700.00



(₹ in lakhs)

Compensation of key management personnel:	June 30,	March 31,
	2017	2017

(a) Short-term benefits	13.73	74.63
(b) Loans	1.27	1.34

28. Earnings per share ("EPS")	Net income attributable to shareholders (₹ in lakhs)	Weighted average shares (Nos.)	Earnings per share (₹)
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**For three months period ended June 30, 2017:****Equity Shares**

(a) Basic net earnings per share	(151.94)	77,000,000	(0.20)
(b) Diluted earnings per share	(151.94)	77,000,000	(0.20)

**For three months period ended June 30, 2016:****Equity Shares**

(a) Basic net earnings per share	1,764.25	77,000,000	2.29
(b) Diluted earnings per share	1,764.25	77,000,000	2.29

**29. Segment Reporting**

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

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

**Information about major customers:**

The sales of the company is to single customer.

- 30.** The Company has entered into agreement with Tata Motors Limited, permitting the Company to use Tata Motors's land and factory buildings for its operations and for sharing common services and facilities. Fixed rentals for Land and Factory building are charged to the Statement of Profit and Loss. The said agreement is renewable in every five years.
- 31.** The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- 32.** Figures for the previous period/year have been regrouped/reclassified to confirm to the current period classification.