

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of consolidation and significant accounting policies

(l) **Basis of consolidation:**

The consolidated financial statements relate to Tata Motors Limited (the Company), its subsidiary companies, joint ventures and associates. The Company and its subsidiaries constitute the Group.

(a) **Basis of preparation**

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 and the relevant provisions thereof.

(b) **Use of estimates**

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets and liabilities and disclosures of contingent liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

(c) **Principles of consolidation:**

The consolidated financial statements have been prepared on the following basis:

- i. The financial statements of the subsidiary companies / joint ventures used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2012.
- ii. The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- iii. The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method', and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
An associate is an enterprise in which the investor has significant influence and which is neither a Subsidiary nor a joint venture of the investor.
- iv. The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.
- v. The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- vi. Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(d) **The following subsidiary companies are considered in the consolidated financial statements:**

Sr No.	Name of the subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2012	As at March 31, 2011
Direct subsidiaries				
1	Tata Daewoo Commercial Vehicle Co. Ltd	South Korea	100	100
2	TML Drivelines Ltd (formerly known as HV Axles Ltd)	India	100	85
3	HV Transmissions Ltd. (merged with TML Drivelines Ltd)	India	-	85
4	TAL Manufacturing Solutions Ltd	India	100	100
5	Sheba Properties Ltd	India	100	100
6	Concorde Motors (India) Ltd	India	100	100
7	Tata Motors Insurance Broking & Advisory Services Ltd	India	100	100
8	Tata Motors European Technical Centre Plc	UK	100	100
9	Tata Technologies Ltd	India	72.41	83.38
10	Tata Motors Finance Ltd	India	100	100
11	Tata Marcopolo Motors Ltd	India	51	51
12	Tata Motors (Thailand) Ltd	Thailand	90.82	86.78
13	TML Holdings Pte Ltd, Singapore	Singapore	100	100
14	TML Distribution Company Ltd	India	100	100
15	Tata Motors (SA) (Proprietary) Ltd	South Africa	60	60
16	Tata Hispano Motors Carrocera S.A	Spain	100	100
17	Trilix S.r.l	Italy	80	80
18	Tata Precision Industries Pte Ltd	Singapore	78.39	78.39
19	PT Tata Motors Indonesia (incorporated on December 29, 2011)	Indonesia	100	-

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Sr No.	Name of the subsidiary company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2012	As at March 31, 2011
Indirect subsidiaries*				
20	Tata Technologies (Thailand) Ltd	Thailand	72.41	83.38
21	Tata Technologies Pte. Ltd, Singapore	Singapore	72.41	83.38
22	INCAT International PLC.	UK	72.41	83.38
23	Tata Technologies Europe Ltd	UK	72.41	83.38
24	INCAT GmbH.	Germany	72.41	83.38
25	Tata Technologies Inc	USA	72.62	83.51
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.62	83.51
27	Tata Technologies (Canada) Inc.	Canada	72.62	83.51
28	Miljobil Greenland AS	Norway	71.69	71.69
29	JaguarLandRover Plc (<i>formerly known as JaguarLandRover Ltd</i>)	UK	100	100
30	Jaguar Cars Overseas Holdings Ltd	UK	100	100
31	Jaguar Land Rover Austria GmbH	Austria	100	100
32	Jaguar Belgium NV	Belgium	100	100
33	Jaguar Cars Ltd	UK	100	100
34	Jaguar Land Rover Japan Ltd	Japan	100	100
35	Jaguar Cars South Africa (pty) Ltd	South Africa	100	100
36	Jaguar Italia SpA (<i>merged into Land Rover Italia w.e.f December 31, 2011</i>)	Italy	-	100
37	Jaguar Land Rover Exports Ltd (<i>formerly known as Jaguar Cars Exports Ltd</i>)	UK	100	100
38	The Daimler Motor Company Ltd	UK	100	100
39	The Jaguar Collection Ltd	UK	100	100
40	Daimler Transport Vehicles Ltd	UK	100	100
41	S.S. Cars Ltd	UK	100	100
42	The Lanchester Motor Company Ltd	UK	100	100
43	Jaguar Hispania SL	Spain	100	100
44	Jaguar Land Rover Deutschland (<i>formerly known as Jaguar Deutschland GmbH</i>)	Germany	100	100
45	Land Rover	UK	100	100
46	Land Rover Group Ltd	UK	100	100
47	Jaguar Land Rover North America LLC	USA	100	100
48	Land Rover Belux SA/NV	Belgium	100	100
49	Land Rover Ireland Ltd	Ireland	100	100
50	Land Rover Nederland BV	Netherlands	100	100
51	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	100	100
52	Jaguar Land Rover Australia Pty Ltd	Australia	100	100
53	Land Rover Exports Ltd	UK	100	100
54	Jaguar Land Rover Italia SpA (<i>formerly known as Land Rover Italia SpA</i>)	Italy	100	100
55	Land Rover Espana SL	Spain	100	100
56	Land Rover Deutschland GmbH (<i>merged into Jaguar Deutschland w.e.f. November 28, 2011</i>)	Germany	-	100
57	Jaguar Land Rover Korea Co. Ltd	South Korea	100	100
58	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	100	100
59	Jaguar Land Rover Canada ULC	Canada	100	100
60	Jaguar Land Rover France, SAS	France	100	100
61	Jaguar Land Rover (South Africa) (pty) Ltd	South Africa	100	100
62	Jaguar Land Rover Brazil LLC	Brazil	100	100
63	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100	100
64	Land Rover Parts Ltd	UK	100	100
65	Land Rover Parts US LLC (<i>dissolved w.e.f. September 30, 2011</i>)	USA	-	100
66	Tata Hispano Motors Crossoveries Maghreb, Morocco	Spain	100	100
67	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea	100	100
68	Tata Engineering Services (Pte) Limited	Singapore	78.39	78.39
69	Jaguar Land Rover (South Africa) Holdings Ltd. (<i>Incorporated on September 9, 2011</i>)	UK	100	-

* Effective holding % of the Company directly and through its subsidiaries.

(e) The following joint venture companies are considered in the consolidated financial statements:

Sr No.	Name of the joint venture company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2012	As at March 31, 2011
1	Fiat India Automobiles Limited	India	50.00	50.00
2	Tata HAL Technologies Ltd **	India	36.20	41.69

** Effective holding % of the Company as it is a Joint Venture of Tata Technologies Ltd

(II) Significant accounting policies:

(a) Revenue recognition

(i) Sale of products

The Company recognises revenue on the sale of products, net of discounts when the products are delivered to the dealer / customer or when delivered to the carrier for exports sales, which is when risks and rewards of ownership pass to the dealer / customer. Sales include income from services and exchange fluctuations relating to export receivables. Sales include export and other recurring and non-recurring incentives from the Government at the national and state levels. Sale of products is presented gross of excise duty where applicable, and net of other indirect taxes. Revenues are recognised when collectibility of the resulting receivables is reasonably assured.

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(ii) Revenue from sale of vehicles with guaranteed repurchase option /repurchase arrangement

Some of the subsidiary companies sell vehicles to daily rental car companies and other fleet customers subject to guaranteed repurchase options and to Ford Motor Group management employees, with repurchase arrangements. At the time of sale, the proceeds are recorded as deferred revenue in other current liabilities and the cost of the vehicles are recorded as inventories. The difference between the proceeds and the guaranteed repurchase amount is recognised in Sales over the term of the arrangement, using a straight-line method. The difference between the cost of the vehicle and the estimated auction value is netted off against revenue over the term of the lease.

(iii) Revenue from software consultancy on time and materials contracts is recognised based on certification of time sheet and billed to clients as per the terms of specific contracts. On fixed price contracts, revenue is recognised based on milestone achieved as specified in the contracts on the proportionate completion method on the basis of the work completed. Foreseeable losses on such contracts are recognized when probable. Revenue from rendering annual maintenance services is recognised proportionately over the period in which services are rendered. Revenue from third party software products and hardware sale is recognised upon delivery.

(iv) Dividend from investments is recognized when the right to receive the payment is established and when no significant uncertainty as to measurability or collectability exists.

(v) Interest income is recognized on the time basis determined by the amount outstanding and the rate applicable and where no significant uncertainty as to measurability or collectability exists.

(b) Depreciation and amortisation

(i) Depreciation is provided on Straight Line Method basis (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

<u>Type of Asset</u>	<u>Estimated useful life</u>
Leasehold land	amortised over the period of the lease
Buildings	20 to 40 years
Plant, machinery and equipment	9 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 10 years
Furniture, fixtures and office appliances	3 to 20 years
Technical know-how	2 to 10 years
Developed technologies	10 years
Computer software	1 to 8 years
Special tools are amortised on a straight line basis over the lives of the model concerned, which is 7 to 10 years.	

Capital assets, the ownership of which does not vest with the Company, other than leased assets, are depreciated over the estimated period of their utility or five years, whichever is less.

(ii) Product development cost are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period.

(iii) In respect of assets whose useful life has been revised, the unamortised depreciable amount has been charged over the revised remaining useful life.

(iv) Depreciation is not recorded on capital work-in-progress / intangible assets under development until construction and installation are complete and asset is ready for its intended use.

(c) Fixed assets

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation.

(ii) The product development cost incurred on new vehicle platform, engines, transmission and new products are recognised as fixed assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future benefits.

(iii) Cost includes purchase price, taxes and duties, labour cost and directly attributable costs for self constructed assets and other direct costs incurred upto the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. The cost of acquisition is further adjusted for exchange differences relating to long term foreign currency borrowings attributable to the acquisition of depreciable asset w.e.f. April 1, 2007.

(iv) Software not exceeding ₹ 25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the Profit and Loss Statement as and when incurred.

(d) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. As per the assessment conducted by the Company at March 31, 2012, there were no indications that the fixed assets have suffered an impairment loss.

(e) Leases

(i) Finance lease

Assets acquired under finance leases are recognised at the lower of the fair value of the leased assets at inception and the present value of minimum lease payments. Lease payments are apportioned between the finance charge and the outstanding liability. The finance charge is allocated to periods during the lease term at a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating lease

Leases other than finance lease, are operating leases and the leased assets are not recognised on the Company's Balance Sheet. Payments under operating leases are recognised in the Profit and Loss Statement on a straight line basis over the lease term.

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(f) Transactions in foreign currencies and accounting of derivatives

(i) Exchange differences

Transactions in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at year end exchange rates.

- (1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (2) below are recognised as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalised to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognised in the Profit & Loss Statement.
- (2) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner:
 - Differences relating to borrowings attributable to the acquisition of the depreciable capital asset are added to / deducted from the cost of such capital assets.
 - Other differences are accumulated in Foreign Currency Monetary Item Translation Difference Account, to be amortised over the period, beginning April 1, 2007 or date of inception of such item, as applicable, and ending on March 31, 2011 or the date of its maturity, whichever is earlier.
 - Pursuant to notification issued by the Ministry of Corporate Affairs, on December 29, 2011, the exchange differences on long term foreign currency monetary items (other than those relating to acquisition of depreciable asset) are amortised over the period till the date of maturity or March 31, 2020, whichever is earlier.
- (3) On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year/month. Exchange differences arising in case of integral foreign operations are recognised in the Profit and Loss Statement and exchange differences arising in case of non integral foreign operations are recognised in the Group's Translation Reserve classified under Reserves and surplus.

(ii) Hedge accounting

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. With effect from April 1, 2008, the Company designates such forward contracts in a cash flow hedging relationship by applying the hedge accounting principles set out in Accounting Standard 30- Financial Instruments: Recognition and Measurement.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognised directly in Hedging Reserve Account under Reserves and surplus, net of applicable deferred income taxes and the ineffective portion is recognised immediately in the Profit and Loss Statement.

Amounts accumulated in Hedging Reserve Account are reclassified to profit and loss in the same periods during which the forecasted transaction affects Profit and Loss Statement.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. For forecasted transactions, any cumulative gain or loss on the hedging instrument recognised in Hedging Reserve Account is retained there until the forecasted transaction occurs.

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Profit and Loss Statement for the year.

- (iii) Premium or discount on forward contracts other than those covered in (ii) above is amortised over the life of such contracts and is recognised as income and expense. Foreign currency options and other derivatives are stated at fair value as at the year end with change in fair value recognised in the Profit and Loss Statement.

(g) Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically upto five years.

(h) Income on vehicle loan

Interest income from loan contracts in respect of vehicles and income from plant given on lease, are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the net outstanding amount is accrued over the period of contract. The Company and its subsidiary provides an allowance for finance receivables that are in arrears for more than 11 months, to the extent of an amount equivalent to the outstanding principal and amounts due but unpaid considering probable inherent loss including estimated realisation based on past performance trends. In respect of loan contracts that are in arrears for more than 6 months but not more than 11 months, allowance is provided to the extent of 10% of the outstanding and amount due but unpaid.

(i) Sale of finance receivables

The Company and its subsidiary sells finance receivables to Special Purpose Entities ("SPE") in securitisation transactions. Recourse is in the form of the Company and its subsidiary's investment in subordinated securities issued by these special purpose entities, cash collateral and bank guarantees. The loans are derecognised in the balance sheet when they are sold and consideration has been received by the Company and its subsidiary. Sales and transfers that do not meet the criteria for surrender of control are accounted for as secured borrowings.

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Gains or losses from the sale of loans are recognised in the period the sale occurs based on the relative fair value of the portion sold and the portion allocated to retained interests, except for subsidiaries which are governed by prudential norms for income recognition issued by the Reserve Bank of India for Non Banking Financial Companies (NBFC), where gains or losses on sale are accounted for as per these norms.

In case of a subsidiary, the estimated liability for servicing expenses in respect of assigned receivables is made based on the ratio between the cost incurred for servicing current receivables and the collection made during the year.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost of raw materials and consumables are ascertained on a moving weighted average / monthly moving weighted average basis, except for Jaguar and Land Rover which is on FIFO basis. Cost, including variable and fixed overheads, are allocated to work-in-progress and finished goods determined on full absorption cost basis. Net realisable value is estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

(k) Employee benefits

(i) Pension plans

One of the major subsidiary group, Jaguar Land Rover, operates several defined benefit pension plan, which are contracted out of the second state pension scheme. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

Contributions to the plans by the subsidiary group take into consideration the results of actuarial valuations. The plans with a surplus position at the year end have been limited to the maximum economic benefit available from unconditional rights to refund from the scheme or reduction in future contributions. Where the subsidiary group is considered to have a contractual obligation to fund the pension plan above the accounting value of the liabilities, an onerous obligation is recognised.

The actuarial losses (net) and movement in restriction of pension assets (net) of ₹128.12 crores (credit) (net of tax) for the year ended March 31, 2012 and ₹3,870.58 crores (debit) (net of tax) as at March 31, 2012 of pension plans of Jaguar Cars Ltd and Land Rover, UK, have been accounted in "Reserves and surplus" in the consolidated financial statements in accordance with IFRS principles and permitted by AS21.

A separate defined contribution plan is available to employees of a major subsidiary group, Jaguar Land Rover. Costs in respect of this plan are charged to the Profit and Loss Statement as incurred.

(ii) Gratuity

The Company and some of its subsidiaries in India have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company and the said subsidiaries make annual contributions to gratuity funds established as trusts. Some subsidiaries have obtained insurance policies with the Life Insurance Corporation of India. The Company and some of its subsidiaries account for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(iii) Superannuation

The Company and some of its subsidiaries have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company and the said subsidiaries account for superannuation benefits payable in future under the plan based on an independent actuarial valuation.

With effect from April 1, 2003, this plan was amended and benefits earned by covered employees have been protected as at March 31, 2003. Employees covered by this plan are prospectively entitled to benefits computed on a basis that ensures that the annual cost of providing the pension benefits would not exceed 15% of salary.

The Company and some of its subsidiaries maintain separate irrevocable trusts for employees covered and entitled to benefits. The Company and its subsidiaries contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense when incurred. The Company and the said subsidiaries have no further obligation beyond this contribution.

(iv) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan. The benefits of the plan include pension in certain case, payable upto the date of normal superannuation had the employee been in service, to an eligible employee at the time of death or permanent disablement, while in service, either as a result of an injury or as certified by the Company's medical board. The monthly payment to dependents of the deceased / disabled employee under the plan equals 50% of the salary drawn at the time of death or accident or a specified amount, whichever is higher. The Company accounts for the liability for BKY benefits payable in future based on an independent actuarial valuation.

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(v) Severance indemnity

Tata Daewoo Commercial Vehicle Company Ltd and Tata Daewoo Commercial Vehicle Service Company Ltd, subsidiary companies incorporated in Korea has an obligation towards severance indemnity, a defined benefit retirement plan, covering eligible employees. The plan provides for a lump sum payment to all employees with more than one year of employment equivalent to 30 days' salary payable for each completed year of service.

(vi) Post-retirement medicare scheme

Under this scheme, employees of the Company and some of its subsidiaries get medical benefits subject to certain limits of amount, periods after retirement and types of benefits, depending on their grade and location at the time of retirement. Employees separated from the Company as part of Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. The Company and the said subsidiaries account for the liability for post-retirement medical scheme based on an independent actuarial valuation.

(vii) Provident fund and family pension

The eligible employees of the Company and some of its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the company/subsidiaries make monthly/annual contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions, as specified under the law, are made to the provident fund and pension fund set up as irrevocable trust by the Company and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company and some of its subsidiaries are generally liable for monthly/annual contributions and any shortfall in the fund assets based on the government specified minimum rates of return or pension and recognises such contributions and shortfall, if any, as an expense in the year incurred.

(viii) Compensated absences

The Company and some of its subsidiaries provides for the 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 unutilized leave at each balance sheet date on basis of an independent actuarial valuation.

(l) Investments

- i. Long term investments are stated at cost less other than temporary diminution in value, if any.
- ii. Investment in associate companies are accounted as per the 'Equity method', and accordingly, the share of post acquisition reserves of each of the associate companies has been added to / deducted from the cost of investments.
- iii. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on portfolio basis.

(m) Income taxes

Tax expense comprises current and deferred taxes. Current taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions. Current tax is net of credit for entitlement for Minimum Alternative Tax.

Deferred tax is recognised, on timing differences, being the difference 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 in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction.

Deferred tax assets and liabilities are measured based on the tax rates that are expected to apply in the period when asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

The tax expense is not comparable with the profit before tax, since it is consolidated on a line-by-line addition for each subsidiary company and no tax effect is recorded in respect of consolidation adjustments. This accounting treatment is as per accounting standard AS-21.

(n) Redemption premium on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) / Non Convertible Debentures (NCD)

Premium payable on redemption of FCCN / CARS / NCD as per the terms of issue, is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA) (net of tax). Any change in the premium payable, consequent to conversion or exchange fluctuations is adjusted to the SPA.

(o) Borrowing costs

Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortised over the period of the loan.

(p) Liabilities and contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

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		(₹ in crores)		
2 Share capital		As at March 31, 2012	As at March 31, 2011	
(a) Authorised:				
350,00,00,000 Ordinary shares of ₹ 2 each (as at March 31, 2011: 70,00,00,000 shares of ₹ 10 each)		700.00	700.00	
100,00,00,000 'A' Ordinary shares of ₹ 2 each (as at March 31, 2011: 20,00,00,000 shares of ₹ 10 each)		200.00	200.00	
30,00,00,000 Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2011: 30,00,00,000 shares of ₹ 100 each)		<u>3,000.00</u>	<u>3,000.00</u>	
		<u>3,900.00</u>	<u>3,900.00</u>	
(b) Issued, subscribed and fully paid:				
269,16,13,455 Ordinary shares of ₹ 2 each (as at March 31, 2011: 53,82,72,284 shares of ₹ 10 each)		538.32	538.27	
48,19,33,115 'A' Ordinary shares of ₹ 2 each (as at March 31, 2011: 9,63,41,706 shares of ₹ 10 each)		<u>96.39</u>	<u>96.34</u>	
		<u>634.71</u>	<u>634.61</u>	
(c) Calls unpaid - Ordinary shares		<u>(0.01)</u>	<u>(0.01)</u>	
(d) Forfeited shares - Ordinary shares		<u>0.05</u>	<u>0.05</u>	
(e) Amount received in respect of Ordinary shares pending allotment		<u>-</u>	<u>3.06</u>	
		<u>634.75</u>	<u>637.71</u>	
(f) Movement of number of shares and share capital:				
	2011-2012	2010-2011		
(i) Ordinary shares:	No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
Shares as on April 1	53,82,72,284	538.27	50,63,81,170	506.38
Add: Shares issued out of held in abeyance	50,199	0.05	388	-*
Add: Shares issued through Qualified Institutional Placement (QIP)	-	-	8,320,300	8.32
Add: Shares issued through conversion of Foreign Currency Convertible Notes (FCCN)	-	-	2,35,70,426	23.57
	<u>53,83,22,483</u>	<u>538.32</u>	<u>53,82,72,284</u>	<u>538.27</u>
Subdivision of Ordinary shares of ₹ 10 each into 5 shares of ₹ 2 each	269,16,12,415	538.32	-	-
Add: Shares issued out of held in abeyance	1,040	-*	-	-
Shares as on March 31	<u>269,16,13,455</u>	<u>538.32</u>	<u>53,82,72,284</u>	<u>538.27</u>
(ii) 'A' Ordinary shares:				
Shares as on April 1	9,63,41,706	96.34	6,41,76,374	64.18
Add: Shares issued out of held in abeyance	44,765	0.05	332	-*
Add: Shares issued through Qualified Institutional Placement (QIP)	-	-	3,21,65,000	32.16
	<u>9,63,86,471</u>	<u>96.39</u>	<u>9,63,41,706</u>	<u>96.34</u>
Subdivision of 'A' Ordinary shares of ₹ 10 each into 5 shares of ₹ 2 each	48,19,32,355	96.39	-	-
Add: Shares issued out of held in abeyance	760	-*	-	-
Shares as on March 31	<u>48,19,33,115</u>	<u>96.39</u>	<u>9,63,41,706</u>	<u>96.34</u>
* Less than ₹ 5,000/-				
(g) Rights, preferences and restrictions attaching to shares:				
(i) Ordinary shares of ₹ 2 each:				
- In respect of every Ordinary share (whether fully paid or partly paid), voting right shall be in same proportion as the capital paid upon such Ordinary share bears to the total paid up ordinary capital of the Company.				
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of Interim dividend.				
- In the event of liquidation, the shareholders of Ordinary shares are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.				
(ii) 'A' Ordinary shares of ₹ 2 each:				
- The holders of 'A' Ordinary shares shall be entitled to dividend on each 'A' Ordinary share which will be of five percentage on face value more than the aggregate rate of dividend payable on Ordinary shares for financial year.				
- If any resolution at any general meeting of shareholders is put to vote on poll, or if any resolution is put to vote by postal ballot, each 'A' Ordinary shareholder shall be entitled to one vote for every ten 'A' Ordinary shares held.				
- In case there is a resolution put to vote in the shareholders meeting and is to be decided on a show of hands, the holders of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.				
(iii) American Depository Shares (ADSs) and Global Depository Shares (GDSs):				
- Holders of ADS and GDS are not entitled to attend or vote at shareholders meetings. Holders of ADS may exercise voting rights with respect to the Ordinary shares represented by ADS only in accordance with the provisions of the Company's ADS deposit agreement and Indian Law. The depository for the holders of the Global Depository Receipts (GDRs) shall exercise voting rights in respect of the GDS by issue of an appropriate proxy or power of attorney in terms of the deposit agreement pertaining to the GDRs.				
- Shares issued upon conversion of ADSs will rank pari passu with existing Ordinary Shares of ₹2/- each in all respects including entitlement of the dividend declared.				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(h) Number of shares held by each shareholder holding more than 5 percent of the issued share capital :

	As at March 31, 2012		As at March 31, 2011	
	% Issued share capital	No. of shares	% Issued share capital	No. of shares
(i) Ordinary shares :				
(a) Tata Sons Limited	25.96%	69,88,33,345	25.61%	13,78,58,939
(b) Life Insurance Corporation of India	6.75%	18,17,10,232	7.61%	4,09,53,666
(c) Tata Steel Limited	5.49%	14,78,10,695	5.49%	2,95,62,139
(d) Citibank N A as Depository	#	43,54,28,360	#	10,97,28,393
(ii) 'A' Ordinary shares :				
(a) HDFC Trustee Co Limited - HDFC Top 200 Fund	6.67%	3,21,37,761	*	-
(b) HDFC Trustee Co Limited - HDFC Equity Fund	6.07%	2,92,46,932	*	-
(c) Tata Sons Limited	*	-	17.54%	1,69,01,979
(d) IVY Funds, INC. Asset Strategy Fund	*	-	9.65%	92,98,590

held by Citibank, N.A. as depository for American Depository Shares (ADSs) and Global Depository Shares (GDSs)

* Less than 5%

During the year, the Company has subdivided Ordinary shares and 'A' Ordinary shares having face value of ₹ 10 each into 5 shares having face value of ₹ 2 each. Consequently the number of shares as at March 31, 2011 is not comparable.

(i) Information regarding issue of shares in the last five years

- The Company has not issued any shares without payment being received in cash.
- The Company has not issued any bonus shares.
- The Company has not undertaken any buy-back of shares.

(j) Other Notes

- The Company has issued the Foreign Currency Convertible Notes (FCCNs) and Convertible Alternative Reference Securities (CARS) which are convertible into Ordinary shares or ADSs. Additionally, CARS can be converted into Qualifying Securities in case there has been a qualifying issue as per the terms of Issue. The terms of issue along with the earliest dates of conversion are given on page 184, note 3.
- The entitlements to 4,93,000 Ordinary shares of ₹ 2 each (as at March 31, 2011 : 99,310 Ordinary shares of ₹ 10 each) and 2,73,400 'A' Ordinary shares of ₹ 2 each (as at March 31, 2011: 54,832 'A' Ordinary shares of ₹ 10 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.
- The application for 49,836 Ordinary shares of ₹ 10 each and 44,626 'A' Ordinary shares of ₹ 10 each have been received, to be issued out of shares kept in abeyance as on March 31, 2011, for which allotment is pending.
- During the year ended March 31, 2011, the Company has issued shares aggregating US\$ 750 million, comprising 'A' Ordinary shares aggregating US\$ 550 million and Ordinary shares aggregating US\$ 200 million through Qualified Institutional Placement (QIP). Consequently, the Company has allotted 3,21,65,000 'A' Ordinary shares at a price of ₹ 764 per 'A' Ordinary share (including a premium of ₹ 754 per 'A' Ordinary share) and 83,20,300 Ordinary shares at a price of ₹ 1,074 per Ordinary share (including a premium of ₹ 1,064 per Ordinary share) aggregating to a total issue size of ₹ 3,351 crores.
- Subsequent to the year ended March 31, 2012, the Company has allotted :
 - 25 Ordinary shares and 26,075 'A' Ordinary shares out of shares held in abeyance; and
 - 22,370 Ordinary shares upon conversion of one Convertible Alternative Reference Securities (CARS) due 2012 and 1,60,95,391 Ordinary shares upon conversion of 422,4% Foreign Currency Convertible Notes (FCCN) due 2014.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2011	Additions	Deductions	As at March 31, 2012
3. Reserves and surplus				
(a) Securities Premium Account [Notes (i) and (ii)]	11,350.68	9.18	173.10	11,186.76
	6,714.59	4,829.80	193.71	11,350.68
(b) Capital Redemption Reserve	2.28	-	-	2.28
	2.28	-	-	2.28
(c) Capital Reserve (on consolidation) [Note (iii)]	367.30	38.06	-	405.36
	358.89	8.41	-	367.30
(d) Debenture Redemption Reserve	1,102.15	70.00	-	1,172.15
	1,102.15	-	-	1,102.15
(e) Amalgamation Reserve	0.05	-	-	0.05
	0.05	-	-	0.05
(f) Special Reserve	95.76	49.29	-	145.05
	68.96	26.80	-	95.76
(g) Revaluation Reserve [Note (iv)]	144.63	-	51.73	92.90
	185.73	-	41.10	144.63
(h) Hedging Reserve Account [Note (v)]	208.76	-	369.93	(161.17)
	-	208.76	-	208.76
(i) Pension Reserve [Note (vi)]	(3,998.70)	1,619.10	1,490.98	(3,870.58)
	(1,722.61)	-	2,276.09	(3,998.70)
(j) Earned Surplus Reserve [Note (vii)]	11.83	2.68	-	14.51
	10.62	1.21	-	11.83
(k) Reserves on Research and Human Resource Development [Note (viii), page 183]	155.88	13.41	-	169.29
	99.69	56.19	-	155.88
(l) Restricted Reserve	0.39	-	-	0.39
	0.39	-	-	0.39
(m) Translation Reserve [Note (ix), page 183]	(2,186.13)	2,363.59	-	177.46
	(2,749.92)	563.79	-	(2,186.13)
(n) General Reserve [Note (x), page 183]	4,817.39	185.17	17.79	4,984.77
	4,582.91	234.48	-	4,817.39
(o) Profit and Loss Account / Surplus [Note (xi), page 183]	6,461.49	13,516.50	1,782.03	18,195.96
	(1,017.85)	9,273.62	1,794.28	6,461.49
	18,533.76	17,866.98	3,885.56	32,515.18
	7,635.88	15,203.06	4,305.18	18,533.76

Notes:-

	2011-2012		2010-2011	
	Additions	Deductions	Additions	Deductions
(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹ 0.03 crore				
(ii) Securities Premium Account:				
(a) Premium on shares issued which were held in abeyance out of Rights issue of shares (previous year premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) and held in abeyance out of Rights issue of shares)	2.98	-	1,466.70	-
(b) Premium on issue of shares through Qualified Institutional Placement (QIP)	-	-	3,310.52	-
(c) FCCN conversion expenses / QIP issue expenses, recovery of expenses on issue of GDS and FCCN and brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax ₹ Nil (2010-11 ₹ 1.77 crores)]	-	76.69	0.51	193.71
(d) Premium on redemption of Debentures / FCCN / Convertible Alternative Reference Securities (CARS) (net) (including exchange differences and withholding tax) [net of tax ₹ 15.99 crore (2010-11 ₹ 139.99 crores)]	-	96.41	52.07	-
(e) Profit on sale of plant items written off in earlier years	6.20	-	-	-
	9.18	173.10	4,829.80	193.71
(iii) The addition to Capital Reserve represents exchange gain (net) on opening balances in respect of foreign subsidiaries.				
(iv) Revaluation Reserve:				
(a) Depreciation on revalued portion of assets taken over on amalgamation of a company	-	0.44	-	0.44
(b) Depreciation on revalued portion of assets of a subsidiary company	-	51.29	-	40.66
	-	51.73	-	41.10
(v) The deduction to Hedging Reserve Account is net of tax ₹ 45.88 crores (2010-11 ₹ Nil).				
(vi) Pension Reserve:				
(a) Actuarial losses (net)	-	1,490.98	-	1,387.42
(b) Movement in restriction of pension assets	346.60	-	-	888.67
(c) Tax impact on actuarial losses (net) and movement in restriction of pension assets	1,272.50	-	-	-
	1,619.10	1,490.98	-	2,276.09

(vii) Under the Korean Commercial Code, Tata Daewoo Commercial Vehicle Company Ltd. (TDCV), a subsidiary, is required to appropriate annually at least 10% of cash dividend declared each year to a legal reserve, Earned Surplus Reserve until such reserve equals 50% of capital stock of TDCV. This reserve may not be utilized for cash dividends but may only be used to off-set against future deficit, if any, or may be transferred to capital stock of TDCV.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

(viii) **Reserve for Research and Human Resource Development**

Under the Special Tax Treatment Control Law, TDCV appropriated retained earnings for research and human resource development. The reserve, which was used for its own purpose, is regarded as 'Discretionary Appropriated Retained Earnings'.

(ix) Translation Reserve represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates. [Note (f)(i)(3), page 177]

	As at March 31, 2012		As at March 31, 2011	
	Additions	Deductions	Additions	Deductions
(x) General Reserve :				
(a) Amount recovered (net) towards indemnity relating to business amalgamated in prior year	0.04	-	0.28	-
(b) Amount written off / written back by a subsidiary against Securities Premium Account [net of tax of ₹ 1.50 crores (2010-11: ₹ Nil)]	0.77	3.13	5.42	-
(c) Amount written off by an associate against Securities Premium Account	-	14.66	-	-
(d) Incentives received by an associate	26.33	-	-	-
(e) Amount transferred from Profit and Loss Account (Surplus)	158.03	-	228.78	-
	185.17	17.79	234.48	-
(xi) Profit and Loss Account (Surplus) :				
(a) Profit for the year	13,516.50	-	9,273.62	-
(b) Tax on interim dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)	-	3.00	-	3.61
(c) Proposed dividend	-	1,280.70	-	1,274.23
(d) Tax on proposed dividend (including Group's share of subsidiaries' dividend tax)	-	204.92	-	203.46
(e) Debenture Redemption Reserve	-	70.00	-	-
(f) General Reserve	-	158.03	-	228.78
(g) Special Reserve	-	49.29	-	26.80
(h) Earned Surplus Reserve	-	2.68	-	1.21
(i) Reserve on Research and Human Resource Development	-	13.41	-	56.19
	13,516.50	1,782.03	9,273.62	1,794.28

4. **Long-term borrowings**

(A) **Secured :**

- (a) Privately placed Non-Convertible Debentures [Notes 1(a) below, 2(a), 2(b) and 2(c), page 184]
 (b) Term loans from banks [Notes 1(b) below, 2(d) and 2(e), page 184]
 (c) Finance lease obligations [Notes 31(A) (a) (ii), page 196]

(B) **Unsecured :**

- (a) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) [Note 3, page 184]
 (b) Privately placed Non-Convertible Debentures [Note 1(a) below]
 (c) Subordinated perpetual debentures
 (d) Term loans :
 (i) From banks [Note 1(b) below]
 (ii) From other
 (e) Senior Notes [Note 37 (c), page 204]
 (f) Deposits [Note 1(c) below] :
 (i) Deposits accepted from public
 (ii) Deposits accepted from shareholders

TOTAL (A+B)

	(₹ in crores)	
	As at March 31, 2012	As at March 31, 2011
(A) Secured :		
(a) Privately placed Non-Convertible Debentures	4,646.65	4,725.00
(b) Term loans from banks	2,957.52	4,520.24
(c) Finance lease obligations	32.28	12.38
	7,636.45	9,257.62
(B) Unsecured :		
(a) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	597.36	2,632.60
(b) Privately placed Non-Convertible Debentures	1,049.40	899.95
(c) Subordinated perpetual debentures	150.00	150.00
(d) Term loans :		
(i) From banks	5,668.26	2,021.23
(ii) From other	216.59	201.27
(e) Senior Notes	12,327.19	-
(f) Deposits :		
(i) Deposits accepted from public	238.28	1,523.34
(ii) Deposits accepted from shareholders	78.95	569.99
	20,326.03	7,998.38
TOTAL (A+B)	27,962.48	17,256.00

Notes :

(1) **Terms of redemption / repayments :**

- (a) Privately placed Non-Convertible Debentures will be redeemed from 2013-14 to 2025-26.
 (b) Term loans from banks are repayable from 2013-14 to 2018-19.
 (c) Deposits accepted from public and shareholders are for a fixed tenor of up to three years.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Notes:
(2) Nature of security (on loans including interest accrued thereon):

- (a) Rated, Listed, Secured, Credit Enhanced, 2% Coupon, Premium Redemption Non-Convertible Debentures amounting to ₹3,400 crores (including current maturities of long term debts) are secured by a second charge in favour of Vijaya Bank, Debenture Trustee and first ranking *pari passu* charge in favour of State Bank of India as Security trustee on behalf of the Guarantors, by way of English mortgage of the Company's lands, freehold and leasehold, together with all buildings, constructions and immovable and movable properties situated at Chinchwad, Pimpri, Chikhali and Maval in Pune District and plant and machinery and other movable assets situated at Pantnagar in the State of Uttarakhand and at Jamshedpur in the State of Jharkhand. ₹350 crores are classified as current liabilities being maturing before March 31, 2013.
- (b) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹ 500 crores are secured by a *pari passu* charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.
- (c) Privately placed Non-Convertible Debentures amounting to ₹1,554 crores are fully secured by:
- First charge on residential flat of Tata Motors Finance Limited (TMFL), a subsidiary of the Company.
 - Pari passu* charge is created with the security trustee for loans from banks on:
 - All receivables of TMFL arising out of loan and trade advances,
 - All book debts of TMFL arising out of loan and trade advances.
 - First charge on secured / unsecured loans given by TMFL as identified from time to time and accepted by the debenture trustee.
 - Any other security as identified by TMFL and acceptable to the debenture trustee.
 - ₹525 crores are classified as current liabilities being maturing before March 31, 2013.
- (d) Loans from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from Hire Purchase / Leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.
- (e) Term loans from banks amounting to ₹2,100 crores are secured by a *pari passu* charge in favour of the security trustee on receivables and book debts arising out of loans and advances and such current assets as may be identified by TMFL from time to time and accepted by the security trustee.

(3) Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS):

The Company issued the FCCN and CARS which are convertible into Ordinary shares or ADSs. Additionally, CARS can be converted into Qualifying Securities* in case there has been a Qualifying Issue as per the terms of Issue. The particulars, terms of issue and the status of conversion as at March 31, 2012 are given below:

Issue	1% FCCN (due 2011)	0% CARS (due 2012) **	4% FCCN (due 2014)
Issued on	April 27, 2004	July 11, 2007	October 15, 2009
Issue Amount (in INR at the time of the issue)	US \$ 300 million (₹ 1,315.50 crores)	US \$ 490 million (₹ 1,992.71 crores)	US \$ 375 million (₹ 1,794.19 crores)
Face Value	US \$ 1,000	US \$ 100,000	US \$ 100,000
Conversion Price per share at fixed exchange rate	₹ 780.400 US \$ 1 = ₹ 43.85	₹ 960.96 US \$ 1 = ₹ 40.59	₹ 623.88 US \$ 1 = ₹ 46.28
Reset Conversion Price (Due to Rights Issue, GDS Issue and subdivision of shares)	₹ 736.72 US \$ 1 = ₹ 43.85	₹ 181.43 US \$ 1 = ₹ 40.59	₹ 121.34 US \$ 1 = ₹ 46.28
Exercise Period	June 7, 2004 to March 28, 2011	October 11, 2011 to June 12, 2012	November 25, 2009 (for conversion into shares or GDSs) and October 15, 2010 (for conversion into ADSs) to October 9, 2014
Early redemption at the option of the Company subject to certain conditions	any time (in whole but not in part) in the event of certain changes affecting taxation in India	i) after October 11, 2011 at our option (in whole but not in part) or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India	i) any time on or after October 15, 2012 (in whole but not in part) at our option or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India
Redeemable on	April 27, 2011	July 12, 2012	October 16, 2014
Redemption percentage of the Principal Amount	121.781%	131.820%	108.505%
Amount converted	US \$ 299.10 million	Nil	US \$ 257.60 million
Aggregate conversion into Shares / ADRs	2,29,50,915	Nil	1,94,23,734
Aggregate Notes Redeemed	898	Nil	Nil
Aggregate Notes Bought Back	Nil	170	Nil
Notes Outstanding as at March 31, 2012	Nil	4,730	1,174
Amount outstanding as at March 31, 2012	Nil	US \$ 473.00 million (₹ 2,406.74 crores)	US \$ 117.40 million (₹ 597.36 crores)
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil	10,58,18,480	4,47,77,255@

* Qualifying Securities holders will have no or differential voting rights in comparison to the existing shareholders and will have no rights to withdraw the underlying Shares except upon certain conditions as per the terms of issue.

@ Increased due to cash dividend distribution antidilution adjustment as per terms of issue.

** Classified as current liabilities as maturing before March 31, 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2012	As at March 31, 2011
5. Deferred tax assets and liabilities (net)		
(a) Classified on a company wise basis :		
(i) Deferred tax asset	4,539.33	632.34
(ii) Deferred tax liability	<u>(2,165.07)</u>	<u>(2,096.13)</u>
Net deferred tax asset / (liability)	<u>2,374.26</u>	<u>(1,463.79)</u>
(b) Major components of deferred tax arising on account of timing differences are:		
Liabilities:		
Depreciation	(1,522.35)	(1,271.81)
Intangibles / product development cost and Reserves for Research and Human Resource Development	(5,711.42)	(2,921.45)
Others	<u>(137.80)</u>	<u>(30.17)</u>
	<u>(7,371.57)</u>	<u>(4,223.43)</u>
Assets:		
Unabsorbed depreciation/ business loss	6,984.83	1,678.48
Employee benefits / expenses allowable on payment basis	2,122.29	543.75
Provision for doubtful debts	326.85	346.53
Premium on redemption of CARS (net of exchange fluctuation on premium)	126.74	111.13
Others	<u>185.12</u>	<u>79.75</u>
	<u>9,745.83</u>	<u>2,759.64</u>
Net deferred tax asset / (liability)	<u>2,374.26</u>	<u>(1,463.79)</u>
	2011-2012	2010-2011
(c) Tax expense :		
(i) Current tax		
Current Tax	2,524.74	1,453.75
Less : MAT credit entitlement	<u>(293.29)</u>	<u>(422.55)</u>
Current tax (net of credit for Minimum Alternate Tax)	<u>2,231.45</u>	<u>1,031.20</u>
(ii) Deferred tax		
Opening net deferred tax liability	1,463.79	1,153.63
Debited/(Credited) to Securities Premium Account	(15.99)	138.22
Debited /(Credited) to Hedging Reserve	(45.88)	-
Debited /(Credited) to Pension Reserve	(1,272.50)	-
Debited /(Credited) to General Reserve	(1.50)	-
Translation differences on opening balances in respect of foreign subsidiaries	<u>(230.69)</u>	<u>(13.24)</u>
	<u>(102.77)</u>	<u>1,278.61</u>
Closing deferred tax assets / (liability)	<u>2,374.26</u>	<u>(1,463.79)</u>
Deferred tax (credit) / charge for the year [Note below]	<u>(2,271.49)</u>	<u>185.18</u>
Total (i + ii)	<u>(40.04)</u>	<u>1,216.38</u>

Note:

During the year ended March 31, 2012, a UK subsidiary company has recognised a tax credit of **GBP 225 million (₹ 1,793.66 crores)** (₹ Nil for the year ended March 31, 2011) for past income tax losses, consequent to establishing certainty of utilization on the basis of future profit forecasts and the planned consolidation of certain subsidiaries in the UK.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
6. Other long-term liabilities		
(a) Liability towards premium on redemption of Non-Convertible Debentures	1,577.28	1,673.83
(b) Deferred payment liabilities	286.25	328.32
(c) Interest accrued but not due on borrowings	33.24	153.62
(d) Derivative financial instruments	271.31	-
(e) Others	290.50	136.95
	2,458.58	2,292.72
7. Long-term provisions		
(a) Employee benefit obligation	3,026.91	1,888.86
(b) Warranty and product liability [Note 35(i), page 203]	2,520.77	1,930.13
(c) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) [Note 35(ii), page 203]	56.77	800.22
(d) Residual risk [Note 35(iii), page 203]	113.40	43.09
(e) Environmental cost [Note 35(iv), page 203]	164.86	130.90
(f) Current income tax (net of payment)	147.88	-
(g) Others	40.79	32.44
	6,071.38	4,825.64

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
8. Short-term borrowings		
(A) Secured:		
(a) From banks [Note 2(d), page 184]	7,937.59	9,248.91
(b) From others	<u>200.00</u>	<u>239.13</u>
	<u>8,137.59</u>	<u>9,488.04</u>
(B) Unsecured:		
(a) (i) From banks	1,266.67	1,128.65
(ii) From others	<u>54.38</u>	<u>0.43</u>
(b) Inter corporate deposits		
(i) From associates	30.00	7.00
(ii) From others	-	50.00
(c) Commercial paper	<u>1,252.95</u>	<u>2,432.03</u>
	<u>2,604.00</u>	<u>3,618.11</u>
Total (A+B)	<u>10,741.59</u>	<u>13,106.15</u>
9. Trade payables		
(a) Acceptances	4,078.74	5,389.03
(b) Other than acceptances	<u>32,607.58</u>	<u>22,514.03</u>
	<u>36,686.32</u>	<u>27,903.06</u>
10. Other current liabilities		
(a) Liability towards vehicles sold under repurchase arrangements	1,253.44	867.80
(b) Liability for capital expenditure	1,107.30	911.67
(c) Deposits and retention money	41.89	59.32
(d) Interest accrued but not due on borrowings	762.56	354.55
(e) Current maturities of long term borrowings [Note below]	<u>8,444.89</u>	<u>2,448.40</u>
(f) Deferred payment Liabilities	75.30	75.30
(g) Advance and progress payments from customers	2,368.83	1,967.20
(h) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	3,664.53	2,102.90
(i) Employee benefit obligations	52.42	41.45
(j) Liability towards premium on redemption of Non-Convertible Debentures	96.55	-
(k) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	190.05	23.84
(l) Derivative financial instruments	906.13	42.94
(m) Others	<u>105.89</u>	<u>89.55</u>
	<u>19,069.78</u>	<u>8,984.92</u>
Note:		
Current maturities of long term borrowings consists of:		
(i) Privately placed Non-Convertible Debentures	875.00	500.00
(ii) Term loans from banks and others	3,404.97	738.85
(iii) Finance lease obligations	14.15	6.53
(v) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	<u>2,406.74</u>	<u>4.00</u>
(v) Deposits accepted from public and shareholders	<u>1,744.03</u>	<u>1,199.02</u>
	<u>8,444.89</u>	<u>2,448.40</u>
11. Short-term provisions		
(a) Employee benefit obligations	424.46	884.41
(b) Warranty and product liability [Note 35(i), page 203]	2,731.40	2,196.06
(c) Current income tax (net of payment)	1,163.83	506.90
(d) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) [Note 35(ii), page 203]	855.73	0.87
(e) Proposed dividend	<u>1,280.70</u>	<u>1,274.23</u>
(f) Provision for tax on dividends	206.30	205.20
(g) Residual risk [Note 35(iii), page 203]	17.58	7.14
(h) Others	<u>90.38</u>	<u>56.68</u>
	<u>6,770.38</u>	<u>5,131.49</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

12. Tangible Assets

(₹ in crores)

Particulars	Cost as at March 31, 2011	Acquisitions	Additions/adjustments [Note (ii)]	Translation adjustment	Deductions/adjustments	Cost as at March 31, 2012	Accumulated depreciation as at April 1, 2011	Accumulated depreciation on acquisitions	Depreciation for the year	Translation adjustment-accumulated depreciation	Deductions/adjustments	Accumulated depreciation up to March 31, 2012 [Note (iii)]	Net book value as at March 31, 2012
[I] Owned Assets :													
(i) Land	745.30 740.08	-	-	23.65 5.22	-	768.95 745.30	-	-	-	-	-	-	768.95 745.30
(ii) Buildings	7,750.37 6,932.66	-	533.65 615.90	697.81 226.49	14.15 24.68	8,967.68 7,750.37	3,946.04 3,644.34	-	169.17 165.33	489.96 161.27	0.36 24.90	4,604.81 3,946.04	4,362.87 3,804.33
(iii) Plant, machinery and equipment [Note (i)]	47,156.11 42,131.72	-	5,509.75 4,073.75	4,431.15 1,372.53	217.20 424.36	56,879.81 47,156.14	30,631.95 27,238.03	-	2,942.65 2,801.36	3,455.68 958.83	169.90 367.06	36,860.38 30,631.98	20,019.43 16,524.16
(iv) Furniture, fixtures and office appliances [Note (i)]	465.14 426.52	-	112.36 79.21	38.81 8.99	12.66 49.59	603.65 465.14	308.80 283.96	-	51.09 55.94	31.61 9.90	9.44 41.00	382.06 308.80	221.59 156.34
(v) Vehicles [Note (i)]	255.97 169.49	-	145.16 107.87	19.13 2.48	62.62 23.87	357.64 255.97	122.53 99.82	-	56.02 38.36	5.17 1.08	35.03 16.73	148.69 122.53	208.95 133.44
(vi) Computers and other IT assets [Note (i)]	1,178.38 1,105.72	-	85.03 72.66	76.83 28.93	24.46 28.93	1,315.78 1,178.38	892.11 715.61	-	91.40 73.60	66.14 127.22	21.80 24.32	1,027.85 892.11	287.93 286.27
[II] Assets given on Lease:													
(i) Plant and machinery	398.96 398.96	-	-	-	3.03	395.93 398.96	382.24 381.90	-	4.86	-	6.95	380.15 382.24	15.78 16.72
[III] Assets taken on Lease:													
(i) Leasehold land	1,073.49 1,008.68	-	3.36 24.67	126.97 42.62	9.72 2.48	1,194.10 1,073.49	46.33 35.69	-	8.91 9.58	0.40 1.02	-	55.64 46.33	1,138.46 1,027.16
(ii) Buildings	41.42 37.33	0.30	5.34 3.75	0.37 0.23	0.86 0.19	46.27 41.42	6.35 4.23	0.26	0.99 1.53	2.34 0.33	(0.43)	10.11 6.35	36.16 35.07
(iii) Plant and machinery	39.15 62.15	-	-	-	-	39.15 39.15	28.76 42.98	-	2.62 8.52	0.02	-	31.40 28.76	7.75 10.39
(iv) Computers and other IT assets	66.35 55.64	-	49.37 10.71	0.29	0.44	115.57 66.35	43.31 30.56	-	21.43 12.72	0.12 0.03	-	64.86 43.31	50.71 23.04
TOTAL TANGIBLE ASSETS	59,170.64 53,068.95	- 2.81	6,444.02 4,988.86	5,415.01 1,687.55	345.14 577.50	70,684.53 59,170.67	36,408.42 32,477.12	- 1.08	3,349.14 3,171.80	4,051.44 1,259.68	243.05 501.23	43,565.95 36,408.45	27,118.58 22,762.22

Notes:

- (i) Includes plant, machinery and equipment, furniture, fixtures and office equipments, vehicles and computers having gross block of ₹ 158.58 crores, ₹ 1.41 crores, ₹ 1.57 crores and ₹ 119.50 crores (as at March 31, 2011 ₹ 154.50 crores, ₹ 0.67 crore, ₹ 0.58 crore and ₹ 141.58 crores), and net block of ₹ 5.51 crores, ₹ 0.08 crore, ₹ 0.02 crore, and ₹ 0.28 crore (as at March 31, 2011 ₹ 6.30 crores, ₹ 0.02 crore, ₹ 0.02 crore and ₹ 0.48 crore) respectively, held for disposal.
- (ii) Additions / adjustments include capitalisation of exchange loss of ₹ 165.08 crores (2010-2011 capitalisation of exchange loss of ₹ 54.18 crores).
- (iii) Accumulated depreciation includes :
 (a) Lease equalisation of ₹ 4.51 crores (2010-2011 ₹ 4.51 crores) adjusted in lease rental income.
 (b) Depreciation of ₹ 51.73 crores (2010-2011 ₹ 41.10 crores) on revalued portion of gross block transferred to Revaluation Reserve.

13. Intangible Assets

(₹ in crores)

Particulars	Cost as at March 31, 2011	Acquisitions	Additions/adjustments *	Translation adjustment	Deductions/adjustments	Cost as at March 31, 2012	Accumulated depreciation as at April 1, 2011	Accumulated depreciation on acquisitions	Depreciation for the year	Translation adjustment-accumulated depreciation	Deductions/adjustments	Accumulated depreciation up to March 31, 2012	Net book value as at March 31, 2012
(i) Technical know-how	37.29 36.87	-	0.12 0.83	0.01	-	37.42 37.29	26.29 26.29	-	0.52 0.81	-	-	26.81 26.29	10.61 11.00
(ii) Computer software	1,686.07 1,365.46	3.00	383.59 313.13	208.00 53.04	22.39 48.56	2,255.27 1,686.07	1,056.21 721.92	1.91	287.02 325.23	126.75 26.42	11.64 19.27	1,458.34 1,056.21	796.93 629.86
(iii) Product development cost	6,828.41 5,785.27	0.01	4,946.72 908.52	763.48 134.61	-	12,538.61 6,828.41	1,948.45 857.06	0.01	1,890.37 1,056.57	227.51 26.33	0.05 (8.48)	4,066.28 1,948.45	8,472.33 4,879.96
(iv) Trade marks and brand	2,841.73 2,706.53	-	-	399.93 135.20	-	3,241.66 2,841.73	-	-	-	-	-	-	3,241.66 2,841.73
(v) Developed technologies	898.79 859.72	-	-	122.86 39.07	-	1,021.65 898.79	259.30 150.00	-	98.33 101.10	37.46 7.56	(0.64)	395.09 259.30	626.56 639.49
TOTAL INTANGIBLE ASSETS	12,292.29 10,753.85	- 3.01	5,330.43 1,222.48	1,494.28 361.92	22.39 48.97	19,094.61 12,292.29	3,290.25 1,755.27	- 1.92	2,276.24 1,483.71	391.72 60.31	11.69 10.96	5,946.52 3,290.25	13,148.09 9,002.04

* Additions / adjustments include capitalisation of exchange loss of ₹ 25.47 crores (2010-2011 capitalisation of exchange gain of ₹ 0.69 crores).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2012	As at March 31, 2011
14. Goodwill (on consolidation)		
Opening balance	3,584.79	3,422.87
Add: Goodwill on acquisitions	-	27.67
Add: Addition due to increase in stake in subsidiary companies	204.13	-
Less: Impairment	(139.18)	(19.37)
Add: Impact of foreign currency translation	444.00	153.62
Closing balance	4,093.74	3,584.79
15. Non-current investments		
(A) Investments in equity accounted investees :		
(a) Carrying amount of investments in associates (Note 4 below)	668.55	664.64
(b) Fully paid Cumulative Redeemable Preference shares (Unquoted)	-	21.00
	668.55	685.64
(B) Others (at cost)		
(i) Quoted		
(a) Equity shares	297.98	285.64
(b) Bonds	2.69	2.44
(ii) Unquoted		
(a) Equity shares	353.49	344.00
(b) Cumulative redeemable preference shares	2.00	12.00
(c) Non convertible debentures	3.50	4.25
(d) Mutual fund	38.00	-
(e) Optionally convertible debentures	4.11	6.22
(f) Retained interest in securitisation transactions	0.38	0.58
	702.15	655.13
(C) Provision for diminution in value of Investments (net)	(4.16)	(4.16)
(D) Advance against investments	25.00	-
Total	1,391.54	1,336.61
Notes:		
(1) Book value of quoted investments (other than in associates)	300.67	288.08
(2) Book value of unquoted investments (other than in associates)	422.32	362.89
(3) Market value of quoted investments (other than in associates)	288.35	337.13
(4) The particulars of investments in associate companies as of March 31, 2012 are as follows:		

Sr.No.	Name of the associates	Country of incorporation	Ownership interest (%)	Original cost of investment	Amount of goodwill/ (Capital Reserve) in original cost	Share of post acquisition Reserves and surplus	Carrying amount of investments
1)	Tata Cummins Ltd.	India	50.00	90.00	-	206.61	296.61
2)	Tata AutoComp Systems Ltd.	India	50.00	90.00	-	155.09	245.09
			26.00	77.47	-	13.34	90.81
3)	NITA Company Ltd.	Bangladesh	40.00	1.27	(0.43)	6.34	7.61
			40.00	1.27	(0.43)	6.67	7.94
4)	Automobile Corporation of Goa Ltd.	India	47.18	109.62	55.28	22.02	131.64
			44.21	103.76	54.01	16.95	120.71
5)	Jaguar Cars Finance Ltd	UK	49.90	0.51	-	-	0.51
			49.90	0.51	-	-	0.51
6)	Telco Construction Equipment Company Ltd.	India	40.00	80.20	0.20	57.77	137.97
			40.00	80.20	0.20	155.69	235.89
7)	Spark 44 Limited (w.e.f. June 27, 2011)	UK	50.00	3.40	-	-	3.40
	Total			362.47	55.05	306.08	668.55
				353.21	53.78	311.43	664.64

(5) As per the shareholders agreement dated March 30, 2010, between Hitachi Construction Machinery Co. Ltd and the Company, shares of Telcon Construction Equipment Company Limited owned by the Company are under restriction for sale, assign or transfer for a period of three years from the date of the agreement.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2012	As at March 31, 2011
16. Long-term loans and advances		
(A) Secured :		
Finance receivables (Note below)	<u>10,339.93</u>	<u>6,791.35</u>
	10,339.93	6,791.35
(B) Unsecured:		
(a) Loans to employees	47.92	51.87
(b) Loan to Joint Venture (FIAT India Automobiles Ltd.)	132.50	132.50
(c) Taxes recoverable, statutory deposits and dues from government	724.60	872.66
(d) Capital advances	179.12	272.06
(e) Credit entitlement of Minimum Alternate Tax (MAT)	1,451.45	1,158.16
(f) Non-current income tax assets (net of provision)	534.26	431.46
(g) Others	248.17	108.24
	<u>3,318.02</u>	<u>3,026.95</u>
	13,657.95	9,818.30
Note:		
Finance receivables (Gross) *	<u>16,691.89</u>	10,906.41
Less : Allowances for doubtful Loans **	(944.22)	(810.79)
Total	<u>15,747.67</u>	<u>10,095.62</u>
Current portion	5,407.74	3,304.27
Non-current portion	<u>10,339.93</u>	<u>6,791.35</u>
	15,747.67	10,095.62
* Loans are secured against hypothecation of vehicles Includes on account of overdue securitised receivables	<u>352.82</u>	477.71
** Includes on account of securitised receivables	<u>173.09</u>	272.62
17. Other non-current assets		
(a) Prepaid expenses	42.67	35.41
(b) Prepaid debt issue cost	303.29	268.27
(c) Interest accrued on loans and deposits	39.02	28.59
(d) Derivative financial instruments	189.70	-
	<u>574.68</u>	<u>332.27</u>
18. Foreign Currency Monetary Item Translation Difference Account (Net)		
Opening balance	-	(191.15)
(a) Exchange loss/(gain) during the year	1,086.52	(83.90)
(b) Amortisation of exchange fluctuation for the year	(635.09)	275.05
Closing balance	<u>451.43</u>	<u>-</u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
19. Current investments (at Cost or fair value whichever is lower) (fully paid)		
A. Quoted		
(a) Equity shares	0.93	6.49
(b) Securities	-	0.02
	<u>0.93</u>	<u>6.51</u>
B. Unquoted		
(a) Cumulative Redeemable Preference Shares	34.00	3.00
(b) Mutual fund	7,492.05	1,122.67
(c) Optionally convertible debentures	2.11	1.82
(d) Equity shares	-	76.60
(e) Non-convertible debentures	0.75	0.75
(f) Retained interest in securitisation transactions	0.26	0.23
	<u>7,529.17</u>	<u>1,205.07</u>
Provision for diminution in value of Investments (net)	<u>(3.93)</u>	<u>(3.93)</u>
Total (A+B)	<u><u>7,526.17</u></u>	<u><u>1,207.65</u></u>
Notes:		
(1) Book value of quoted investments	-	5.58
(2) Book value of unquoted investments	<u>7,526.17</u>	<u>1,202.07</u>
20. Inventories		
(a) Stores and spare parts (at or below cost)	178.39	172.36
(b) Consumable tools (at cost)	88.06	68.30
(c) Raw materials and components	2,011.65	1,964.57
(d) Work-in-progress	1,924.84	1,122.98
(e) Finished goods	13,378.42	10,353.45
(f) Goods in-transit - Raw materials and components (at cost)	634.66	388.85
	<u>18,216.02</u>	<u>14,070.51</u>
Note: Items (c), (d) and (e) above are valued at lower of cost and net realisable value.		
21. Trade receivables (unsecured)		
(a) Over six months	593.47	867.15
(b) Others	7,969.58	5,895.27
	<u>8,563.05</u>	<u>6,762.42</u>
Less : Allowances for doubtful debts	<u>(326.21)</u>	<u>(236.77)</u>
	<u><u>8,236.84</u></u>	<u><u>6,525.65</u></u>

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2012	As at March 31, 2011
22. Cash and bank balances		
(A) Cash and cash equivalents		
(a) Cash on hand	21.56	24.61
(b) Cheques on hand	79.84	231.55
(c) Current account with banks #	6,419.09	3,360.43
(d) Bank deposits with upto 3 months maturity	8,312.53	5,728.82
	14,833.02	9,345.41
(B) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Bank deposits *	1,187.95	745.63
(b) Earmarked balances with banks	196.99	82.70
(c) Other restricted deposits	1,070.91	-
(d) Margin money / cash collateral with banks	40.50	230.49
	2,496.35	1,058.82
(C) Other bank balances (with more than 12 months maturity)		
(a) Margin money / cash collateral with banks	218.44	528.60
(b) Bank deposits with more than 12 months maturity	690.32	15.10
(c) Other restricted deposits	-	461.67
	908.76	1,005.37
Total (A + B + C)	18,238.13	11,409.60
# Includes remittances in transit	50.47	386.34
* Includes unutilised proceeds from Qualified Institutional Placement issue	-	505.00
23. Short-term loans and advances		
(A) Secured :		
Finance receivables (Note 16, page 190)	5,407.74	3,304.27
	5,407.74	3,304.27
(B) Unsecured:		
(a) Advances and other receivables	518.43	516.50
(b) Inter corporate deposits	50.42	47.46
(c) VAT, other taxes recoverable, statutory deposits and dues from government	4,902.10	3,667.60
(d) Current income tax assets (net of provisions)	451.54	455.35
(e) Others	6.99	32.74
	5,929.48	4,719.65
	11,337.22	8,023.92
24. Other current assets		
(a) Prepaid debt borrowing cost	163.23	39.94
(b) Prepaid expenses	286.69	406.00
(c) Derivative financial instruments	395.04	364.83
(d) Interest accrued on loans and deposits	62.13	40.72
	907.09	851.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	2011-2012	2010-2011
25. Total revenue		
(I) Revenue from operations		
(a) Sale of products	1,67,071.32	1,23,647.98
(b) Sale of services	745.21	590.92
(c) Income from vehicle loan contracts (Note below)	2,061.08	1,468.23
	<u>1,69,877.61</u>	<u>1,25,707.13</u>
(d) Other operating revenues	799.97	707.11
	<u>1,70,677.58</u>	<u>1,26,414.24</u>
(II) Other income		
(a) Interest income	487.64	339.85
(b) Dividend income	37.92	67.00
(c) Profit on sale of investments (net)	48.45	17.35
(d) Profit on issue of shares by a subsidiary	47.36	-
(e) Other non-operating income	40.40	5.26
	<u>661.77</u>	<u>429.46</u>
	<u>2011-2012</u>	<u>2010-2011</u>
Note :		
Includes :		
(a) Income from securitisation / sale of receivables of loan contracts (net)	45.90	75.56
(b) Interest income from loan contracts (net)	1,862.62	1,264.94

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	2011-2012	2010-2011
26. Employee cost / benefits expenses		
(a) Salaries, wages and bonus	9,780.46	7,515.04
(b) Contribution to provident fund and other funds	1,303.97	877.13
(c) Staff welfare expenses	1,214.02	950.50
	12,298.45	9,342.67
27. Finance cost		
(a) Interest	3,182.42	2,229.72
Less: Transferred to capital account	(777.76)	(511.23)
	2,404.66	1,718.49
(b) Discounting charges	577.56	666.78
	2,982.22	2,385.27
28. Other Expenses		
(a) Processing charges	1,539.14	1,172.48
(b) Consumption of stores and spare parts	1,217.24	1,189.24
(c) Power and fuel	1,017.19	851.60
(d) Rent	128.84	104.72
(e) Repairs to buildings	101.51	69.85
(f) Repairs to plant, machinery etc	175.42	228.45
(g) Insurance	227.18	161.71
(h) Rates and taxes	259.15	193.56
(i) Freight, transportation, port charges, etc.	3,734.55	2,436.93
(j) Publicity	5,398.40	4,089.95
(k) Excise duty on closing stock	116.80	139.05
(l) Works operation and other expenses (Note below)	14,538.55	11,065.55
	28,453.97	21,703.09
Note :		
Works operation and other expenses include:		
(i) Warranty and product liability expenses	3,427.45	2,927.68
(ii) Computer expenses	1,124.64	881.06
(iii) Lease rentals in respect of plant, machinery and equipment	185.64	117.62
(iv) Provision and write off of sundry debtors, vehicle loans and advances (net)	554.45	548.25
(v) Exchange gain	(405.85)	(78.06)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		2011-2012	2010-2011
29. Earnings Per Share			
(a) Profit for the year	₹ crores	13,516.50	9,273.62
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	269,15,42,867	258,88,00,690
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	48,19,00,898	39,66,69,200
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	10.00 [^]
(e) Share of profit for Ordinary shares for Basic EPS	₹ crores	11,459.87	8,038.03
(f) Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	2,056.63	1,235.59
(g) Earnings Per Ordinary share (Basic) #	₹	42.58	31.05
(h) Earnings Per 'A' Ordinary share (Basic) #	₹	42.68	31.15
(i) Profit for the year for Basic EPS	₹ crores	13,516.50	9,273.62
(j) Add: Interest payable on outstanding Foreign Currency Convertible Notes	₹ crores	24.70	53.98
(k) Profit for the year for Diluted EPS	₹ crores	13,541.20	9,327.60
(l) The weighted average number of Ordinary shares for Basic EPS	Nos.	269,15,42,867	258,88,00,690
(m) Add: Adjustment for options relating to warrants, shares held in abeyance, Foreign Currency Convertible Notes and Convertible Alternative Reference Securities	Nos.	15,11,25,112	23,34,05,703
(n) The weighted average number of Ordinary shares for Diluted EPS	Nos.	284,26,67,979	282,22,06,393
(o) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	48,19,00,898	39,66,69,200
(p) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	3,05,518	4,97,650
(q) The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	48,22,06,416	39,71,66,850
(r) Share of Profit for Ordinary shares for Diluted EPS	₹ crores	11,573.20	8,173.39
(s) Share of Profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	1,968.00	1,154.21
(t) Earnings Per Ordinary share (Diluted) #	₹	40.71	28.96
(u) Earnings Per 'A' Ordinary share (Diluted) #	₹	40.81	29.06

* 'A' Ordinary shareholders are entitled to receive dividend @ 5% points more than the aggregate rate of dividend determined by the Company on Ordinary shares for the financial year.

Earnings Per Share of previous periods have been restated to make them comparable due to sub-division of shares of ₹ 10 each to 5 shares of ₹ 2 each.

[^] Considered 5 shares of ₹ 2 each in calculation of EPS.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

30. Contingent liabilities, commitments (to the extent not provided for) :

Description of claims and assertions where a potential loss is possible, but not probable is reported under notes (1), (2) and (3) below :

	As at March 31, 2012	As at March 31, 2011
(1) Claims against the company not acknowledged as debts	1,392.15	1,807.28
(2) Provision not made for income tax matters in dispute	171.05	452.05
(3) The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which Department is in further appeal	73.50	133.82
(4) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	2,059.29	3,416.43
(5) Other money for which the Company is contingently liable:		
(i) In respect of bills discounted and export sales on deferred credit	151.58	181.46
(ii) Cash margin / collateral	251.17	731.93
(iii) In respect of retained interest in securitisation transactions	-	0.81
(iv) In respect of subordinated receivables	20.77	69.91
(v) Others	76.31	93.09
(6) Estimated amount of contracts remaining to be executed on capital account and not provided for	5,961.81	5,025.31
(7) Purchase commitments	13,321.97	14,089.20

31. Disclosure in respect of leases :

(A) Finance leases :

Assets taken on lease:

	As at March 31, 2012	As at March 31, 2011
(a) (i) Total of minimum lease payments	52.24	21.04
The total of minimum lease payments for a period :		
Not later than one year	15.17	7.34
Later than one year and not later than five years	36.71	13.16
Later than five years	0.36	0.54
(ii) Present value of minimum lease payments	46.43	18.91
Present value of minimum lease payments for a period :		
Not later than one year	14.15	6.53
Later than one year and not later than five years	31.95	11.90
Later than five years	0.33	0.48
(b) A general description of the significant leasing arrangements - The Company has entered into finance lease arrangements for computers and data processing equipments from a vendor		

(B) Operating leases :

Assets taken on lease:

(a) Total of minimum lease payments	392.40	255.64
The total of minimum lease payments for a period :		
Not later than one year	96.85	91.88
Later than one year and not later than five years	243.08	162.54
Later than five years	52.47	1.22
(b) A general description of significant leasing arrangements- The Company has entered into finance lease arrangements for computers and data processing equipments from a vendor		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

32. Related party disclosures for the year ended March 31, 2012

(A) Related party and their relationship

Associates:

Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Sons Ltd (Investing Party)
Nita Company Ltd
Tata Precision Industries (India) Ltd
Automobile Corporation of Goa Ltd
Jaguar Cars Finance Limited
Telco Construction Equipment Co Ltd
Spark 44 Limited (w.e.f. June 27, 2011)

Joint Ventures:

Fiat India Automobiles Ltd
Tata HAL Technologies Ltd

Key Management Personnel:

Mr. P.M.Telang
Mr. Carl Peter Forster (up to September 8, 2011)
In Subsidiary Companies:
Dr. Ralf Speth

(B) Transactions with the related parties

	Joint Venture	Associates	Key Management Personnel	2011-2012 Total
Purchase of goods	1,864.21	4,125.87	-	5,990.08
Sale of goods (inclusive of sales tax)	2,200.44	3,232.32	-	5,432.76
Purchase of investment	239.55	478.27	-	717.82
Services received	228.46	371.37	-	599.83
Services rendered	-	-	-	-
Finance given (including loans and equity)	-	5.86	-	5.86
Finance taken (including loans and equity)	0.30	60.76	76.83	137.89
Interest / dividend paid/(received) (net)	1.35	63.36	29.02	93.73
	4.33	20.56	-	24.89
	1.53	21.85	-	23.38
	-	71.00	-	71.00
	-	89.00	-	89.00
	-	94.00	-	94.00
	-	83.00	-	83.00
	(16.45)	232.50	-	216.05
	(10.65)	177.93	-	167.28
(C) Balances with the related parties				
Amount receivable	2.27	73.73	-	76.00
Amount payable	1.33	57.01	-	58.34
Amount receivable (in respect of loans, interest & dividend)	56.34	108.69	-	165.03
Amount payable (in respect of loans, interest & dividend)	0.36	117.82	-	118.18
Bills discounted (in respect of amount receivable)	151.88	27.63	0.09	179.60
Bank guarantee / deposits given as security	149.27	30.83	0.10	180.20
	-	30.20	-	30.20
	-	-	-	-
	-	25.53	-	25.53
	-	-	-	-
	-	3.00	-	3.00
	-	3.00	-	3.00

(D) Disclosure in respect of material transactions with related parties

		2011-2012	2010-2011
(i) Purchase of goods	Tata Cummins Ltd	3,267.67	2,472.84
	Fiat India Automobiles Ltd	1,864.21	2,200.44
	Tata AutoComp Systems Ltd	561.80	455.51
(ii) Sale of goods	Tata Cummins Ltd	250.53	227.49
	Fiat India Automobiles Ltd	238.99	228.17
	Nita Company Ltd	168.75	105.24
	Telco Construction Equipment Co. Ltd	58.10	38.62
(iii) Purchase of investments	Tata Sons Ltd	-	5.86
(iv) Services received	Tata Sons Ltd	60.76	63.06
(v) Services rendered	Tata Cummins Ltd	5.76	6.03
	Telco Construction Equipment Co. Ltd	12.20	12.49
	Fiat India Automobiles Ltd	4.15	1.52
(vi) Finance given including loan and equity	Automobile Corporation of Goa Ltd	36.00	89.00
	Telco Construction Equipment Co. Ltd	35.00	-
(vii) Finance taken including loan and equity	Automobile Corporation of Goa Ltd	59.00	83.00
	Telco Construction Equipment Co. Ltd	35.00	-
(viii) Interest / dividend paid / (received)			
	Tata Sons Limited	290.77	240.86
	Tata Cummins Ltd	(27.00)	(22.50)
	Tata Sons Limited	(10.60)	(9.36)
	Telco Construction Equipment Co. Ltd	(14.91)	(23.86)
	Fiat India Automobiles Ltd	(59.19)	(33.29)
	Fiat India Automobiles Ltd	42.74	22.65
	Tata Sons Limited	-	3.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

33. Consolidated segment Information for the year ended March 31, 2012
(A) Primary segment

	Automotive			Total	Others	Inter segment eliminations	Total
	Tata vehicles/spares and financing thereof*	Jaguar and Land Rover	Intra segment eliminations				
(a) Revenue							
External sales and income from other operations	59,846.67	104,750.93	-	1,64,597.60	1,056.89	-	1,65,654.49
	50,766.06	70,467.34	-	1,21,233.40	894.52	-	1,22,127.92
Inter segment/Intra segment sales and other income	74.57	-	(67.89)	6.68	891.69	(898.37)	-
	33.65	-	(28.78)	4.87	635.97	(640.84)	-
Total revenue	59,921.24	104,750.93	(67.89)	1,64,604.28	1,948.58	(898.37)	1,65,654.49
	50,799.71	70,467.34	(28.78)	1,21,238.27	1,530.49	(640.84)	1,22,127.92
(b) Segment results before other income, finance cost, tax and exceptional items	4,152.00	12,359.45	-	16,511.45	294.88	(120.47)	16,685.86
	4,274.10	7,750.78	-	12,024.88	203.48	(66.39)	12,161.97
(c) (i) Other income							661.77
							429.46
(ii) Finance cost							(2,982.22)
							(2,385.27)
(iii) Exceptional items :							
- Exchange gain / (Loss) (net) on revaluation of foreign currency borrowings, deposits and loans							(654.11)
							231.01
- Goodwill impairment and other costs							(177.43)
							-
(d) Profit before tax							13,533.87
							10,437.17
Tax (expense) / credit							40.04
							(1,216.38)
(e) Profit after tax							13,573.91
							9,220.79
(f) Segment assets	51,793.17	71,915.41	(40.09)	1,23,668.49	1,482.34	(568.02)	1,24,582.81
	43,917.08	47,058.84	(13.89)	90,962.03	1,244.97	(436.30)	91,770.70
(g) Segment liabilities	13,730.61	40,649.75	(40.09)	54,340.27	501.59	(153.90)	54,687.96
	14,570.96	26,412.94	(13.89)	40,970.01	407.83	(128.01)	41,249.83
(h) Other information							
(a) Depreciation and amortisation expense	2,043.96	3,570.48	-	5,614.44	10.94	-	5,625.38
	1,709.86	2,925.67	-	4,635.53	19.98	-	4,655.51
(b) Capital expenditure	3,700.02	11,322.93	-	15,022.95	5.16	(121.01)	14,907.10
	2,701.77	6,355.56	-	9,057.33	33.22	(66.27)	9,024.28
i) Segment assets exclude:							
(i) Deferred tax assets							4,539.33
							632.34
(ii) Current and non-current investments							8,917.71
							2,544.26
(iii) Foreign Currency Monetary Item Translation Difference Account							451.43
							-
(iv) Income tax assets (Net of provision) including MAT credit							2,437.25
							2,044.97
(v) Other unallocated assets							4,454.11
							4,021.91
							20,799.83
							9,243.48

* Tata Vehicles includes Tata Daewoo and Fiat traded vehicles

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

i) Segment liabilities exclude:							
(i) Minority interest							307.13
(ii) Long-term borrowings							246.60
(iii) Short-term borrowings							27,962.48
(iv) Current maturities of long term debt							17,256.00
(v) Deferred tax liability							10,741.59
(vi) Proposed dividend and tax thereon							13,106.15
(vii) Provision for income tax							8,444.89
(viii) Other unallocated liabilities							2,448.40
							2,165.07
							2,096.13
							1,487.00
							1,479.43
							1,311.71
							506.90
							5,124.88
							3,453.28
							57,544.75
							40,592.89
(B) Secondary segment	United States	UK	Rest of Europe	India	China	Rest of World	Total
Revenue from external customers	15,813.26	18,092.61	18,909.47	54,123.98	29,726.40	28,988.77	1,65,654.49
	14,765.34	13,850.20	15,060.59	45,051.44	11,633.58	21,766.77	1,22,127.92
Carrying amount of segment assets	4,942.36	50,151.01	5,736.44	48,528.88	5,000.15	10,223.97	1,24,582.81
	2,302.41	37,920.36	1,987.31	40,706.83	2,785.35	6,068.44	91,770.70
Capital expenditure	9.39	11,154.88	34.04	3,433.72	118.71	156.36	14,907.10
	16.42	6,305.72	74.42	2,410.34	78.97	138.41	9,024.28

Notes:

- (1) The Company has disclosed business segment as primary segment. Automotive segment consists of business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company, wherever applicable. Others primarily include engineering solutions and software operations.
- (2) Segment revenues, expenses and results include transfer between business segments. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

34 (a) Defined benefit plans / Long term compensated absences

As at / for the year ended on March 31,	Gratuity, Superannuation and BKV / PSY					Compensated Absences					Post-retirement Medicare scheme					
	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	2012	2011	2010	2009	2008	
i Components of employer expense																
Current service cost	46.66	35.79	31.60	31.60	26.75	27.95	22.29	18.66	18.31	15.22	4.22	3.67	3.27	2.79	2.93	
Interest cost	55.26	47.96	44.96	43.98	40.55	17.83	14.07	12.16	12.53	11.22	8.14	7.23	7.05	5.80	5.03	
Expected return on plan assets	(49.74)	(44.70)	(42.18)	(38.49)	(36.09)	-	-	-	-	-	-	-	-	-	-	
Past service cost	-	0.07	0.57	3.07	-	-	-	-	-	-	-	-	-	-	-	
Actuarial losses/(gains)	21.81	59.49	50.90	(5.57)	52.77	23.23	40.45	29.16	(8.89)	18.34	(6.02)	3.80	(0.14)	10.57	5.74	
Total expense recognised in the Profit and Loss Statement in Note 26(b), page 194 :	73.99	98.61	85.85	34.59	83.98	69.01	76.81	59.98	21.95	44.78	6.34	14.70	10.18	19.16	13.70	
			(b) & (c)					(a)					(c)			
ii Actual contribution and benefit payments																
Actual benefit payments	56.26	64.43	63.95	67.01	68.43	32.26	33.00	23.60	29.55	28.77	3.90	4.13	4.38	4.51	4.65	
Actual contributions	67.57	84.77	86.78	37.10	104.37	32.26	33.00	23.60	29.55	28.77	3.90	4.13	4.38	4.51	4.65	
iii Net asset/(liability) recognised in balance sheet																
Present value of Defined Benefit Obligation	753.37	688.63	607.16	574.18	558.32	262.73	225.76	181.95	154.81	162.41	100.18	97.74	87.17	85.18	70.53	
Fair value of plan assets	674.01	616.11	548.41	515.83	497.46	-	-	-	-	-	-	-	-	-	-	
Net asset/(liability) recognised in balance sheet	(79.36)	(72.52)	(58.75)	(58.35)	(60.86)	(262.73)	(225.76)	(181.95)	(154.81)	(162.41)	(100.18)	(97.74)	(87.17)	(85.18)	(70.53)	
Experience adjustment on plan liabilities	(7.73)	(37.41)	(4.41)	(42.32)	39.33	N/A	N/A	N/A	N/A	N/A	(2.83)	5.32	0.39	4.87	-	
Experience adjustment on plan assets	(3.16)	2.72	(5.11)	10.60	(8.08)	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-	
iv Change in Defined Benefit Obligations (DBO)																
Present value of DBO at beginning of year	688.63	607.16	574.18	558.32	513.74	225.76	181.95	154.81	162.41	146.40	97.74	87.17	85.18	70.53	61.48	
Liability on acquisitions	0.43	-	-	-	0.73	0.22	-	-	-	-	-	-	-	-	-	
Current service cost	46.66	35.79	31.60	31.60	26.75	27.95	22.29	18.66	18.31	15.22	4.22	3.67	3.27	2.79	2.93	
Interest cost	55.26	47.96	44.96	43.98	40.55	17.83	14.07	12.16	12.53	11.22	8.14	7.23	7.05	5.80	5.03	
Plan amendments	-	-	0.65	3.07	-	-	-	-	-	-	-	-	-	-	-	
Actuarial (gains)/ losses	18.65	62.15	46.15	4.22	44.98	23.23	40.45	29.16	(8.89)	18.34	(6.02)	3.80	(0.14)	10.57	5.74	
Benefits paid	(56.26)	(64.43)	(63.95)	(67.01)	(68.43)	(32.26)	(33.00)	(23.60)	(29.55)	(28.77)	(3.90)	(4.13)	(4.38)	(4.51)	(4.65)	
Sale of stake in subsidiary	-	-	(26.43)	-	-	-	-	(9.24)	-	-	-	-	(3.81)	-	-	
Present value of DBO at the end of year	753.37	688.63	607.16	574.18	558.32	262.73	225.76	181.95	154.81	162.41	100.18	97.74	87.17	85.18	70.53	
v Change in fair value of assets																
Plan assets at beginning of year	616.11	548.41	515.83	497.46	433.21	-	-	-	-	-	-	-	-	-	-	
Actual return on plan assets	46.59	47.36	37.43	48.28	28.31	-	-	-	-	-	-	-	-	-	-	
Actual Company contributions	67.57	84.77	86.78	37.10	104.37	32.26	33.00	23.60	29.55	28.77	3.90	4.13	4.38	4.51	4.65	
Benefits paid	(56.26)	(64.43)	(63.95)	(67.01)	(68.43)	(32.26)	(33.00)	(23.60)	(29.55)	(28.77)	(3.90)	(4.13)	(4.38)	(4.51)	(4.65)	
Sale of stake in subsidiary	-	-	(27.68)	-	-	-	-	-	-	-	-	-	-	-	-	
Plan assets at the end of year	674.01	616.11	548.41	515.83	497.46	-	-	-	-	-	-	-	-	-	-	
vi Actuarial assumptions																
Discount rate (%)	6.75-8.50	6.75-8.50	6.75-8.50	6.75-8.50	7.75-8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	8.50	
Expected return on plan assets (%)	8.00	8.00	8.00	8.00	8.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	4.00	4.00	4.00	4.00	4.00	
vii The major categories of plan assets as percentage to total plan assets																
Debt securities	77%	75%	76%	78%	69%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
Balances with banks	23%	25%	24%	22%	31%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	
viii Effect of one percentage point change in assumed medical inflation rate																
		One percentage point increase in medical inflation rate										One percentage point decrease in medical inflation rate				
	2012	2011	2010	2009	2008						2012	2011	2010	2009	2008	
Revised DBO	108.44	104.57	100.15	93.68	72.10						81.62	88.49	82.98	77.74	64.68	
Revised service cost	4.88	4.30	3.78	3.21	3.12						3.04	3.16	2.80	2.50	2.35	
Revised interest cost	8.85	7.97	7.78	5.96	5.54						6.81	6.59	6.42	5.30	4.54	

- (a) Defined contribution plans-
The Company's contribution to defined contribution plan aggregated ₹ 250.60 crores (2010-11 ₹ 193.23 crores) for the year ended March 31, 2012 has been recognised in the Profit and Loss Statement in note 26 (b) on page 194.
- (b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) 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.
- (d) The Company expects to contribute ₹ 91.04 crores to the funded pension plans in the year 2012-2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

(b) Details of Severance indemnity plan applicable to Tata Daewoo Commercial Vehicle Co. Ltd. and Tata Daewoo Service Vehicle Co. Ltd., Korea.

Particulars As at / for the year ended on March 31,	2012	2011	2010	2009	2008
i Components of employer expense					
Current service cost	21.18	20.32	17.54	14.75	18.90
Interest cost	10.26	10.28	8.85	7.64	6.87
Actuarial losses	(8.39)	(23.38)	19.75	19.96	7.69
Total expense recognised in the Profit and Loss Statement in Note 26(b), Page 194:	23.05	7.22	46.14	42.35	33.46
ii Actual contribution and benefit payments					
Actual benefit payments	14.64	8.96	16.26	10.16	7.87
Actual contributions	14.64	8.96	16.26	10.16	7.87
iii Net liability recognised in balance sheet					
Present value of Defined Benefit Obligation	252.58	220.62	217.23	174.83	156.50
Fair value of plan assets	-	-	-	-	-
Net liability recognised in balance sheet	(252.58)	(220.62)	(217.23)	(174.83)	(156.50)
Experience adjustment on plan liabilities	19.01	5.56	(20.09)	(15.42)	(14.08)
Experience adjustment on plan assets	-	-	-	-	-
iv Change in Defined Benefit Obligations					
Present value of DBO at the beginning of the year	220.62	217.23	174.83	156.50	149.63
Current service cost	21.18	20.32	17.54	14.75	18.90
Interest cost	10.26	10.28	8.85	7.64	6.87
Actuarial losses	(8.39)	(23.38)	19.75	19.96	7.69
Benefits paid	(14.64)	(8.96)	(16.26)	(10.16)	(7.87)
Exchange fluctuation	23.55	5.13	12.52	(13.86)	(18.72)
Present value of DBO at the end of the year	252.58	220.62	217.23	174.83	156.50
v Change in fair value of assets					
Plan assets at the beginning of the year	N/A	N/A	N/A	N/A	N/A
Acquisition Adjustment	N/A	N/A	N/A	N/A	N/A
Actual return on plan assets	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	14.64	8.96	16.26	10.16	7.87
Benefits paid	(14.64)	(8.96)	(16.26)	(10.16)	(7.87)
Plan assets at the end of the year	-	-	-	-	-
vi Actuarial assumptions					
Discount rate	4.03%	4.53%	4.84%	5.00%	5.38%
Expected return on plan assets	N/A	N/A	N/A	N/A	N/A
Medical cost inflation	N/A	N/A	N/A	N/A	N/A

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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

(c) Details of defined benefit plans applicable to Jaguar and Land Rover group.								
Particulars	Post-retirement pension scheme				Post-retirement medicare scheme			
	2012	2011	2010	2009	2012	2011	2010	2009
As at / for the year ended on March 31,								
i Components of employer expense								
Current service cost	780.53	752.63	480.03	483.89	0.46	0.64	0.53	0.47
Interest cost	1,829.87	1,529.40	1,555.04	1,263.37	0.53	0.71	0.61	0.47
Expected return on plan assets	(1,833.99)	(1,711.20)	(1,314.87)	(1,713.44)	-	-	-	-
Amortisation of past service cost	112.99	35.41	13.63	-	-	-	-	-
Curtailement	-	-	(5.45)	-	-	-	-	-
Settlement	-	(1.20)	-	-	-	-	-	-
Asset restriction	-	-	-	(14.62)	-	-	-	-
Actuarial Losses	-	-	-	16.25	-	-	-	-
Total expense recognised in the Profit and Loss Statement in Note 26, Page 194 under item (b):	889.40	605.04	728.38	35.45	0.99	1.35	1.14	0.94
ii Actual Contribution and Benefit Payments								
Actual benefit payments	866.72	910.70	826.05	563.68	-	-	-	-
Actual contributions	1,760.55	1,545.97	398.06	552.64	-	-	-	-
iii Amount recognised in Pension Reserve								
Actuarial loss	1,490.14	1,391.86	642.93	2,585.69	0.84	(4.39)	1.67	-
Movement in restriction of pension assets	(42.75)	888.67	(481.33)	(959.22)	-	-	-	-
Onerous obligation	(37.41)	-	-	-	-	-	-	-
Economic benefit from pre payment of normal contribution	(266.44)	-	-	-	-	-	-	-
Deferred tax	(1,272.50)	-	-	-	-	-	-	-
Exchange fluctuation	-	-	102.13	(169.26)	-	-	-	-
Amount recognised in Pension Reserve	(128.96)	2,280.53	263.73	1,457.21	0.84	(4.39)	1.67	-
iv Net liability recognised in Balance Sheet								
Present value of Defined Benefit Obligation	40,065.65	30,723.35	26,340.24	22,119.55	10.76	7.69	10.76	8.65
Fair value of plan assets	38,372.91	29,816.11	25,908.86	22,591.74	-	-	-	-
Restriction of pension asset	(229.00)	(235.84)	(17.64)	(290.37)	-	-	-	-
Unrecognised actuarial gains and losses	-	-	-	(3.42)	-	-	-	-
Onerous obligation	(1,001.94)	(902.99)	(233.72)	(436.01)	-	-	-	-
Economic benefit from pre payment of normal contribution	284.52	(15.28)	5.10	-	-	-	-	-
Net asset recognised in balance sheet	15.49	6.72	3.06	261.67	-	-	-	-
Net (Liability) recognised in balance sheet	(2,654.65)	(2,068.07)	(680.70)	(519.28)	(10.76)	(7.69)	(10.76)	(8.65)
Experience adjustment on plan liabilities	610.62	696.80	4,404.25	241.26	-	-	-	-
Experience adjustment on plan assets	(1,392.44)	217.97	3,826.63	4,890.97	-	-	-	-
v Change in Defined Benefit Obligations (DBO)								
Present value of DBO at beginning of year	30,723.35	26,340.24	22,119.55	-	7.69	10.76	8.65	-
Liability on Acquisition	-	-	-	26,595.11	0.46	-	-	7.59
Current service cost	780.53	752.63	480.03	483.89	0.53	0.64	0.53	0.47
Interest cost	1,829.87	1,529.40	1,555.04	1,263.37	-	0.71	0.61	0.47
Amendments	51.53	35.41	12.25	-	-	-	-	-
Actual member contributions	112.99	46.39	147.81	237.87	0.84	-	-	-
Actuarial losses	2,797.44	1,608.01	4,902.21	(2,462.41)	-	(4.39)	1.67	(1.02)
Benefits paid	(866.72)	(910.70)	(826.05)	(563.69)	-	-	-	-
Expenses paid	(1.22)	(0.99)	(0.15)	(0.07)	-	-	-	-
Plan combinations	-	-	2.72	57.41	-	-	-	-
Plan curtailment	-	-	(5.45)	-	-	-	-	-
Plan settlement	-	(9.42)	(0.68)	-	-	-	-	-
Exchange rates	4,637.88	1,332.38	(2,047.04)	(3,491.93)	0.80	(0.03)	(0.70)	1.14
Present value of DBO at the end of year	40,065.65	30,723.35	26,340.24	22,119.55	10.32	7.69	10.76	8.65
vi Change in fair value of assets								
Plan assets at beginning of year	29,816.11	25,908.88	22,591.74	-	N/A	N/A	N/A	N/A
Plan assets on acquisition	-	-	-	29,341.88	N/A	N/A	N/A	N/A
Actual return on plan assets	3,141.29	1,927.28	5,574.15	(3,520.28)	N/A	N/A	N/A	N/A
Actual Company contributions	1,760.55	1,545.97	398.06	552.64	N/A	N/A	N/A	N/A
Actual member contributions	51.53	46.39	147.81	237.87	N/A	N/A	N/A	N/A
Benefits paid	(866.72)	(910.70)	(826.04)	(563.68)	N/A	N/A	N/A	N/A
Expenses paid	(1.22)	(0.99)	(0.15)	(0.07)	N/A	N/A	N/A	N/A
Plan combinations	-	-	-	54.50	N/A	N/A	N/A	N/A
Plan curtailment	-	-	(5.45)	-	N/A	N/A	N/A	N/A
Plan settlement	-	(8.22)	(0.68)	-	N/A	N/A	N/A	N/A
Exchange rates	4,471.37	1,307.50	(1,976.01)	(3,511.12)	N/A	N/A	N/A	N/A
Plan assets at the end of year	38,372.91	29,816.11	25,908.88	22,591.74	N/A	N/A	N/A	N/A
vii Actuarial assumptions								
Discount rate (%)	4.38-5.10	5.19- 5.50	5.50- 5.60	6.70-7.16	4.88	5.74	6.22	7.77
Inflation (%)	2.00-3.30	2.00-3.40	2.00-3.50	2.52-3.30	N/A	N/A	N/A	N/A
Expected return on plan assets (%)	4.85-6.34	5.75-6.57	6.50	5.80-6.40	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	4.50	4.20	7.80	4.90-8.10
viii The major categories of plan assets as percentage to total plan assets								
Equity securities	19%-38.4%	20%-40%	39%-53%	27%-36%	N/A	N/A	N/A	N/A
Debt securities	38.4%-67%	40%-63%	39%-56%	36%-62%	N/A	N/A	N/A	N/A
Other	8%-23.2%	2.4%-20%	1%-23%	3%-29%	N/A	N/A	N/A	N/A

- (a) Defined contribution plans- Jaguar and Land Rover group's contribution to defined contribution plan aggregated ₹ 82.45 crores (₹ 24.03 crores for the year ended March 31, 2011) has been recognised in the Profit and Loss Statement in note 26(b) on Page 194.
- (b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) 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.
- (d) The Company expects to contribute ₹ 336.67 crores to the funded pension plans in the year 2012-2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	2011-2012	2010-2011
35. (i) Movement of provision for warranty and product liability		
Opening balance	4,126.19	3,743.37
Add: Provision for the year (net) (including additional provision for earlier years)	3,427.45	2,927.68
Less: Payments / debits (net of recoveries from suppliers)	(2,857.76)	(2,834.07)
Foreign currency translation	556.29	289.21
Closing balance	5,252.17	4,126.19
Current portion	2,731.40	2,196.06
Non-current portion	2,520.77	1,930.13
	5,252.17	4,126.19
The provision is expected to be utilized for settlement of warranty claims within a period of 4 years.		
(ii) Movement of provision for redemption of FCCN / CARS		
Opening balance	801.09	993.15
Foreign currency exchange loss / (gain)	100.99	(3.22)
Premium on redemption of FCCN (including withholding tax)	(0.97)	-
Reversal of provision for premium due to conversion of FCCN	-	(168.57)
Provision / (Reversal of provision) for withholding tax upon conversion / redemption / foreign currency exchange of FCCN	11.39	(20.27)
Closing balance	912.50	801.09
Current portion	855.73	0.87
Non-current portion	56.77	800.22
	912.50	801.09
(iii) Movement of provision for residual risk		
Opening balance	50.23	106.91
Add: Provision for the year (net)	42.57	(221.83)
Less: Payments / debits	-	166.03
Foreign currency translation	38.18	(0.88)
Closing balance	130.98	50.23
Current portion	17.58	7.14
Non-current portion	113.40	43.09
	130.98	50.23
In certain markets, some subsidiaries are responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.		
(iv) Movement of provision towards environmental cost		
Opening balance	130.90	128.11
Add: Provision for the year (net)	19.47	-
Less: Payments	(4.96)	(3.54)
Foreign currency translation	19.45	6.33
Closing balance	164.86	130.90
Current portion	-	-
Non-current portion	164.86	130.90
	164.86	130.90
This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. The additional disclosure as required by AS 7 (Revised) on construction contracts:

- Advance received is ₹ **27.75 crores** (as at March 31, 2011 ₹ 13.57 crores)
- Retention money is ₹ **19.33 crores** (as at March 31, 2011 ₹ 17.61 crores)
- Contract revenue recognised during the year is ₹ **119.51 crores** (2010-11 ₹ 116.74 crores)
- Aggregate amount of costs incurred and recognised profits (less recognised losses) ₹ **381.25 crores** (as at March 31, 2011 ₹ 305.63 crores)

37. Other notes

- The following subsidiaries / joint venture have been considered on unaudited basis. Details for the same as per individual entity's financials are as under :

	Net worth As at March 31, 2012	Total revenue for the year ended March 31, 2012	(₹ in crores) Net increase / (decrease) in cash & cash equivalent during 2011-2012
(i) Subsidiaries :			
Tata Motors (SA) (Proprietary) Ltd	10.14	38.17	(2.61)
Tata Motors European Technical Centre Plc	41.26	233.13	97.85
Miljobil Greenland AS	(69.00)	46.89	5.64
Tata Hispano Motors Carrocera S.A	(428.27)	211.49	(31.24)
TML Holdings Pte Ltd, Singapore	214.48	3.42	(2.86)
Trilix S.r.l	7.39	42.26	(1.93)
Tata Precision Industries Pte Ltd	1.02	-	(0.28)
	(222.98)	575.36	64.57
(ii) Joint Venture:			
Fiat India Automobiles Ltd	453.65	1,730.86	(17.83)

- The share of profit / (loss) in respect of investments in associate companies include figures which are considered as per unaudited financial statements / profit and loss statement for the year ended March 31, 2012, as per details given below :

	Share in post acquisition reserves and surplus	(₹ in crores) Profit / (Loss) for the year ended March 31, 2012
Telco Construction Equipment Company Ltd.	57.77	(69.83)
Tata Cummins Ltd.	206.61	52.18

- During the year ended March 31, 2012, Jaguar Land Rover Plc., an indirect subsidiary of the Company has issued GBP 1,500 million equivalent Senior Notes (Notes). The Notes issued includes GBP 500 million Senior Notes due 2018 at a coupon of 8.125% per annum, GBP 500 million Senior Notes due 2020 at a coupon of 8.25% per annum, USD 410 million Senior Notes due 2018 at a coupon of 7.75% per annum and USD 410 million Senior Notes due 2021 at a coupon of 8.125% per annum. The proceeds will be used to refinance existing debt and for general corporate purposes.
- The Revised Schedule VI has become effective from April 1, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year figures have been regrouped/ reclassified wherever necessary to correspond with the current year classification / disclosure.
- Capital work-in-progress as at March 31, 2012 includes building under construction at Singur in West Bengal of ₹309.88 crores for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. The newly elected Government of West Bengal enacted a legislation on June 14, 2011, which was notified on June 20, 2011, to cancel the land lease relating to the project at Singur. The Company has challenged the legal validity of the legislation including the process of compensation in the Courts of Law, the outcome of which is pending as of the date of approval of these financials by the Board of Directors. Based on management's assessment no provision is considered necessary to the carrying cost of buildings at Singur.
- Current year figures are shown in bold prints.