

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Significant accounting policies

(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) Revenue recognition

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 export 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 collectability of the resulting receivables is reasonably assured.

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.

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.

(d) Depreciation and amortisation

(i) Depreciation is provided on Straight Line Method (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of :

- Leasehold land – amortised over the period of the lease
- Technical know-how – at 16.67% (SLM)
- Laptops – at 23.75% (SLM)
- Cars – at 23.75% (SLM)
- Assets acquired prior to April 1, 1975 – on Written Down Value basis at rates specified in Schedule XIV to the Companies Act, 1956.
- Software in excess of ₹25,000 is amortised over a period of 60 months or on the basis of estimated useful life whichever is lower.
- Assets taken on lease are amortised over the period of lease.

(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 until construction and installation are complete and asset is ready for its intended use.

(e) Fixed assets

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

(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.

(f) 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.

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(g) **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 term of the lease.

(h) **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 recognized as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognized in the Profit and 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 amortized 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.

(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 recognized 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.

(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 or expense. Foreign currency options and other derivatives are stated at fair value as at the year end with changes in fair value recognized in the Profit and Loss Statement.

(i) **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 three years.

(j) **Income on vehicle loan**

Interest income on loan contracts 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 provides an allowance for hire purchase and loan 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.

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(k) **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. Cost, including variable and fixed overheads, are allocated to work-in-progress, stock-in-trade 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.

(l) **Employee benefits**

(i) **Gratuity**

The Company has 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 makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation.

(ii) **Superannuation**

The Company has 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 accounts for the liability 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 maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iii) **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.

(iv) **Post-retirement medicare scheme**

Under this scheme, employees 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 liability for post-retirement medical scheme is based on an independent actuarial valuation.

(v) **Provident fund**

The eligible employees of the Company are entitled to receive benefits under the provident fund, a defined contribution plan, in which both employees and the Company make monthly contributions at a specified percentage of the covered employees' salary (currently 12% of employees' salary). The contributions as specified under the law are paid to the provident fund and pension fund set up as irrevocable trust by the Company or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme. The Company is generally liable for 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.

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- (vi) **Compensated absences**
- The Company 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 unutilised leave at each balance sheet date on the basis of an independent actuarial valuation.
- (m) **Investments**
- Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.
- (n) **Income taxes**
- Tax expense comprises current and deferred taxes.
- Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT).
- 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.
- 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.
- (o) **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.
- (p) **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.
- (q) **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.
- (r) **Business segments**
- The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

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(₹ in crores)

2. Share capital

(a) Authorised :

	As at March 31, 2012	As at March 31, 2011
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

(d) Forfeited Shares - Ordinary shares

(e) Amount received in respect of Ordinary shares pending allotment

(0.01)	(0.01)
0.05	0.05
-	3.06
<u>634.75</u>	<u>637.71</u>

(f) Movement of number of shares and share capital :

	2011-2012		2010-2011	
	No. of shares	(₹ in crores)	No. of shares	(₹ in crores)
(i) Ordinary shares:				
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)	-	-	83,20,300	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 attached 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 ₹ 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 the 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.

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(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 141 note (iv).
- 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.

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(₹ in crores)

	As at March 31, 2011	Additions	Deductions	As at March 31, 2012
3. Reserves and surplus				
(a) Capital Redemption Reserve	2.28	-	-	2.28
	2.28	-	-	2.28
(b) Securities Premium Account [Note (i) and (ii)]	11,350.68	9.18	173.10	11,186.76
	6,714.59	4,829.80	193.71	11,350.68
(c) Debenture Redemption Reserve	1,102.15	70.00	-	1,172.15
	1,102.15	-	-	1,102.15
(d) Revaluation Reserve [Note (iii)]	24.19	-	0.44	23.75
	24.63	-	0.44	24.19
(e) Amalgamation Reserve	0.05	-	-	0.05
	0.05	-	-	0.05
(f) General Reserve [Note (iv)]	4,817.32	125.04	-	4,942.36
	4,617.04	200.28	-	4,817.32
(g) Profit and Loss Account (Surplus) [Note (v)]	2,078.92	1,243.71	1,658.72	1,663.91
	1,934.13	1,811.82	1,667.03	2,078.92
	19,375.59	1,447.93	1,832.26	18,991.26
	14,394.87	6,841.90	1,861.18	19,375.59

Notes -

- (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]
- (b) Premium on issue of shares through Qualified Institutional Placement (QIP)
- (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)]
- (d) Premium on redemption of Debentures / FCCN / Convertible Alternative Reference Securities (CARS) (net) (including exchange differences and withholding tax) [net of tax ₹ **15.99 crores** (2010-11 ₹ 139.99 crores)]
- (e) Profit on sale of plant items written off in earlier years

(iii) **Revaluation Reserve :**

Depreciation on revalued portion of assets taken over on amalgamation of a company

(iv) **General Reserve :**

- (a) Amount recovered (net) towards indemnity relating to business amalgamated in prior year
- (b) Amount transferred from Profit and Loss Account (Surplus)

(v) **Profit and Loss Account (Surplus) :**

- (a) Profit after tax for the year
- (b) Credit for dividend distribution tax
- (c) Proposed dividend
- (d) Tax on proposed dividend
- (e) Debenture Redemption Reserve
- (f) General Reserve

	2011-2012		2010-2011	
	Additions	Deductions	Additions	Deductions
(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 crores (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) Revaluation Reserve : Depreciation on revalued portion of assets taken over on amalgamation of a company	-	0.44	-	0.44
	-	0.44	-	0.44
(iv) General Reserve :				
(a) Amount recovered (net) towards indemnity relating to business amalgamated in prior year	0.04	-	0.28	-
(b) Amount transferred from Profit and Loss Account (Surplus)	125.00	-	200.00	-
	125.04	-	200.28	-
(v) Profit and Loss Account (Surplus) :				
(a) Profit after tax for the year	1,242.23	-	1,811.82	-
(b) Credit for dividend distribution tax	1.48	-	-	-
(c) Proposed dividend	-	1,280.70	-	1,274.23
(d) Tax on proposed dividend	-	183.02	-	192.80
(e) Debenture Redemption Reserve	-	70.00	-	-
(f) General Reserve	-	125.00	-	200.00
	1,243.71	1,658.72	1,811.82	1,667.03

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	As at March 31, 2012	As at March 31, 2011
4. Long-term borrowings		
(A) Secured		
(a) Privately placed Non-Convertible Debentures [Notes (i) and (ii) (a), page 140]	3,750.00	4,100.00
(b) Term loans from banks :		
Buyers' line of credit (at floating interest rate) [Note (iii), page 140]	327.05	420.08
(c) Finance lease obligations [Note 30(A)(a)(ii), page 157]	30.71	10.49
	4,107.76	4,530.57
(B) Unsecured		
(a) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) [Note (iv), page 141]	597.36	2,632.59
(b) Privately placed Non-Convertible Debentures [Note (ii)(b), page 140]	400.00	400.00
(c) Term loans from banks :		
(i) External Commercial Borrowings (ECB) -USD 500 million (at floating interest rate) [Note (vi), page 141]	2,544.13	-
(ii) Buyers' line of credit (at floating interest rate) [note (iii), page 140]	38.02	22.93
(d) Deposits* [Note (v) page 141] :		
(i) Deposits accepted from public	238.28	1,523.34
(ii) Deposits accepted from shareholders	78.95	569.99
	3,896.74	5,148.85
	8,004.50	9,679.42
	-	1.32

* Includes from Directors

NOTES FORMING PART OF FINANCIAL STATEMENTS

Information regarding long-term borrowings

(i) **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) Buyers line of credit 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 movable current assets except cash and bank balances, loans and advances of the Company both present and future.

(ii) **Schedule of repayment and redemption for Non-Convertible Debentures :** (₹ in crores)

<u>Non-Convertible Debentures (NCD's)</u>	<u>Redeemable on</u>	<u>Principal</u>	<u>Premium</u>	<u>Total</u>
(a) Secured :				
10.25% Non-Convertible Debentures (2025) #	April 30, 2025	150.00	-	150.00
10.25% Non-Convertible Debentures (2024) #	April 30, 2024	150.00	-	150.00
10.25% Non-Convertible Debentures (2023) #	April 30, 2023	100.00	-	100.00
10.25% Non-Convertible Debentures (2022) #	April 30, 2022	100.00	-	100.00
9.95% Non-Convertible Debentures (2020)	March 2, 2020	200.00	-	200.00
2% Non-Convertible Debentures (2016)	March 31, 2016	1,250.00	919.23	2,169.23
2% Non-Convertible Debentures (2014)	March 31, 2014	1,800.00	658.05	2,458.05

The Company has a call option to redeem, either in part or full, at the end of 8th year from the date of allotment i.e. April 30, 2018.

(b) Unsecured :

9.70% Non-Convertible Debentures (2020)	June 18, 2020	150.00	-	150.00
9.75% Non-Convertible Debentures (2020)	May 24, 2020	100.00	-	100.00
9.90% Non-Convertible Debentures (2020)	May 7, 2020	150.00	-	150.00

- (iii) The buyers line of credit from banks is repayable within a maximum period of three years from the drawdown dates. All the repayments are due from 2012-13 to 2014-15.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(iv) 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	₹ 780.40 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.

(v) Fixed deposits from public and shareholders :

These are unsecured deposits for a fixed tenor of up to three years bearing interest rates ranging from 8% to 12.5%

(vi) ECB loan schedule of repayment:

Date	Repayment Amount (USD Million)	Repayment Amount (₹ crores)*
September 12, 2018	150	763.24
September 12, 2017	150	763.24
September 12, 2016	100	508.83
September 14, 2015	100	508.83

* at exchange rate of 1 US \$ = ₹ 50.8825 as at March 31, 2012.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
5. Deferred tax liabilities (net)		
(a) Major components of deferred tax arising on account of timing differences are:		
Liabilities:		
Depreciation	(1,237.11)	(1,176.14)
Product development cost	(1,808.58)	(1,530.73)
Others	(50.35)	(1.29)
	<u>(3,096.04)</u>	<u>(2,708.16)</u>
Assets:		
Employee benefits / expenses allowable on payment basis	101.82	92.54
Provision for doubtful debts	171.29	157.69
Premium on redemption of CARS (including exchange fluctuation on premium)	126.74	111.13
Unabsorbed depreciation and business losses	566.99	281.83
Others	23.79	41.81
	<u>990.63</u>	<u>685.00</u>
Net deferred tax liability	<u>(2,105.41)</u>	<u>(2,023.16)</u>
(b) Tax expense :		
(i) Current tax		
Current tax	289.44	434.76
Less : Minimum Alternate Tax (MAT credit)	(288.88)	(426.36)
	0.56	8.40
(ii) Deferred tax		
Opening deferred tax	2,023.16	1,508.64
Debited /(credited) to Securities Premium Account	(15.99)	138.22
	<u>2,007.17</u>	<u>1,646.86</u>
Closing Deferred Tax	<u>2,105.41</u>	<u>2,023.16</u>
Deferred tax charge for the period	98.24	376.30
Total	<u>98.80</u>	<u>384.70</u>
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	151.47
(d) Others	62.86	67.43
	<u>1,959.63</u>	<u>2,221.05</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
7. Long-term provisions		
(a) Employee benefit obligation	401.33	378.13
(b) Product warranty [Note 37(a), page 164]	65.50	51.98
(c) Provision for delinquency [Note 37(b), page 164]	108.81	9.96
(d) Premium for redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS) [Note 37(c), page 164]	56.77	800.22
(e) Others	13.85	12.96
	646.26	1,253.25
8. Short-term borrowings		
(A) Secured		
From banks [Note below]		
(i) Loans, cash credit and overdrafts accounts	326.91	221.88
(ii) Buyers line of credit	1,020.01	585.31
(iii) Foreign Currency Non Repatriable Borrowings [FCNR(B)]	1,461.09	2,370.76
	2,808.01	3,177.95
(B) Unsecured		
(a) From banks	-	200.00
(b) Loans and advances from subsidiaries and associates	67.85	11.00
(c) Deposits	-	50.00
(d) Commercial paper [maximum balance outstanding during the year ₹ 1,540 crores (2010-2011 : ₹ 3,390 crores)]	131.27	1,519.82
	199.12	1,780.82
	3,007.13	4,958.77

Note :

Loans, cash credits, overdrafts and buyers line of credit from banks and Foreign Currency Non Repatriable Borrowings [FCNR(B)] 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.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
9. Trade payables		
(a) Acceptances	3,808.24	4,864.73
(b) Other than acceptances* [Note 44 (iv), page 168]	4,936.59	3,952.54
	8,744.83	8,817.27
* Includes payable to subsidiary companies :		
Sheba Properties Ltd	-	0.52
TAL Manufacturing Solutions Ltd	16.09	37.45
Tata Motors European Technical Centre Plc	7.91	10.35
Tata Motors Finance Ltd	84.84	62.05
Tata Technologies Ltd	18.15	21.05
TML Distribution Company Ltd	102.22	-
Jaguar Cars Ltd	6.44	14.32
Land Rover	41.10	24.51
Trilix Srl, Turin (Italy)	14.02	2.30
	As at March 31, 2012	As at March 31, 2011
10. Other current liabilities		
(a) Interest accrued but not due on borrowings	365.05	239.98
(b) Current maturities of long term borrowings [Note below]	4,868.94	1,277.24
(c) Liability for capital expenditure	415.78	334.66
(d) Liability for deposits & retention	37.67	53.74
(e) Deferred payment liabilities	75.30	75.30
(f) Advance and progress payments from customers	717.55	596.70
(g) Statutory dues (VAT, Excise, Service tax, Octroi etc)	591.98	540.10
(h) Liability towards premium on redemption of Non-Convertible Debentures	96.55	-
(i) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due		
(i) Unpaid dividends	15.83	12.55
(ii) Unclaimed matured deposits	171.69	9.66
(iii) Unclaimed matured debentures	0.21	0.21
(iv) Unclaimed interest on deposits and debentures	1.68	0.92
(j) Derivative financial instruments	27.02	1.91
(k) Others	85.70	67.40
	7,470.95	3,210.37
Note :		
Current maturities of long term borrowings consist of :		
(i) Non-Convertible Debentures	350.00	-
(ii) Buyers credit (capex) in foreign currency	354.34	68.01
(iii) Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	2,406.74	4.00
(iv) Fixed deposits*	1,744.03	1,199.02
(v) Finance lease obligations [Note 30(A)(a)(ii), page 157]	13.83	6.21
	4,868.94	1,277.24
* Includes from Directors	0.20	10.20
	As at March 31, 2012	As at March 31, 2011
11. Short-term provisions		
(a) Employee benefit obligation	38.17	26.16
(b) Product warranty [Note 37(a), page 164]	387.26	346.27
(c) Current income tax (net of payment)	181.08	160.42
(d) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)[Note 37(c), page 164]	855.73	0.87
(e) Proposed dividend	1,280.70	1,274.23
(f) Provision for tax on dividends	183.02	192.80
(g) Others	28.60	13.11
	2,954.56	2,013.86

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

12. Tangible assets									
Particulars	Cost as at April 1, 2011	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at March 31, 2012	Accumulated depreciation April 1, 2011	Depreciation for the year	Deductions / adjustments for the year	Accumulated depreciation up to March 31, 2012	Net book value as at March 31, 2012
[I] Owned assets :									
(i) Land	519.76	-	-	519.76	-	-	-	-	519.76
	519.76	-	-	519.76	-	-	-	-	519.76
(ii) Buildings [Notes (i) & (ii) (a)]	2,063.46	289.23	0.58	2,352.11	411.90	63.35	0.28	474.97	1,877.14
	1,542.80	521.03	0.37	2,063.46	353.82	58.16	0.08	411.90	1,651.56
(iii) Plant, machinery and equipment [Notes (ii) (a) & (iii)]	14,345.53	1,554.42	74.69	15,825.26	6,124.39	1,016.73	69.67	7,071.45	8,753.81
	11,741.32	2,699.02	94.81	14,345.53	5,293.77	920.33	89.71	6,124.39	8,221.14
(iv) Furniture and fixtures [Note (iii)]	78.88	31.19	0.22	109.85	39.68	4.98	0.20	44.46	65.39
	66.97	11.96	0.05	78.88	36.14	3.57	0.03	39.68	39.20
(v) Vehicles [Note (iii)]	133.29	26.43	20.18	139.54	75.59	19.52	16.75	78.36	61.18
	117.68	25.86	10.25	133.29	68.06	15.94	8.41	75.59	57.70
(vi) Office equipment	45.05	2.58	1.36	46.27	15.77	2.52	0.18	18.11	28.16
	39.10	6.25	0.30	45.05	14.07	2.00	0.30	15.77	29.28
(vii) Computers and other IT assets	524.17	43.34	13.64	553.87	415.50	34.74	12.91	437.33	116.54
	489.12	45.29	10.24	524.17	378.41	43.00	5.91	415.50	108.67
(viii) Water system and sanitation [Note (ii)(a)]	141.36	22.95	-	164.31	40.06	6.66	-	46.72	117.59
	109.08	32.28	-	141.36	33.82	6.24	-	40.06	101.30
[II] Assets given on lease :									
(i) Plant, machinery and equipment	395.81	-	3.02	392.79	379.09	4.86	6.95	377.00	15.79
	395.81	-	-	395.81	378.75	4.86	4.52	379.09	16.72
[III] Assets taken on lease :									
(i) Leasehold land [Note (ii)(b)]	118.73	-	-	118.73	10.08	1.18	-	11.26	107.47
	102.47	16.26	-	118.73	8.51	1.57	-	10.08	108.65
(ii) Buildings	31.28	-	-	31.28	3.21	0.08	(0.43)	3.72	27.56
	31.28	-	-	31.28	2.70	0.08	(0.43)	3.21	28.07
(iii) Plant, machinery and equipment	36.43	-	-	36.43	27.86	2.08	-	29.94	6.49
	36.43	-	-	36.43	25.30	2.55	(0.01)	27.86	8.57
(iv) Computers and other IT assets	63.92	49.29	-	113.21	42.58	21.04	-	63.62	49.59
	53.22	10.70	-	63.92	29.93	12.65	-	42.58	21.34
TOTAL TANGIBLE ASSETS	18,497.67	2,019.43	113.69	20,403.41	7,585.71	1,177.74	106.51	8,656.94	11,746.47
	15,245.04	3,368.65	116.02	18,497.67	6,623.28	1,070.95	108.52	7,585.71	10,911.96

Notes:

- (i) Buildings include ₹ 8,631 (as at March 31, 2011 ₹ 8,631) being value of investments in shares of Co-operative Housing Societies.
- (ii) (a) Buildings, water system and sanitation and plant and machinery include gross block of ₹ 4.76 crores, ₹ 1.93 crores and ₹ 8.83 crores (as at March 31, 2011 ₹ 4.76 crores, ₹ 1.93 crores and ₹ 3.76 crores) and net block of ₹ 0.08 crore, ₹ 0.18 crore and ₹ 4.69 crores respectively (as at March 31, 2011 ₹ 0.08 crore, ₹ 0.26 crore and ₹ 0.31 crore) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- (b) The registration of leasehold land of ₹ 10.80 crores (as at March 31, 2011 ₹ 10.80 crores) is in process.
- (iii) Includes plant, machinery and equipment, furniture and fixtures, office equipments, vehicles and computers and other IT assets having gross block of ₹ 142.84 crores, ₹ 0.14 crore, ₹ 1.27 crores, ₹ 1.39 crores and ₹ 119.46 crores (as at March 31, 2011 ₹ 154.22 crores, ₹ 0.11 crore, ₹ 0.33 crore, ₹ 0.40 crore and ₹ 141.58 crores), and net block of ₹ 5.24 crores, ₹ 0.01 crore, ₹ 0.07 crore, ₹ 0.02 crore and ₹ 0.28 crore (as at March 31, 2011 ₹ 5.80 crores, ₹ 0.01 crore, ₹ 0.01 crore, ₹ 0.02 crore and ₹ 0.48 crore) respectively, held for disposal.
- (iv) Additions / adjustments include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹ 165.08 crores (2010-2011 capitalisation of exchange loss of ₹ 54.18 crores).
- (v) Depreciation excludes :
(a) Lease equalisation of ₹ 4.51 crores (2010-2011 ₹ 4.51 crores) adjusted in lease rental income.
(b) Depreciation of ₹ 0.44 crore (2010-2011 ₹ 0.44 crore) on revalued portion of gross block transferred to Revaluation Reserve.

13. Intangible assets

Particulars	Cost as at April 1, 2011	Additions / adjustments **	Deductions / adjustments	Cost as at March 31, 2012	Accumulated amortisation as at April 1, 2011	Amortisation for the year	Deductions / adjustments for the year	Accumulated amortisation up to March 31, 2012	Net book value as at March 31, 2012
(i) Technical Know-how #	34.51	-	-	34.51	34.51	-	-	34.51	-
	34.51	-	-	34.51	34.51	-	-	34.51	-
(ii) Computer software #	307.56	75.63	0.87	382.32	235.79	41.63	0.56	276.86	105.46
	259.82	47.74	-	307.56	194.67	38.74	(2.38)	235.79	71.77
(iii) Product development cost *	3,043.58	1,121.57	-	4,165.15	610.24	387.37	0.05	997.56	3,167.59
	2,877.44	166.14	-	3,043.58	360.46	251.08	1.30	610.24	2,433.34
TOTAL INTANGIBLE ASSETS	3,385.65	1,197.20	0.87	4,581.98	880.54	429.00	0.61	1,308.93	3,273.05
	3,171.77	213.88	-	3,385.65	589.64	289.82	(1.08)	880.54	2,505.11

Notes :

* Internally generated intangible asset

Other than internally generated intangible asset

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

14. Non-current investments			As at March 31, 2012	As at March 31, 2011
Number	Face value per unit	Description		
Long-term investments (at cost)				
(A) Trade investments				
(1) Fully paid Ordinary / Equity shares (quoted)				
(i) Associates				
29,81,749	10	Automobile Corporation of Goa Ltd. (142,936 shares acquired during the period)	108.21	103.76
(ii) Others				
44,32,497	10	Tata Steel Ltd	245.04	245.04
70,249	10	Tata Chemicals Ltd	0.24	0.24
			353.49	349.04
(2) Fully paid Ordinary / Equity shares (unquoted)				
(i) Investments in subsidiary companies				
75,00,000	100	Sheba Properties Ltd	75.00	75.00
3,03,00,600	10	Tata Technologies Ltd	224.10	224.10
36,98,120	10	Concorde Motors (India) Ltd (1,250,000 shares acquired during the period)	49.63	29.63
6,50,00,000	10	TAL Manufacturing Solutions Ltd	150.00	150.00
-	10	HV Transmissions Ltd [Note 14 page 148]	-	68.00
7,70,00,000	10	TML Drivelines Limited [Note 14 page 148] (Formerly known as HV Axles Ltd) (11,550,000 shares acquired during the period)	448.85	76.50
25,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 12 page 148]	19.31	19.31
30,16,060 (KRW)	5,000	Tata Daewoo Commercial Vehicle Co. Ltd (Korea)	245.41	245.41
32,62,494 (GBP)	1	Tata Motors European Technical Centre Plc, UK [Note 6, page 147]	25.89	19.85
7,900	-	(794,341 shares acquired during the period) Tata Technologies Inc	0.63	0.63
117,00,00,000	10	Tata Motors Finance Ltd (120,000,000 shares acquired during the period)	2,050.00	1,750.00
8,67,00,000	10	Tata Marcopolo Motors Ltd [Note 7, page 148]	86.70	86.70
22,50,00,000	10	TML Distribution Company Ltd	225.00	225.00
1,48,69,900 (THB)	100	Tata Motors (Thailand) Ltd [Note 8, page 148] (5,000,000 shares acquired during the period)	209.89	135.15
1,19,02,200 (ZAR)	1	Tata Motors (SA) (Proprietary) Ltd (200 shares acquired during the period)	7.81	7.81
100 (SGD)	1	TML Holdings Pte Ltd, (Singapore) [₹2,778.73]	-	-
254,66,59,318 (USD)	1	(91,666,700 shares sold during the period) [Note 9, page 148]	11,816.76	12,814.00
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A. [Note 10, page 148]	17.97	17.97
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd (Singapore)	40.53	40.53
		Trilix Srl, Turin (Italy) [Note 13, page 148]	11.94	11.94
			15,705.42	15,997.53
(ii) Associates				
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27	1.27
9,00,00,000	10	Tata Cummins Ltd	90.00	90.00
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	77.47
3,97,50,000	10	Telco Construction Equipment Company Ltd [Note 5, page 147]	79.50	79.50
			248.24	248.24
(iii) Joint venture (JV)				
9,59,96,395	100	Fiat India Automobiles Ltd [Note 11, page 148] (4,250,000 shares acquired during the period)	1,242.04	1,199.54
(iv) Others				
25,000	1,000	Tata International Ltd	3.85	3.85
1,383	1,000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
1,03,10,242	100	Tata Industries Ltd.	183.19	183.19
1,35,000	100	Tata Projects Ltd	4.68	4.68
33,600	100	Kulkarni Engineering Associates Ltd	0.67	0.67
12,375	1,000	Tata Sons Ltd	68.75	68.75
2,25,00,001	10	Haldia Petrochemicals Ltd.	22.50	22.50
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	0.24	0.24
39,05,624	10	Tata Capital Ltd	5.86	5.86
			289.89	289.89
		Carried forward	17,839.08	18,084.24

NOTES FORMING PART OF FINANCIAL STATEMENTS

			(₹ in crores)	
			As at March 31, 2012	As at March 31, 2011
14. Non-current investments (contd.)				
Number	Face value per unit	Description		
Long-term investments (at cost) (contd.)				
		Brought forward	17,839.08	18,084.24
		(3) Fully paid Cumulative Redeemable Preference shares (unquoted)		
		(a) Subsidiaries		
13,54,195	100	7% Concorde Motors (India) Ltd	13.54	13.54
-	-	6.25% TML Holdings Pte Ltd, (Singapore) [Note 5, page 149]	-	4,487.03
13,63,624	(GBP) 1	6% Tata Motors European Technical Centre Plc, UK	11.12	9.75
			<u>24.66</u>	<u>4,510.32</u>
		(b) Associates		
-	-	8% Tata AutoComp Systems Ltd	-	21.00
		(c) Others		
-	-	7.5% Tata Sons Ltd	-	10.00
			<u>24.66</u>	<u>4,541.32</u>
		(4) Non-Convertible Debentures (unquoted)		
		(i) Others		
-	-	8% Tata Projects Ltd	-	0.75
		(B) Other investments		
		(1) Fully paid Equity shares (unquoted)		
50,000	10	NICCO Jubilee Park Ltd.	0.05	0.05
			<u>17,863.79</u>	<u>22,626.36</u>
		Less : Provision for Diminution in value of Long-term investments	108.73	108.73
		(2) Retained interest in securitisation transactions (unquoted)	0.37	0.58
		(3) Advance towards investments		
		Tata Motors European Technical Centre Plc, UK	121.56	-
		Tata International	25.00	-
		PT Tata Motors Indonesia	1.30	-
		Concorde Motors (India) Ltd	-	20.00
			<u>147.86</u>	<u>20.00</u>
		Total non-current investments	<u><u>17,903.29</u></u>	<u><u>22,538.21</u></u>

Notes :

(1) Face value per unit is in Rupees unless stated otherwise

(2) Book value of quoted investments

(3) Book value of unquoted investments

(4) Market value of quoted investments

(5) As per the shareholders agreement dated March 30, 2010, between Hitachi Construction Machinery Co. Ltd and the Company, these shares are under restriction for sale, assignment or transfer for a period of 3 years from the date of the agreement except under certain circumstances as provided in the said agreement.

(6) The Company has given a letter of comfort to Standard Chartered Bank, London for GBP 15 million (₹122.30 crores as on March 31, 2012) against loan extended by the bank to Tata Motors European Technical Centre Plc, UK (TMETC). Also the Company has given an undertaking to Standard Chartered Bank, London to retain 100% ownership of TMETC at all times during the tenor of the loan.

	As at March 31, 2012	As at March 31, 2011
(2) Book value of quoted investments	353.49	349.04
(3) Book value of unquoted investments	17,549.80	22,190.15
(4) Market value of quoted investments	299.54	379.16

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

- (7) The Company has given a letter of comfort to HDFC Bank against the short term and long term loans aggregating ₹235 crores given by HDFC Bank to Tata Marcopolo Motors Ltd (TMML). The letter of comfort is restricted to 51% of loan amount i.e. ₹ 120 crores. Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake below 51% during the tenor of the loan.
- (8) The Company has given a letter of comfort to Citibank NA towards the short term and long term loans aggregating THB 1,055 million (₹ 174.19 crores as on March 31, 2012) given by Citibank NA to Tata Motors (Thailand) Ltd (TMTL). The Company has also given letter of comfort to ICICI Bank towards working capital facility aggregating THB 300 million (₹ 49.53 crores as on March 31, 2012) given by ICICI Bank to TMTL. Further the Company has given an undertaking to Citibank NA as well as to ICICI Bank for non-disposal of its shareholding in TMTL below 51% during the tenor of the loan.
- (9) The Company has given a letter of comfort to GE Commercial Distribution Finance Europe Ltd for revolving syndicated loan facility to Jaguar Cars Ltd and Land Rover for outstanding balance of GBP 50.20 million (₹ 409.31 crores as on March 31, 2012). Also the Company has given an undertaking to GE Commercial Distribution Finance Europe Ltd to retain ultimate 100% ownership of Jaguar Cars Ltd and Land Rover at all times during the tenor of the loan.
- (10) The Company has given a letter of comfort to Citibank NA against working capital loans extended by the bank to Tata Hispano Motors Carrocera, S.A. (Hispano) aggregating Euro 25 million (₹ 169.86 crores as on March 31, 2012). The Company has also given a letter of comfort to Banco de Valencia against bill discounting facility extended by the bank to Hispano aggregating Euro 2 million (₹ 13.59 crores as on March 31, 2012). The Company has also given an undertaking to Citibank NA and Banco de Valencia for non-disposal of its shareholding in Hispano during the tenor of the loan.
- (11) The Company has given letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Ltd for Rs 1,600 crores and Euro 130 million (₹ 883.29 crores as on March 31, 2012). The letter of comfort is restricted to 50% of the value of credit facilities extended i.e. ₹ 1,241.65 crores.
- (12) The Company has given a letter of comfort to HDFC Bank amounting to ₹ 1 crore against working capital facility to Tata Motors Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake below 51% during the tenor of the loan.
- (13) Trilix Srl, Turin (Italy) is a limited liability company.
- (14) In terms of the Scheme of Amalgamation sanctioned by order dated July 29, 2011 of Hon'ble High Court of Bombay, HV Transmission Ltd has been amalgamated with TML Drivelines Ltd (formerly known as HV Axles Ltd) with effect from April 1, 2011.
- (15) Trade investments also include :

Number	Face value per unit	Description		
			₹	₹
5,000	10	Metal Scrap Trade Corporation Ltd	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd	250	250
16,56,517	1(M\$)	Tatab Industries Sdn. Bhd. Malaysia	1	1
4	25,000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995
200	10	Punjab Chemicals	1	1

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

15. Current investments			As at March 31, 2012	As at March 31, 2011
Number	Face value per unit	Description		
Current investments - others (at cost or fair value whichever is lower)				
(A) Trade investments				
(1) Fully paid Cumulative Redeemable Preference shares (unquoted)				
(i) Subsidiaries				
50,28,999	(USD) 100	6.25% TML Holdings Pte Ltd, (Singapore)[Note 5, below] (7,055,000 shares redeemed and 2,020,000 shares acquired during the period)	2,558.25	-
(ii) Associates				
2,10,00,000	10	8% Tata AutoComp Systems Ltd	21.00	-
(iii) Others				
1,00,000	1,000	7.5% Tata Sons Ltd	10.00	-
			31.00	-
(B) Other investments			2,589.25	-
(1) Investments in mutual fund (unquoted) liquid/liquid plus schemes				
-	-	SBI Debt Fund Series 90 Days - 38 Dividend	-	25.00
-	-	Birla Sun Life Short Term FMP - Series 6 Dividend Payout	-	15.00
-	-	Tata Fixed Maturity Plan - Series 28 Scheme A - Dividend	-	20.00
-	-	DSP Blackrock FMP - 3M Series 29 - Dividend Payout	-	25.00
			-	85.00
(2) Investments in Equity shares (unquoted)				
35,000	10	Elcot Power Control Ltd	0.37	0.37
91,800	10	Munis Forge Ltd.	0.37	0.37
30,997	10	Roofit Industries Ltd.	0.19	0.19
			0.93	0.93
(3) Investments in Government securities (quoted)				
-	-	12.00% Uttar Pradesh 2011 Stock (redeemed during the period)	-	0.02
(4) Investments in Preference shares (unquoted)				
1,00,000	100	15.50% Pennar Paterson Securities Ltd	1.00	1.00
2,00,000	100	15.00% Atcom Technologies Ltd. - Cumulative Preference Shares	2.00	2.00
			3.00	3.00
(5) Non-Convertible Debentures (unquoted)				
2,500	3,000	8% Tata Projects Ltd (2,500 debentures redeemed during the period)	0.75	0.75
			4.68	89.7
Less : Provision for diminution in value of current investments			3.93	3.93
			0.75	85.77
(C) Retained interest in securitisation transactions (unquoted)			0.26	0.23
Total current investments			2,590.26	86.00

Notes:

- (1) Face value per unit is in Rupees unless stated otherwise
- (2) Book value of quoted investments
- (3) Book value of unquoted investments
- (4) Market value of quoted investments
- (5) During the year, the terms of 6.25 % Cumulative Redeemable Preference Shares (CRPS) of TML Holdings Pte Ltd, (Singapore) (TMLHS) were revised vide a special resolution whereby any holder or issuer can redeem its holdings by giving one months' notice in writing.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
16. Long-term loans and advances		
(A) Secured		
(a) Finance receivables [Note below]	-	124.67
	-	124.67
(B) Unsecured		
(a) Loans to employees	43.10	46.90
(b) Loan to a Joint Venture (FIAT India Automobiles Ltd)	265.00	265.00
(c) Loans to subsidiaries (net of provision for impairment and doubtful loans of ₹ 153.95 crores [as at March 31, 2011 ₹ 23.95 crores])	407.51	405.28
(d) Taxes recoverable, statutory deposits and dues from government	723.76	872.52
(e) Capital advances	163.66	259.53
(f) Credit entitlement of Minimum Alternate Tax (MAT)	1,447.04	1,158.16
(g) Non-current income tax assets (net of provisions)	321.89	248.17
(h) Others	116.15	49.41
	3,488.11	3,304.97
	3,488.11	3,429.64

Note :
Finance receivables (Secured) ***

Vehicle loans *

Considered good

Considered doubtful

Less: Allowances for doubtful loans **

Current portion

Non-current portion

* Includes ₹ 204.84 crores (as at March 31, 2011 ₹ 257.07 crores) on account of overdue securitised receivables

** Includes ₹ 159.50 crores (as at March 31, 2011 ₹ 154.57 crores) towards securitised receivables.

*** Loans are secured against hypothecation of vehicles.

	As at March 31, 2012	As at March 31, 2011
Vehicle loans *		
Considered good	101.95	246.91
Considered doubtful	313.23	291.48
	415.18	538.39
Less: Allowances for doubtful loans **	(313.23)	(291.48)
	101.95	246.91
Current portion	101.95	122.24
Non-current portion	-	124.67

17. Other non-current assets

(a) Prepaid debt issue cost

(b) Prepaid expenses

(c) Interest accrued on deposits / loans

	As at March 31, 2012	As at March 31, 2011
(a) Prepaid debt issue cost	53.55	-
(b) Prepaid expenses	-	0.25
(c) Interest accrued on deposits / loans	46.87	34.59
	100.42	34.84

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

18. Inventories

	As at March 31, 2012	As at March 31, 2011
(a) Stores and spare parts (at or below cost)	140.89	117.65
(b) Consumable tools (at cost)	18.90	17.75
(c) Raw materials and components	1,462.14	1,487.94
(d) Work-in-progress	427.55	423.80
(e) Finished goods	2,189.58	1,481.78
(f) Stock-in-trade (in respect of goods acquired for trading)	93.38	181.09
(g) Goods-in-transit (at cost)		
(i) Raw materials and components	132.82	115.35
(ii) Finished goods	122.97	66.03
	4,588.23	3,891.39

Note : Items (c), (d), (e) and (f) above are valued at lower of cost and net realisable value.

19. Trade receivables

	As at March 31, 2012	As at March 31, 2011
(a) Due over six months :		
Considered good (unsecured)	274.23	445.61
Considered doubtful	178.30	135.66
	452.53	581.27
Less : Allowances for doubtful debts	(178.30)	(135.66)
	274.23	445.61
(b) Others :		
Considered good (unsecured)	2,434.09	2,157.27
Considered doubtful	2.93	-
	2,437.02	2,157.27
Less : Allowances for doubtful debts	(2.93)	-
	2,434.09	2,157.27
	2,708.32	2,602.88

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2012	As at March 31, 2011
20. Cash and bank balances		
(A) Cash and cash equivalents		
(a) Cash on hand	1.76	3.22
(b) Cheques on hand	54.25	173.23
(c) Current accounts with banks #	863.50	450.00
(d) Bank deposits with upto 3 months maturity	0.13	725.69
	<u>919.64</u>	<u>1,352.14</u>
(B) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	195.57	82.34
(b) Bank deposits*	600.07	525.27
(c) Margin money / cash collateral with banks	0.02	90.31
	<u>795.66</u>	<u>697.92</u>
(C) Other bank balances (with more than 12 months maturity)		
(a) Margin money / cash collateral with banks	95.66	363.76
(b) Bank deposits with maturity more than 12 months	30.00	15.10
	<u>125.66</u>	<u>378.86</u>
	<u>1,840.96</u>	<u>2,428.92</u>
# Includes		
- Remittances in transit	43.56	318.55
- In foreign currencies	759.19	34.17
* Includes unutilised proceeds from Qualified Institutional Placement (QIP) issue	-	505.00
21. Short-term loans and advances		
(A) Secured		
(a) Finance receivables [Note 16, page 150]	101.95	122.24
	<u>101.95</u>	<u>122.24</u>
(B) Unsecured		
(a) Advances and other receivables recoverable [Note i] (net of provision for doubtful advances of ₹ 59.63 crores (as at March 31, 2011 ₹ 61.14 crores))	173.77	272.51
(b) Inter corporate deposits (ICD) (net of provision for Doubtful ICDs of ₹ 1.22 crores (as at March 31, 2011 ₹ 1.22 crores))	48.82	64.85
(c) Dues from subsidiary companies [Note ii]	79.53	109.23
(d) VAT, other taxes recoverable, statutory deposits and dues from Government	1,102.92	887.54
(e) Current income tax assets (net of provisions)	357.83	363.86
(f) Others	6.92	30.39
	<u>1,769.79</u>	<u>1,728.38</u>
	<u>1,871.74</u>	<u>1,850.62</u>
Note :		
(i) Loans and advances due from Directors & officers	0.09	0.10
(ii) Dues from subsidiary companies		
(i) TML Drivelines Ltd (formerly known as HV Axles Ltd)	7.07	2.34
(ii) HV Transmissions Ltd (merged with TML Drivelines Ltd w.e.f.April 1, 2011)	-	4.22
(iii) Tata Daewoo Commercial Vehicle Co. Ltd	0.24	1.00
(iv) Tata Marcopolo Motors Ltd.	10.87	59.86
(v) Tata Motors (Thailand) Ltd	24.91	15.28
(vi) TML Distribution Company Ltd	-	8.96
(vii) TML Holdings Pte. Ltd, Singapore	-	2.13
(viii) Tata Motors (SA) (Proprietary) Ltd	2.32	-
(ix) TAL Manufacturing Solutions Ltd	0.27	0.27
(x) Tata Hispano Motors Carrocera S.A.	33.85	15.17
	<u>79.53</u>	<u>109.23</u>
22. Other current assets		
(a) Prepaid debt issue cost	13.96	-
(b) Prepaid expenses	39.65	64.83
(c) Interest accrued on deposits / loans	59.34	38.99
(d) Derivative financial instruments	0.46	8.03
	<u>113.41</u>	<u>111.85</u>

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

23. Total revenue

1. Revenue from operations

- (a) Sale of products [Note 1] [Note 39, page 166]
- (b) Sale of services
- (c) Income from hire purchase / loan contracts [Note 2]
- (d) Other operating revenues

2011-2012	2010-2011
58,650.42	50,710.45
195.11	125.96
74.25	114.50
58,919.78	50,950.91
301.16	233.04
59,220.94	51,183.95

2. Other income

- (a) Interest income
- (b) Dividend income [Note 3]
- (c) Profit on sale of investments [Net]

363.67	239.71
180.63	180.98
29.78	2.28
574.08	422.97

Note :

- (1) Includes exchange (loss)/ gain (net)
- (2) Income from vehicle loan contract includes :
 - (a) Income from securitisation / sale of receivables of loan contracts (net)
 - (b) Interest income from loan contracts (net)
- (3) Includes dividend on
 - (a) Trade investments (non-current)
 - (b) Dividend from subsidiary companies
 - (c) Other investments (current)

2011-2012	2010-2011
(52.48)	64.38
0.67	(1.54)
64.82	104.94
65.56	65.46
113.83	92.33
1.24	23.19

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2011-2012	2010-2011
24. Employee cost/ benefits expense	2011-2012	2010-2011
(a) Salaries, wages and bonus	2,193.80	1,841.62
(b) Contribution to provident fund and other funds	210.55	219.49
(c) Staff welfare expenses	287.10	232.91
	<u>2,691.45</u>	<u>2,294.02</u>
25. Finance cost	2011-2012	2010-2011
(a) Interest	1,058.61	1,064.95
Less: Transferred to capital account	(209.17)	(148.00)
	849.44	916.95
(b) Discounting charges	369.18	466.75
	<u>1,218.62</u>	<u>1,383.70</u>
26. Other Expenses	2011-2012	2010-2011
(a) Processing charges	2,057.51	1,676.07
(b) Consumption of stores and spare parts	753.02	625.45
(c) Power and fuel	550.89	471.28
(d) Rent	65.34	52.43
(e) Repairs to buildings	80.43	50.86
(f) Repairs to plant, machinery etc	95.15	77.39
(g) Insurance	68.35	55.11
(h) Rates and taxes	34.03	28.70
(i) Freight, transportation, port charges, etc.	1,052.87	743.90
(j) Publicity	948.65	724.52
(k) Excise duty on closing stock	89.34	15.12
(l) Works operation and other expenses [Note below]	2,609.93	2,217.52
	<u>8,405.51</u>	<u>6,738.35</u>
Note:	2011-2012	2010-2011
Works operation and other expenses include		
(a) Warranty expenses	368.92	382.81
(b) Computer expenses	432.93	338.53
(c) Consultancy	275.23	177.58
(d) Provisions and write off for sundry debtors, vehicle loans and advances	103.04	184.08

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

27. Movement of Foreign Currency Monetary Item Translation Difference Account (net) :

	2011-2012	2010-2011
Opening balance	-	161.69
Exchange loss during the year	630.47	(14.08)
Amortisation of exchange fluctuation for the year	(372.12)	(147.61)
Closing balance	258.35	-

28. Earnings Per Share :

		2011-2012	2010-2011
(a) Profit after tax	₹ crores	1,242.23	1,811.82
(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	1,049.50	1,567.65
(f) Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	192.73	244.17
(g) Earnings Per Ordinary share (Basic)#	₹	3.90	6.06
(h) Earnings Per 'A' Ordinary share (Basic)#	₹	4.00	6.16
(i) Profit after tax	₹ crores	1,242.23	1,811.82
(j) Add: Interest payable on outstanding Foreign Currency Convertible Notes	₹ crores	-	53.98
(k) Profit after tax for Diluted EPS	₹ crores	1,242.23	1,865.80
(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.	10,63,47,857	23,34,05,703
(n) The weighted average number of Ordinary shares for Diluted EPS	Nos.	279,78,90,724	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	1,055.50	1,632.14
(s) Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	186.73	233.66
(t) Earnings Per Ordinary share (Diluted) #	₹	3.77	5.78
(u) Earnings Per 'A' Ordinary share (Diluted) #	₹	3.87	5.88

* '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 FINANCIAL STATEMENTS

(₹ in crores)

29. 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 note (1) and (2) below :

	As at March 31, 2012	As at March 31, 2011
1 Claims against the Company not acknowledged as debts -		
(i) Sales tax - Gross	413.12	1,003.68
- Net of tax	279.08	670.28
(ii) Excise duty - Gross	656.93	492.55
- Net of tax	443.79	328.94
(iii) Others - Gross	157.02	156.92
- Net of tax	106.07	104.80
(iv) Income Tax in respect of matters :		
(a) Decided in the Company's favour by Appellate Authorities and for which the Department is in further appeal	2.38	2.38
(b) Pending in appeal / other matters	95.20	105.19
2 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 the Department is in further appeal	69.77	31.28
3 Other money for which the Company is contingently liable -		
(i) In respect of bills discounted and export sales on deferred credit	139.21	170.60
(ii) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	107.80	634.34
(iii) Cash margins / collateral [Note 20, page 152]	90.29	428.82
(iv) In respect of subordinated receivables	9.51	37.16
(v) Others	6.64	13.68
4 Estimated amount of contracts remaining to be executed on capital account and not provided for	1,536.25	1,857.43
5 Purchase commitments	12,527.63	14,699.18

NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2012	As at March 31, 2011
30. Disclosure in respect of leases:			
(A) Finance leases:			
Assets taken on lease:			
(a)	(i) Total of minimum lease payments	48.47	18.24
	The total of minimum lease payments for a period :		
	Not later than one year	14.11	6.85
	Later than one year and not later than five years	34.36	11.39
	(ii) Present value of minimum lease payments	44.54	16.70
	Present value of minimum lease payments for a period :		
	Not later than one year	13.83	6.21
	Later than one year and not later than five years	30.71	10.49
(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 given on lease:			
(a)	Total of minimum lease payments receivable	66.65	59.18
	The total of minimum lease payments receivable for a period :		
	Not later than one year	4.71	3.81
	Later than one year and not later than five years	18.83	15.23
	Later than five years	43.11	40.14
(b)	Gross block	78.52	75.78
	Accumulated depreciation	14.75	10.43
	Depreciation for the year ₹ 4.30 crores (2010-11 ₹ 3.63 crores)		
(c)	A general description of significant leasing arrangements- The Company has entered into operating lease arrangements for buildings and plant and machinery.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

31. (i) Related party disclosures for the year ended March 31, 2012

(a) Related party and their relationship

1. Subsidiaries :

Tata Technologies Ltd	INCAT International Plc.
TAL Manufacturing Solutions Ltd	Tata Technologies Europe Ltd
TML Drivelines Ltd	INCAT GmbH
<i>(formerly known as HV Axles Ltd)</i>	Tata Technologies Inc
HV Transmissions Ltd	Tata Technologies de Mexico, S.A. de CV
<i>(merged into TML Drivelines Ltd w.e.f. April 1, 2011)</i>	Tata Technologies (Canada) Inc
Sheba Properties Ltd	Tata Technologies (Thailand) Ltd
Concorde Motors (India) Ltd	Tata Technologies Pte Ltd, Singapore
Tata Daewoo Commercial Vehicle Co. Ltd	Miljobil Grenland AS
Tata Motors Insurance Broking & Advisory Services Ltd	Tata Hispano Motors Carrocerries Maghreb
Tata Motors European Technical Centre PLC	Tata Daewoo Commercial Vehicles Sales and Distribution Co. Ltd
Tata Motors Finance Ltd	Tata Engineering Services (Pte) Ltd
Tata Marcopolo Motors Ltd	Jaguar Land Rover North America LLC
Tata Motors (Thailand) Ltd	Land Rover Belux SA/NV
Tata Motors (SA) (Proprietary) Ltd	Land Rover Ireland Ltd
PT Tata Motors Indonesia <i>(incorporated on December 29, 2011)</i>	Jaguar Land Rover Nederland BV
TML Holdings Pte. Ltd, (Singapore)	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA
TML Distribution Company Ltd	Jaguar Land Rover Australia Pty Ltd
Tata Hispano Motors Carrocera S.A.	Land Rover Exports Ltd
Trilix S.r.l	<i>(business transferred to Jaguar Land Rover Exports Ltd w.e.f. March 30, 2012)</i>
Tata Precision Industries Pte. Ltd	Jaguar Land Rover Italia Spa
Jaguar Land Rover PLC	<i>(name changed from Land Rover Italia Spa w.e.f. December 31, 2011)</i>
<i>(name changed from Jaguar Land Rover Ltd w.e.f. April 6, 2011)</i>	Land Rover Espana SL
Jaguar Cars Overseas Holdings Ltd	Land Rover Deutschland GmbH
Jaguar Land Rover Austria GmbH	<i>(merged into Jaguar Deutschland w.e.f. November 28, 2011)</i>
Jaguar Belux NV	Jaguar Land Rover Korea Co. Ltd
Jaguar Cars Ltd	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd
Jaguar Land Rover Japan Ltd	Jaguar Land Rover Canada ULC
Jaguar Cars South Africa (Pty) Ltd	Jaguar Land Rover France, SAS
Jaguar Italia Spa	Jaguar Land Rover (South Africa) (Pty) Limited
<i>(merged into Landrover Italia w.e.f. December 31, 2011)</i>	Jaguar Land Rover Brazil LLC
Jaguar Land Rover Exports Ltd	Limited Liability Company "Jaguar Land Rover" (Russia)
<i>(name changed from Jaguar Cars Exports Ltd w.e.f. March 30, 2012)</i>	Land Rover Parts Ltd
The Daimler Motor Company Ltd	Land Rover Parts US LLC <i>(dissolved w.e.f. September 30, 2011)</i>
The Jaguar Collection Ltd	Jaguar Land Rover (South Africa) Holdings Ltd
Daimler Transport Vehicles Ltd	<i>(incorporated on September 9, 2011)</i>
S.S. Cars Ltd	
The Lanchester Motor Company Ltd	
Jaguar Hispania Sociedad	
Jaguar Land Rover Deutschland	
<i>(name changed from Jaguar Deutschland GmbH w.e.f. November 28, 2011)</i>	
Land Rover	
Land Rover Group Ltd	

2. Associates :

Tata AutoComp Systems Ltd
Tata Cummins Ltd
Tata Precision Industries (India) Ltd
Telco Construction Equipment Co. Ltd
Jaguar Cars Finance Ltd
Nita Company Ltd
Tata Sons Ltd <i>(Investing party)</i>
Automobile Corporation of Goa Ltd
Spark44 Ltd <i>(w.e.f. June 27, 2011)</i>

3. Joint Ventures :

Fiat India Automobiles Ltd
TATA HAL Technologies Ltd

4. Key Management Personnel :

Mr. Carl-Peter Forster <i>(upto September 8, 2011)</i>
Mr. P M Telang

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

(b) Transactions with the related parties

	Subsidiaries	Joint Venture	Associates	Key Management Personnel	2011-2012 Total
Purchase of goods	1,151.05	3,728.41	4,107.23	-	8,986.69
	1,819.45	4,400.87	3,232.28	-	9,452.60
Sale of goods (inclusive of sales tax)	3,424.27	477.99	464.71	-	4,366.97
	19,152.65	456.33	371.31	-	19,980.29
Purchase of fixed assets	45.96	-	-	-	45.96
	45.28	-	-	-	45.28
Purchase of investments	-	-	-	-	-
	-	-	5.86	-	5.86
Redemption / buy back of investments	4,150.34	-	-	-	4,150.34
	-	-	-	-	-
Services received	2,129.48	-	51.27	33.07	2,213.82
	1,681.03	-	56.70	19.19	1,756.92
Services rendered	134.44	8.32	16.73	-	159.49
	109.32	0.02	15.84	-	125.18
Finance given (including loans and equity)	3,325.74	42.50	11.00	-	3,379.24
	2,087.49	200.00	126.42	-	2,413.91
Finance taken (including loans and equity)	1,905.20	-	9.00	-	1,914.20
	1,451.77	-	83.00	-	1,534.77
Interest / dividend paid / (received) (net)	(111.28)	(32.89)	230.02	-	85.85
	(83.33)	(21.29)	177.93	-	73.31
Provision for loan given	130.00	-	-	-	130.00
	-	-	-	-	-
(c) Balances with related parties					
Amount receivable	240.55	-	62.38	-	302.93
	1,159.70	2.09	56.29	-	1,218.08
Amount payable	290.77	112.68	116.53	-	519.98
	172.56	-	111.49	-	284.05
Amount receivable (in respect of loans, interest and dividend)	577.00	303.75	23.83	0.09	904.67
	459.75	289.89	30.83	0.10	780.57
Amount payable (in respect of loans, interest and dividend)	62.85	-	5.00	-	67.85
	4.00	-	-	-	4.00
Bills discounted (in respect of amount receivable)	-	-	25.53	-	25.53
	-	-	-	-	-
Bank guarantee / deposits given as security	36.50	-	3.00	-	39.50
	194.89	-	3.00	-	197.89

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

		2011-2012	2010-2011
(i) Purchase of goods	Fiat India Automobiles Ltd	3,728.41	4,400.87
	Tata Cummins Ltd	3,267.67	2,472.84
	Tata Marcopolo Motors Ltd	508.85	113.23
	Jaguar Land Rover	537.62	281.13
	Tata AutoComp Systems Ltd	561.80	455.51
(ii) Sale of goods	TML Distribution Company Ltd	2,464.72	18,752.36
	Fiat India Automobiles Ltd	477.99	456.33
	Tata Cummins Ltd	250.53	227.49
	Concorde Motors (India) Ltd	724.74	168.30
	Nita Company Ltd	168.75	105.24
(iii) Redemption / buy back of investment	TML Holdings Pte Ltd, (Singapore)	4150.34	-
(iv) Purchase of fixed assets	Tata Technologies Ltd	34.44	27.42
	TAL Manufacturing Solutions Ltd	6.24	17.85
	Jaguar Land Rover	5.28	-
(v) Services received	TML Drivelines Ltd	1,057.97	569.68
	HV Transmissions Ltd	-	367.20
	Tata Technologies Ltd	405.95	301.08
	Tata Sons Ltd.	51.27	56.70
(vi) Services rendered	TML Drivelines Ltd	42.24	19.86
	HV Transmissions Ltd	-	17.37
	Tata Marcopolo Motors Ltd	14.37	15.20
	Telco Construction Equipment Co. Ltd	9.62	9.76
	Tata Cummins Ltd	5.76	6.03
	Fiat India Automobiles Ltd	8.32	0.02
	(vii) Finance given (including loans and equity)		
Investment in equity	TML Holdings Pte Ltd, (Singapore)	998.89	-
Investment in equity	Fiat India Automobiles Ltd	42.50	200.00
Inter corporate deposit	TML Distribution Company Ltd	763.00	585.00
Inter corporate deposit	Tata Technologies Ltd	462.40	326.00
Inter corporate deposit	TML Drivelines Ltd	560.20	222.00
Inter corporate deposit	Automobile Corporation of Goa Ltd	11.00	89.00

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

		2011-2012	2010-2011
(vii) Finance taken (including loans and equity)			
Inter corporate deposit	TML Distribution Company Ltd	763.00	585.00
Inter corporate deposit	TML Drivelines Ltd	617.05	221.00
Inter corporate deposit	HV Transmissions Ltd	-	169.00
Inter corporate deposit	Automobile Corporation of Goa Ltd	9.00	83.00
(viii) Interest / dividend paid / (received)			
Dividend paid	Tata Sons Ltd	290.77	240.86
Dividend received	Tata Sons Ltd	(10.60)	(9.36)
Dividend received	Tata Cummins Ltd	(27.00)	(22.50)
Dividend received	Tata Technologies Ltd	(42.42)	(42.99)
Dividend received	Tata Daewoo Commercial Vehicle Co. Ltd	(22.00)	(12.23)
Dividend received	TML Drivelines Ltd	(22.95)	(19.13)
Dividend received	HV Transmissions Ltd	(20.40)	(17.00)
Interest paid	Fiat India Automobiles Ltd	85.48	45.30
Interest paid	TML Drivelines Ltd	11.40	5.43
Interest paid	HV Transmissions Ltd	-	1.65
Interest received	Fiat India Automobiles Ltd	(118.37)	(66.59)
(ix) Bank guarantee / other assets given as security			
Bank guarantee / other assets given for securitisation of debts	Tata Motors Finance Ltd	36.50	194.98
Deposits given	Tata Sons Ltd	-	3.00

CORPORATE OVERVIEW (1-31)

FINANCIAL HIGHLIGHTS (32-45)

STATUTORY REPORTS (46-122)

FINANCIALS

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

(ii) Disclosures required by Clause 32 of the Listing Agreement

Amount of loans / advances in nature of loans outstanding from subsidiaries and associates during 2011-2012

Name of the Company	Outstanding as at March 31, 2012	Maximum amount outstanding during the year	Investment in shares of the the Company	Direct investment in shares of subsidiaries of the Company
	(₹ in crores)	(₹ in crores)	(No. of Shares)	(No. of Shares)
a) Subsidiaries				
Sheba Properties Ltd	-	-	-	8,11,992
[Shares in Tata Technologies Ltd]	-	-	-	8,11,992
Tata Technologies Ltd	-	3.00	-	-
TAL Manufacturing Solutions Ltd	-	34.00	-	-
Concorde Motors (India) Ltd	12.00	16.00	-	-
Tata Motors European Technical Centre Plc., UK	55.33	55.78	-	9,498
[Shares in Miljobil Grenland AS]	48.51	48.51	-	9,498
Tata Marcopolo Motors Ltd	5.00	5.00	-	-
Tata Motors (Thailand) Ltd	5.00	10.00	-	-
TML Distribution Company Ltd	138.04	138.04	-	-
Tata Hispano Motors Carrocera S.A.	342.91	352.58	-	40,000
[Shares in Tata Hispano Motors Carroceries Maghreb]	236.27	236.27	-	40,000
Tata Precision Industries Pte. Ltd. (Singapore)	-	-	-	-
Tata Motors Insurance Broking and Advisory Services Ltd	1.70	8.02	-	-
Tata Motors (SA) Proprietary Ltd	0.70	0.70	-	-
	6.41	6.41	-	-
b) Associates				
Tata AutoComp Systems Ltd	23.83	23.83	-	-
	23.83	23.83	-	-
c) Joint Ventures :				
Fiat India Automobiles Ltd	265.00	265.00	-	-
	265.00	265.00	-	-

32. The Company has a joint venture with Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India. The Company has an investment of ₹ 1,242.04 crores as at March 31, 2012, representing 50% shareholding in FIAL.

The proportionate share of assets and liabilities as at March 31, 2012 and income and expenditure for the year 2011-12 of FIAL as per their unaudited financial statement are given below :

	Ason March 31, 2012	Ason March 31, 2011	2011-2012	2010-2011
RESERVES AND SURPLUS	(650.58)	(607.19)		
NON-CURRENT LIABILITIES				
Long-term borrowings	795.69	932.66	1,716.47	2,017.12
Long-term provisions	6.24	3.98	(247.73)	(324.04)
CURRENT LIABILITIES				
Short-term borrowings	99.90	50.00	169.21	198.61
Trade payables	633.87	859.65	92.92	36.17
Other current liabilities	304.41	306.19		
Short-term provisions	8.61	7.31		
	1,848.72	2,159.79	1,730.87	1,927.86
NON-CURRENT ASSETS				
Fixed assets	1,516.50	1,649.37	1,429.57	1,743.58
Other long-term loans and advances	42.60	31.88	3.27	3.46
Other non-current assets	29.13	37.50	160.76	160.47
			162.81	143.23
CURRENT ASSETS	714.15	895.58	17.85	-
	2,302.38	2,614.33	1,774.26	2,050.74
Claims not acknowledged as debts	6.26	4.15		
Capital Commitments	12.19	7.70		

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

33. Defined benefit plans/long term compensated absences - as per actuarial valuations as on March 31, 2012.

	Gratuity, Superannuation and BKY					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	37.98	29.63	24.97	25.24	21.60	23.16	18.41	14.68	14.85	12.80	3.47	2.88	2.53	1.97	1.80
Interest cost	48.77	42.32	38.09	37.42	34.65	15.82	12.49	10.30	10.69	9.60	7.03	6.15	5.86	4.72	4.19
Expected return on plan assets	(43.69)	(39.56)	(35.46)	(32.56)	(30.70)	-	-	-	-	-	-	-	-	-	-
Actuarial (gains) / losses	9.50	53.84	46.23	(4.26)	39.41	17.81	34.05	22.92	(9.80)	12.47	(3.80)	4.21	(1.74)	10.00	3.90
Total expense recognised in the Profit and Loss Statement in Note 24, page 154 under item :	52.56	86.23	73.83	25.84	64.96	56.79	64.95	47.90	15.74	34.87	6.70	13.24	6.65	16.69	9.89
	(b) & (c)					(a)					(c)				
ii Actual contribution and benefit payments for year ended March 31,															
Actual benefit payments	48.92	55.21	54.15	57.20	54.98	25.62	25.93	18.24	22.49	21.42	2.82	3.10	3.17	3.43	3.75
Actual contributions	46.91	78.11	75.80	22.18	87.98	25.62	25.93	18.24	22.49	21.42	2.82	3.10	3.17	3.43	3.75
iii Net liability recognised in Balance Sheet as at March 31,															
Present value of defined benefit obligation	652.56	606.73	534.60	485.95	474.36	230.14	198.97	159.95	130.29	137.04	88.66	84.13	73.99	70.51	57.25
Fair value of plan assets	587.21	547.03	483.02	432.39	424.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net liability recognised in Balance Sheet	(65.35)	(59.70)	(51.58)	(53.56)	(49.91)	(230.14)	(198.97)	(159.95)	(130.29)	(137.04)	(88.66)	(84.13)	(73.99)	(70.51)	(57.25)
Experience adjustment on plan liabilities	(1.05)	(33.21)	(3.35)	(37.27)	30.22	N/A	N/A	N/A	N/A	N/A	(3.87)	4.62	0.84	2.21	-
Experience adjustment on plan assets	(1.49)	1.55	(6.49)	10.41	(6.45)	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,															
Present value of DBO at the beginning of the year	606.73	534.60	485.95	474.36	440.14	198.97	159.95	130.29	137.04	123.59	84.13	73.99	70.51	57.25	51.11
Current service cost	37.98	29.63	24.97	25.24	21.60	23.16	18.41	14.68	14.85	12.80	3.47	2.88	2.53	1.97	1.80
Interest cost	48.77	42.32	38.09	37.42	34.65	15.82	12.49	10.30	10.69	9.60	7.03	6.15	5.86	4.72	4.19
Actuarial losses	8.00	55.39	39.74	6.13	32.95	17.81	34.05	22.92	(9.80)	12.47	(3.80)	4.21	(1.74)	10.00	3.90
Benefits paid	(48.92)	(55.21)	(54.15)	(57.20)	(54.98)	(25.62)	(25.93)	(18.24)	(22.49)	(21.42)	(2.82)	(3.10)	(3.17)	(3.43)	(3.75)
Present value of DBO at the end of the year	652.56	606.73	534.60	485.95	474.36	230.14	198.97	159.95	130.29	137.04	88.01	84.13	73.99	70.51	57.25
v Change in fair value of assets during the year ended March 31,															
Plan assets at the beginning of the year	547.03	483.02	432.39	424.45	367.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual return on plan assets	42.19	41.11	28.98	42.96	24.24	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	46.91	78.11	75.80	22.18	87.98	25.62	25.93	18.24	22.49	21.42	2.82	3.10	3.17	3.43	3.75
Benefits paid	(48.92)	(55.21)	(54.15)	(57.20)	(54.98)	(25.62)	(25.93)	(18.24)	(22.49)	(21.42)	(2.82)	(3.10)	(3.17)	(3.43)	(3.75)
Plan assets at the end of the year	587.21	547.03	483.02	432.39	424.45	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
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 of total plan assets															
Debt securities	77%	75%	74%	76%	68%	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%	26%	24%	32%	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 as at March 31,						95.34	91.65	81.48	77.68	58.11	81.62	77.57	67.49	64.29	52.10
Revised service cost for the year						4.01	3.37	2.95	2.30	1.95	3.04	2.48	2.17	1.69	1.42
Revised interest cost for the year						7.66	6.79	6.47	4.79	4.63	6.46	5.60	5.33	4.28	3.80

- (a) **Defined contribution plans**
The Company's contribution to defined contribution plan aggregated ₹165.25 crores (2010-11 ₹ 144.97 crores) for the year ended March 31, 2012 has been recognised in the Profit and Loss Statement under note 24 page 154.
- (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, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) The Company expects to contribute ₹ 82.61 crores to the funded pension plans in the year 2012-13.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2011 -2012	2010-2011
34. Purchase of products for Sale :		
(a) Spare parts and accessories for sale	1,558.96	1,350.25
(b) Bodies and trailers for mounting on chassis	1,637.87	956.50
(c) Vehicles 53,583 nos. (2010-11 : 82,563 nos.)	3,237.12	5,056.38
	<u>6,433.95</u>	<u>7,363.13</u>
35. Expenditure incurred on Research and Development :		
(a) Revenue expenditure - charged to Profit and Loss Statement	243.30	121.86
(b) Revenue expenditure - capitalised	1,127.86	897.16
(c) Capital expenditure	177.53	168.19
	<u>1,548.69</u>	<u>1,187.21</u>
36. (a) Auditors' remuneration (excluding service tax) :		
(i) Audit fees	4.00	4.00
(ii) Audit fees for financial statements as per IFRS (including SOX certification)	3.50	3.75
(iii) In other capacities :		
Company law matters (₹ 35,000 for 2011-12, ₹ 35,000 for 2010-11)	-	-
Tax audit / Transfer pricing audit	0.49	0.56
Taxation matters	0.20	0.22
(iv) Other services @	0.07	0.08
(v) Reimbursement of travelling and out-of-pocket expenses	0.34	0.14
(b) Cost Auditors' remuneration (excluding service tax)		
(i) Cost Audit fees	0.14	0.10
(ii) Reimbursement of travelling and out-of-pocket expenses	0.01	0.01
Notes:		
@ Excludes audit fees debited to Securities Premium Account related to Qualified Institutional Placement (QIP) issue	-	0.50
37. (a) Product warranty		
Opening balance	398.25	248.63
Add: Provision for the year (net)	368.42	376.47
Less: Payments / debits (net of recoveries from suppliers)	(313.91)	(226.85)
Closing balance	<u>452.76</u>	<u>398.25</u>
Current	387.26	346.27
Non-current	65.50	51.98
(b) Provision for Delinquency		
Opening balance	9.96	-
Add: Provision for the year (net)	118.62	9.96
Less: Payments / debits (net)	19.77	-
Closing balance	<u>108.81</u>	<u>9.96</u>
Current	-	-
Non-current	108.81	9.96
(c) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (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	<u>912.50</u>	<u>801.09</u>
Current	855.73	0.87
Non-current	56.77	800.22

NOTES FORMING PART OF FINANCIAL STATEMENTS

38. Derivative transactions

The Company uses forward exchange contracts, principal only swaps, interest rate swaps, currency swaps and currency options to hedge its exposure in foreign currency and interest rates. The information on derivative instruments is as follows :

(a) Derivative Instruments outstanding as at March 31, 2012	<u>Amount</u> (Foreign currency in millions)	<u>Buy / Sell</u>	<u>Amount</u> (₹ in crores)
(i) Forward exchange contracts (net) US \$ / IN ₹	-	-	-
	US \$ 106.57	Buy	475.17
(ii) Options (net) US \$ / IN ₹	US \$ 45.00	To Sell	228.92
	US \$ 15.00	To Buy	76.32
	US \$ 39.00	To Sell	173.89
(iii) Cross currency swaps US \$ / IN ₹	US \$ 31.00	To Buy	157.74
	US \$ 31.00	To Buy	138.22
(b) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2012	<u>Amount</u> (Foreign currency in millions)		<u>Amount</u> (₹ in crores)
(i) Amount receivable on account of sales of goods, investment in preference shares, loan and interest charges	US \$ 670.79		3,411.33
	US \$ 1,076.74		4,800.71
	€ 54.53		370.28
	€ 39.00		247.04
	£ 8.68		70.88
	£ 8.52		61.34
	THB 1,105.99		182.38
	THB 949.00		139.66
	ZAR 34.45		22.96
	ZAR 10.33		6.78
(ii) Creditors payable on account of loan and interest charges and other foreign currency expenditure	US \$ 1,750.83		8,908.64
	US \$ 1,281.55		5,714.43
	€ 11.79		80.08
	€ 11.23		71.27
	£ 11.50		93.75
	£ 7.67		54.81
	¥ 373.22		22.98
	¥ 574.08		30.79
	-		-
	THB 89.83		13.24
	Others		1.56
	Others		1.87

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

39. Information in regard to sale of products effected by the Company

	<u>2011 -2012</u>	<u>2010-2011</u>
(1) Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon [including export and other incentives of ₹ 437.69 crores (2010-2011 ₹ 803.57 crores)]	54,154.01	46,692.88
(2) Spare parts for vehicles	2,910.60	2,689.85
(3) Others	1,585.81	1,327.72
	<u>58,650.42</u>	<u>50,710.45</u>

40. Information in regard to raw materials and components consumed :

	<u>2011 -2012</u>	<u>2010-2011</u>
Engines	2,568.17	2,115.33
Tyres, tubes and flaps	3,022.60	2,031.98
Paints, oils and lubricants	334.10	247.70
Steel , steel tubes, steel melting scrap	1,452.72	1,172.36
Non-ferrous alloys / metals, ferro alloys	117.52	99.22
Other components	26,399.71	21,391.88
	<u>33,894.82</u>	<u>27,058.47</u>

The consumption figures shown above are after adjusting excesses and shortages ascertained on physical count, unserviceable items, etc. The figures of other components comprises finished/ semi finished components/ assemblies/ sub assemblies and other material (balancing figure based on the total consumption).

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

41. Information regarding exports and imports and other matters :

	2011 -2012	2010-2011
1. Earnings in foreign exchange :		
(i) F.O.B. value of goods exported [including sales through export house, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - gain of ₹ 26.91crores (2010-11 loss of ₹ 3.00 crores)]	3,598.22	3,339.03
(ii) Rent income	6.75	6.23
(iii) Commission	0.70	0.21
(iv) Interest and dividend	46.23	19.61
(v) Sale of services	25.05	-
2. C.I.F. value of imports		
(i) Raw material and components	1,364.69	1,825.30
(ii) Machinery spares and tools	57.31	46.80
(iii) Capital goods	362.48	158.71
(iv) Vehicles / Spare parts / accessories for sale	525.51	273.67
(v) Other items	15.47	12.39
3. (a) Value of imported and indigenous raw materials and components consumed [Note below]:		
(i) Imported at Rupee cost	1,635.39	1,598.91
(ii) Indigenously obtained	32,259.43	25,459.56
(b) Percentage to total consumption :		
(i) Imported	4.82	5.91
(ii) Indigenously obtained	95.18	94.09

Note:

In giving the above information, the Company has taken the view that components and spares as referred to in Clause 5(viii)(c) of Part II of Revised Schedule VI covers only such items as consumed directly in production.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2011-2012	2010-2011
42. Expenditure in foreign currency (subject to deduction of tax where applicable) :		
(i) Technical Know-how / services	387.44	223.39
(ii) Interest	271.64	136.57
(iii) Consultancy / Professional charges	35.66	52.80
(iv) Payments on other accounts [including exchange differences (net)]	228.14	177.55

43. Remittances in foreign currencies for dividends :

The Company does not have complete information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends declared during the year and payable to non - resident shareholders for the year 2010-11 are as under :

(i) Number of non-resident shareholders			
a) For 2010-11	Nos.	8,543	-
b) For 2009-10	Nos.	-	7,406
(ii) Number of shares held by them			
a) For 2010-11	Nos.	23,05,21,921	-
b) For 2009-10	Nos.	-	18,19,96,551
(iii) Gross amount of dividend			
a) For 2010-11		461.04	-
b) For 2009-10		-	272.99

44. Other Notes

- (i) 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.
- (ii) During the year ended March 31, 2012, TML Holding Pte Ltd. (Singapore) (TMLHS), a wholly owned subsidiary of the Company, bought back 91,666,700 equity shares for a consideration of USD 2.2 per share (₹108.79 per share), based on an independent valuation of TMLHS. The consideration of ₹ 997.24 crores has been credited to Investment account.
- (iii) 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.
- (iv) **Micro, Small and Medium Enterprise Development Act, 2006 :**
The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during 2011-12 is given below :

		2011-2012	2010-2011
(a) Amounts outstanding but not due as at March 31,		52.69	254.35
(b) Amounts due but unpaid as at March 31,	-Principal	-	0.06
(c) Amounts paid after appointed date during the year	-Principal	28.61	339.71
(d) Amount of interest accrued and unpaid as at March 31,	-Interest	0.28	1.58
(v) Current year figures are shown in bold prints.			