

# 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, (the "Act") and the relevant provisions thereof which continue to be applicable in respect of Section 133 of Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

### (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, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. 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 revenues on the sale of products, net of discounts and sales incentives, 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 costs 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.

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

### (e) Fixed assets

(i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortization and accumulated impairment, if any.

(ii) 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 future benefits.

(iii) Cost includes purchase price, taxes and duties, labour cost and directly attributable overhead expenditure for self constructed assets incurred up to 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 Statement of Profit and Loss as and when incurred.

### (f) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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 of March 31, 2014 none of the fixed assets were considered impaired.

(g) **Leases**

(i) **Finance lease**

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce 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 Statement of Profit and Loss 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 Statement of Profit and Loss.

(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 assets) 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 and option 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 Statement of Profit and Loss.

Amounts accumulated in Hedging Reserve Account are reclassified to Profit and Loss in the periods during which the forecasted transaction occurs.

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

(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.

(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 up to 3 to 4 years.

(j) **Income on vehicle loan**

Interest income from loan contracts are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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.

(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 carried out at each Balance Sheet date using the projected unit credit method.

(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 as at Balance Sheet date.

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 for employees of the Company. The benefits of the plan include pension in certain case, payable up to 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 appropriate authority. 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 as at Balance Sheet date.

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

Under this scheme, employees of the Company receive 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 as at Balance Sheet date.

(v) **Provident fund**

The eligible employees of the Company are entitled to receive benefits in respect of 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 made to the provident fund and pension fund set up as irrevocable trust by the Company. 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.

(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 is determined on a portfolio basis.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(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. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realize such assets.

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 substantively enacted by the balance sheet date.

(o) **Redemption premium on Foreign Currency Convertible Notes (FCCN) / Non Convertible Debentures (NCD)**

Premium payable on redemption of FCCN / 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. Discount on redemption of FCCN, if any, is recognised on redemption.

(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.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2014	As at March 31, 2013
<b>2. Share Capital</b>		
<b>(a) Authorised :</b>		
<b>350,00,00,000</b> Ordinary shares of ₹2 each (as at March 31, 2013: 350,00,00,000 Ordinary shares of ₹2 each)	<b>700.00</b>	700.00
<b>100,00,00,000</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 100,00,00,000 'A' Ordinary shares of ₹2 each)	<b>200.00</b>	200.00
<b>30,00,00,000</b> Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2013: 30,00,00,000 shares of ₹100 each)	<b>3,000.00</b>	3,000.00
	<b>3,900.00</b>	3,900.00
<b>(b) Issued [Note (k), page 139] :</b>		
<b>273,71,97,592</b> Ordinary shares of ₹2 each (as at March 31, 2013: 270,86,48,026 Ordinary shares of ₹2 each)	<b>547.44</b>	541.73
<b>48,22,06,515</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 48,22,06,515 'A' Ordinary shares of ₹2 each)	<b>96.44</b>	96.44
	<b>643.88</b>	638.17
<b>(c) Subscribed and called-up :</b>		
<b>273,67,13,122</b> Ordinary shares of ₹2 each (as at March 31, 2013: 270,81,56,151 Ordinary shares of ₹2 each)	<b>547.34</b>	541.63
<b>48,19,66,945</b> 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 48,19,59,620 'A' Ordinary shares of ₹2 each)	<b>96.40</b>	96.40
	<b>643.74</b>	638.03
<b>(d) Calls unpaid - Ordinary shares</b>	<b>(0.01)</b>	(0.01)
<b>(e) Paid-up ( c + d )</b>	<b>643.73</b>	638.02
<b>(f) Forfeited Shares - Ordinary shares</b>	<b>0.05</b>	0.05
<b>Total ( e + f )</b>	<b>643.78</b>	638.07

**(g) Movement of number of shares and share capital :**

	2013-2014		2012-2013	
	No. of shares	(₹ in crores)	No. of shares	(₹ in crores)
<b>(i) Ordinary shares</b>				
Shares as on April 1	270,81,56,151	541.63	269,16,13,455	538.32
Add: Shares issued out of held in abeyance	7,405	-*	1,125	-*
Add: Shares issued through conversion of Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS)	2,85,49,566	5.71	1,65,41,571	3.31
Shares as on March 31	273,67,13,122	547.34	270,81,56,151	541.63
<b>(ii) 'A' Ordinary shares</b>				
Shares as on April 1	48,19,59,620	96.40	48,19,33,115	96.39
Add: Shares issued out of held in abeyance	7,325	-*	26,505	0.01
Shares as on March 31	48,19,66,945	96.40	48,19,59,620	96.40

\* Less than ₹ 50,000/-

**(h) Rights, preferences and restrictions attached to shares :****(i) Ordinary shares and 'A' Ordinary shares, both of ₹2 each :**

- The Company has two classes of shares – the Ordinary shares and the 'A' Ordinary shares both of ₹2 each (together referred to as shares). In respect of every Ordinary share (whether fully or partly paid), voting rights shall be in the same proportion as the capital paid up on such Ordinary share bears to the total paid up Ordinary share capital of the Company. In case of every 'A' Ordinary share, if any resolution is put to vote on a poll or by postal ballot at any general meeting of shareholders, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as per the terms of its issue and if a resolution is put to vote on a show of hands, the holder of 'A' Ordinary shares shall be entitled to the same number of votes as available to holders of Ordinary shares.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. Further, the Board of Directors may also announce an interim dividend. The holders of 'A' Ordinary shares shall be entitled to receive dividend for each financial year at five percentage point more than the aggregate rate of dividend declared on Ordinary shares for that financial year.
- In the event of liquidation, the shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholdings.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (ii) American Depositary Shares (ADSs) and Global Depositary Shares (GDSs) :

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the Depository with respect to the Ordinary shares represented by ADS(s) only in accordance with the provisions of the Company's ADS deposit agreement and Indian Law. The depository for the ADSs and GDSs shall exercise voting rights in respect of the deposited shares by issue of an appropriate proxy or power of attorney in terms of the respective deposit agreements.
- Shares issued upon conversion of ADSs and GDSs will rank pari passu with the existing Ordinary shares of ₹2 each in all respects including entitlement of the dividend declared.

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

	As at March 31, 2014		As at March 31, 2013	
	% of Issued share capital	No. of shares	% of Issued share capital	No of shares
<b>(i) Ordinary shares :</b>				
(a) Tata Sons Limited	25.67%	70,23,33,345	25.93%	70,23,33,345
(b) Tata Steel Limited	5.40%	14,78,10,695	5.46%	14,78,10,695
(c) Citibank N A as Depository	#	58,16,74,545	#	49,80,91,115
<b>(ii) 'A' Ordinary shares :</b>				
(a) Matthews Asia Dividend Fund	6.93%	3,33,95,515	*	-
(b) HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Ltd	6.04%	2,90,86,664	5.97%	2,87,89,306
(c) HDFC Trustee Co Limited - HDFC Top 200 Fund	*	-	6.10%	2,93,87,761
(d) HDFC Trustee Co Limited - HDFC Equity Fund	*	-	5.37%	2,58,78,932
# held by Citibank, N.A. as depository for American Depositary Receipts (ADRs) and Global Depositary Receipts (GDRs)				
* Less than 5%				

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

- The Company has not issued any shares without payment being received in cash.
- There has been no issue of bonus shares.
- The Company has not undertaken any buy-back of shares.

- (k) The entitlements to 4,84,470 Ordinary shares of ₹2 each (as at March 31, 2013 : 4,91,875 ordinary shares of ₹2 each) and 2,39,570 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 2,46,895 'A' Ordinary shares of ₹2 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.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

3. Reserves and surplus	As at March 31, 2013	Additions	Deductions	As at March 31, 2014
(a) Capital Redemption Reserve	2.28	-	-	2.28
	2.28	-	-	2.28
(b) Securities Premium Account [Note (i) and (ii)]	11,328.57	441.93	87.41	11,683.09
	11,186.76	233.31	91.50	11,328.57
(c) Debenture Redemption Reserve	1,042.15	-	-	1,042.15
	1,172.15	-	130.00	1,042.15
(d) Revaluation Reserve [Note (iii)]	23.31	-	0.44	22.87
	23.75	-	0.44	23.31
(e) Amalgamation Reserve	0.05	-	-	0.05
	0.05	-	-	0.05
(f) General Reserve [Note (iv)]	4,972.62	33.45	-	5,006.07
	4,942.36	30.26	-	4,972.62
(g) Foreign Currency Monetary Item Translation Difference Account (net) [Note (v)]	(215.00)	(100.34)	(114.11)	(201.23)
	(258.35)	(355.02)	(398.37)	(215.00)
(h) Profit and Loss Account (Surplus) [Note (vi)]	1,342.79	413.55	778.75	977.59
	1,663.91	433.29	754.41	1,342.79
	<b>18,496.77</b>	<b>788.59</b>	<b>752.49</b>	<b>18,532.87</b>
	18,732.91	341.84	577.98	18,496.77

## Notes

	2013-2014		2012-2013	
	Additions	Deductions	Additions	Deductions
(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹ 0.03 crores				
(ii) <b>Securities Premium Account :</b>				
(a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) and held in abeyance out of rights issue of shares	407.72	-	229.68	-
(b) Share issue expenses and brokerage, stamp duty and other fees on Non Convertible Debentures [net of tax ₹0.48 crore (2012-13 ₹1.75 crore)]	-	87.41	-	91.50
(c) Premium on redemption of FCCN / CARS, exchange differences and withholding tax. [net of tax ₹ Nil (2012-13 ₹12.31 crores)]	34.21	-	3.63	-
	<b>441.93</b>	<b>87.41</b>	<b>233.31</b>	<b>91.50</b>
(iii) <b>Revaluation Reserve :</b>				
Depreciation on revalued portion of assets taken over on amalgamation of a company	-	0.44	-	0.44
	-	<b>0.44</b>	-	<b>0.44</b>
(iv) <b>General Reserve :</b>				
(a) Amount recovered (net) towards indemnity relating to business amalgamated in prior year	-	-	0.08	-
(b) Amount transferred from Profit and Loss Account (Surplus)	33.45	-	30.18	-
	<b>33.45</b>	-	<b>30.26</b>	-
(v) <b>Foreign Currency Monetary Item Translation Difference Account (net) :</b>				
(a) Exchange loss during the year (net)	(100.34)	-	(355.02)	-
(b) Amortisation of exchange fluctuation for the year	-	(114.11)	-	(398.37)
	<b>(100.34)</b>	<b>(114.11)</b>	<b>(355.02)</b>	<b>(398.37)</b>
(vi) <b>Profit and Loss Account (Surplus) :</b>				
(a) Profit after tax for the year	334.52	-	301.81	-
(b) Credit for dividend distribution tax	-	-	1.48	-
(c) Proposed dividend	-	648.56	-	645.20
(d) Dividend paid (2012-13)	-	3.34	-	-
(e) Tax on proposed dividend	-	93.40	-	79.03
(f) Reversal of dividend distribution tax of earlier year	79.03	-	-	-
(g) Debenture Redemption Reserve	-	-	130.00	-
(h) General Reserve	-	33.45	-	30.18
	<b>413.55</b>	<b>778.75</b>	<b>433.29</b>	<b>754.41</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
<b>4. Long-term borrowings</b>		
<b>(A) Secured</b>		
(a) Privately placed Non-Convertible Debentures [ Note I (i) (a) and (b) and (ii) (a), page 142]	1,950.00	1,950.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate) [Note I (i) (c) and (iii), page 142]	121.03	248.85
(c) Term loans from others [ Note I (i) (d), page 142]	419.54	167.20
(d) Finance lease obligations [Note 29 (A) (a) (ii), page 158]	14.80	31.92
	<b>2,505.37</b>	<b>2,397.97</b>
<b>(B) Unsecured</b>		
(a) Foreign Currency Convertible Notes (FCCN) [ Note I (iv), page 143]	-	402.25
(b) Privately placed Non-Convertible Debentures [Note I (ii) (b) page 142]	3,300.00	2,500.00
(c) Term loans from banks : (i) External Commercial Borrowings - USD 500 million (at floating interest rate) [Note I (v), page 143]	2,995.00	2,714.26
(ii) Buyers' line of credit (at floating interest rate) [ Note I (iii), page 142]	946.08	37.30
	<b>7,241.08</b>	<b>5,653.81</b>
<b>TOTAL (A+B)</b>	<b>9,746.45</b>	<b>8,051.78</b>

	As at March 31, 2014	As at March 31, 2013
<b>5. Short-term borrowings</b>		
<b>(A) Secured</b>		
From banks [Note II, page 143]		
(a) Loans, cash credit, overdrafts accounts	1,796.31	2,232.39
(b) Buyers' line of credit (at floating rate interest)	148.33	704.51
(c) Foreign Currency Non Repatriable Borrowings (FCNR(B))	-	542.85
	<b>1,944.64</b>	<b>3,479.75</b>
<b>(B) Unsecured</b>		
(a) From banks	2,000.00	400.00
(b) Loans and advances from subsidiaries and associates (repayable on demand)	31.00	350.60
(c) Commercial paper [maximum balance outstanding during the year ₹3,715 crores (2012-2013 : ₹3,345 crores)]	793.44	1,986.56
	<b>2,824.44</b>	<b>2,737.16</b>
<b>TOTAL (A+B)</b>	<b>4,769.08</b>	<b>6,216.91</b>



# NOTES FORMING PART OF FINANCIAL STATEMENTS

## I. Information regarding long term borrowings

### (i) Nature of security (on loans including interest accrued thereon) :

- (a) During the year 2009-10, the Company issued 2% secured non-convertible credit enhanced rupee debentures in four tranches, having tenor upto seven years, aggregating ₹4,200 crores on a private placement basis. These 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. As at March 31, 2014, the outstanding is ₹1,250 crores.
- (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 moveable current assets except cash and bank balances, loans and advances of the Company both present and future.
- (d) The term loan is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2034, along with simple interest at the rate of 0.10 % p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

### (ii) Schedule of repayment and redemption for Non-Convertible Debentures :

Non Convertible Debentures (NCDs)	Redeemable on	Principal	Premium	₹ (in crores)	
				Total	
<b>(a) Secured :</b>					
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	
# 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>(b) Unsecured :</b>					
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	
10.00% Non-Convertible Debentures (2019)	May 28, 2019	250.00	-	250.00	
9.69% Non-Convertible Debentures (2019)	March 29, 2019	200.00	-	200.00	
10.30% Non-Convertible Debentures (2018)	November 30, 2018	200.00	-	200.00	
9.45% Non-Convertible Debentures (2018)	March 29, 2018	200.00	-	200.00	
10.00% Non-Convertible Debentures (2017)	May 26, 2017	250.00	-	250.00	
9.84% Non-Convertible Debentures (2017)	March 10, 2017	300.00	-	300.00	
8.73% Non-Convertible Debentures (2016)	May 17, 2016	300.00	-	300.00	
8.95% Non-Convertible Debentures (2016)	April 29, 2016	300.00	-	300.00	
9.22% Non-Convertible Debentures (2015)	December 1, 2015	300.00	-	300.00	
9.05% Non-Convertible Debentures (2015)	October 30, 2015	300.00	-	300.00	
9.15% Non-Convertible Debentures (2015)	June 3, 2015	300.00	-	300.00	
9.85% Non-Convertible Debentures (2015) *	March 30, 2015	300.00	-	300.00	

\* Classified as current liabilities being maturity before March 31, 2015

- (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 financial year ending March 31, 2015 to financial year ending March 31, 2017.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### (iv) Foreign Currency Convertible Notes (FCCN) :

The Company issued the FCCN which are convertible into Ordinary shares or ADSs. The particulars, terms of issue and the status of conversion as at March 31, 2014 are given below :

Issue	4% FCCN (due 2014)*
Issued on	October 15, 2009
Issue Amount (in INR at the time of the issue)	US \$ 375 million (₹ 1,794.19 crores)
Face value	US \$ 100,000
Conversion Price per share at fixed exchange rate	₹623.88 US \$ 1 = ₹ 46.28
Reset Conversion Price (Due to Rights Issue,GDS Issue and subdivision of shares)	₹ 120.12 US \$ 1 = ₹46.28
Exercise period	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	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	October 16, 2014
Redemption percentage of the principal amount	108.505%
Amount converted	US \$ 375 million
Aggregate conversion into ADRs (in terms of equivalent shares) and shares	14,21,87,437
Aggregate notes redeemed	Nil
Aggregate notes bought back	Nil
Notes outstanding as at March 31, 2014	Nil
Amount outstanding as at March 31, 2014	Nil
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil

\* All FCCNs were fully converted into Ordinary shares or ADSs as on March 31, 2014

- (v) During the year 2011-12, the Company raised Syndicated Foreign currency term loans of US\$ 500 million in two tranches with tenors between four to seven years, in accordance with guidelines on External Commercial Borrowings (ECB) issued by the Reserve Bank of India. Schedule of repayment of ECB is as under :

Date	Repayment Amount (USD Million)	Repayment Amount (₹ in crores)*
September 12, 2018	150	898.50
September 12, 2017	150	898.50
September 12, 2016	100	599.00
September 14, 2015	100	599.00

\* at exchange rate of 1 US \$ = ₹ 59.9000 as at March 31, 2014

### (vi) Fixed deposits from public and shareholders :

These are unsecured deposits for a fixed tenor of up to three years from the date of acceptance / renewal bearing interest rates ranging from 8% to 12.5%. These fixed deposits were matured before March 31, 2014 and thus the entire balance was classified as current liabilities as on March 31, 2013.

## II. Information regarding short-term borrowings

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, 2014	As at March 31, 2013
<b>6. Deferred tax liabilities (Net)</b>		
<b>(a) Major components of deferred tax arising on account of timing differences are:</b>		
<b>Liabilities:</b>		
Depreciation	(1,438.25)	(1,395.69)
Product development cost	(2,512.05)	(2,128.49)
Others	(16.22)	(40.37)
	<u>(3,966.52)</u>	<u>(3,564.55)</u>
<b>Assets:</b>		
Employee benefits / expenses allowable on payment basis	109.99	133.11
Provision for doubtful debts	278.77	193.36
Unabsorbed depreciation and business losses	3,514.87	1,248.16
Others	19.78	26.01
	<u>3,923.41</u>	<u>1,600.64</u>
<b>Net deferred tax liability</b>	<u>(43.11)</u>	<u>(1,963.91)</u>
<b>(b) Tax expense :</b>		
<b>(i) Current tax</b>		
Current tax	(171.80)	62.50
Less : Minimum Alternate Tax / (credit)	731.80	(61.94)
	<u>560.00</u>	<u>0.56</u>
<b>(ii) Deferred tax</b>		
Opening deferred tax	1,963.91	2,105.41
Debited / (credited) to Securities Premium Account	(0.48)	(14.06)
	<u>1,963.43</u>	<u>2,091.35</u>
<b>Closing Deferred tax</b>	43.11	1,963.91
Deferred tax charge for the period	(1,920.32)	(127.44)
<b>Total</b>	<u>(1,360.32)</u>	<u>(126.88)</u>

The Company has recognised deferred tax asset of ₹1,525.09 crores (as at March 31, 2013 ₹1,003.12 crores) on unabsorbed depreciation and ₹1,989.78 crores (as at March 31, 2013 ₹245.04 crores) on brought forward business losses, considering the deferred tax liability on timing differences that will reverse in the future

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
<b>7. Other Long-term liabilities</b>		
(a) Liability towards premium on redemption of Non-Convertible Debentures	919.23	919.23
(b) Deferred payment liabilities	183.83	237.00
(c) Interest accrued but not due on borrowings	0.34	-
(d) Derivative financial instruments	1.85	23.57
(e) Deferred revenue	15.65	-
(f) Others	34.58	58.64
	<b>1,155.48</b>	<b>1,238.44</b>

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
<b>8. Other current liabilities</b>		
(a) Interest accrued but not due on borrowings	267.43	253.12
(b) Current maturities of long term borrowings [Note below]	537.27	2,530.26
(c) Liability for capital expenditure	107.59	118.40
(d) Liability for deposits and retention	159.92	171.88
(e) Deferred payment liabilities	65.83	63.82
(f) Advance and progress payments from customers	547.80	341.78
(g) Deferred revenue	49.70	17.85
(h) Statutory dues (VAT, Excise, Service tax, Octroi, etc)	598.40	584.89
(i) Liability towards premium on redemption of Non-Convertible Debentures	-	658.05
(j) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 not due		
(i) Unpaid dividends	17.40	17.66
(ii) Unclaimed matured deposits	28.74	76.78
(iii) Unclaimed matured debentures	0.21	0.21
(iv) Unclaimed interest on deposits and debentures	3.14	4.56
(k) Derivative financial instruments	0.24	7.68
(l) Others	79.51	76.16
	<b>2,463.18</b>	<b>4,923.10</b>

**Note :**

**Current maturities of long-term borrowings consist of :**

(i) Non Convertible Debentures [Note I (i) (a) and (b) and (ii) (b), page 142]	300.00	1,800.00
(ii) Buyers' line of credit (at floating rate interest) [Note I (i) (c) and (iii), page 142]	215.34	252.49
(iii) Foreign Currency Non Repatriable Borrowings (FCNR(B)) [Note II, page 143]	-	146.57
(iv) Deposits accepted from public and shareholders [Note I (vi) page 143]	-	314.14
(v) Finance lease obligations [Note 29 (A) (a) (ii), page 158]	21.93	17.06
	<b>537.27</b>	<b>2,530.26</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		As at	As at
		March 31,	March 31,
		2014	2013
<b>9. Long-term provisions</b>			
(a)	Employee benefit obligations	422.25	435.64
(b)	Product warranty [Note 36 (a), page 165]	146.24	124.24
(c)	Provision for delinquency [Note 36 (b), page 165]	246.67	94.43
(d)	Premium for redemption of Foreign Currency Convertible Notes (FCCN) [Note 36 (c), page 165]	-	34.21
(e)	Others	0.04	2.67
		<b>815.20</b>	<b>691.19</b>
<b>10. Short-term provisions</b>			
(a)	Employee benefit obligation	64.47	34.37
(b)	Product warranty [Note 36 (a), page 165]	263.24	309.38
(c)	Provision for delinquency [Note 36 (b), page 165]	770.94	242.81
(d)	Current income tax (net of payment)	49.22	171.46
(e)	Proposed dividend	648.56	645.20
(f)	Provision for tax on dividends	93.40	79.03
(g)	Others	3.08	27.33
		<b>1,892.91</b>	<b>1,509.58</b>
<b>11. Trade payables</b>			
(a)	Acceptances	4,955.54	4,098.96
(b)	Other than acceptances* [ Note 43 (iv), page 169]	4,716.82	4,356.06
		<b>9,672.36</b>	<b>8,455.02</b>
*	Includes payable to subsidiary companies :		
	Concorde Motors (India) Ltd	3.51	4.73
	TAL Manufacturing Solutions Ltd	7.60	8.53
	Tata Motors European Technical Centre Plc	124.09	60.00
	Tata Motors Finance Ltd	45.02	146.90
	Tata Technologies Ltd	29.27	37.42
	TML Distribution Company Ltd	28.31	-
	Jaguar Cars Ltd	132.26	20.05
	Tata Marcopolo Motors Ltd	2.96	-
	Trilix Srl, Turin (Italy)	-	15.32
	Tata Daewoo Commercial Vehicle Co. Ltd	-	0.10

## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 12. Tangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2013	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at March 31, 2014	Accumulated depreciation as at April 1, 2013	Depreciation for the year [Note (v)]	Deductions / adjustments for the year	Accumulated depreciation up to March 31, 2014	Net book value as at March 31, 2014
<b>[I] Owned assets :</b>									
(i) Land	519.76	-	-	519.76	-	-	-	-	519.76
	519.76	-	-	519.76	-	-	-	-	519.76
(ii) Buildings [Note (i) and (ii) (a)]	2,533.82	186.78	2.18	2,718.42	543.50	77.11	0.45	620.16	2,098.26
	2,352.11	186.11	4.40	2,533.82	474.97	71.01	2.48	543.50	1,990.32
(iii) Plant, machinery and equipment [Note (ii) (a) & (iii)]	17,134.19	868.63	82.43	17,920.39	7,989.70	1,108.45	77.11	9,021.04	8,899.35
	15,825.26	1,484.74	175.81	17,134.19	7,071.44	1,060.66	142.40	7,989.70	9,144.49
(iv) Furniture and fixtures [Note (iii)]	121.69	11.09	0.55	132.23	50.06	6.60	0.41	56.25	75.98
	109.85	13.47	1.63	121.69	44.46	6.62	1.02	50.06	71.63
(v) Vehicles [Note (iii)]	158.56	17.98	12.58	163.96	89.30	24.42	9.15	104.57	59.39
	139.54	34.49	15.47	158.56	78.36	23.00	12.06	89.30	69.26
(vi) Office equipment [Note (iii)]	49.25	1.72	1.30	49.67	19.57	2.28	0.72	21.13	28.54
	46.27	3.83	0.85	49.25	18.11	2.22	0.76	19.57	29.68
(vii) Computers and other IT assets [Note (iii)]	569.47	34.17	39.26	564.38	467.36	30.10	38.94	458.52	105.86
	553.87	24.94	9.34	569.47	437.33	38.97	8.94	467.36	102.11
(viii) Water system and sanitation [Note (ii)(a)]	205.30	12.27	-	217.57	55.15	9.77	-	64.92	152.65
	164.31	41.08	0.09	205.30	46.72	8.51	0.08	55.15	150.15
<b>[II] Assets given on lease :</b>									
(i) Plant, machinery and equipment	392.79	-	-	392.79	377.00	4.52	4.52	377.00	15.79
	392.79	-	-	392.79	377.00	4.52	4.52	377.00	15.79
<b>[III] Assets taken on lease :</b>									
(i) Leasehold land [Note (ii)(b)]	118.73	2.65	-	121.38	12.44	1.36	-	13.80	107.58
	118.73	-	-	118.73	11.26	1.18	-	12.44	106.29
(ii) Buildings	31.28	-	-	31.28	4.25	0.05	(0.44)	4.74	26.54
	31.28	-	-	31.28	3.73	0.08	(0.44)	4.25	27.03
(iii) Plant, machinery and equipment	36.43	-	-	36.43	31.77	1.46	-	33.23	3.20
	36.43	-	-	36.43	29.94	1.83	-	31.77	4.66
(iv) Computers and other IT assets	151.43	4.06	-	155.49	94.89	20.00	-	114.89	40.60
	113.21	38.22	-	151.43	63.62	31.27	-	94.89	56.54
<b>Total Tangible assets</b>	<b>22,022.70</b>	<b>1,139.35</b>	<b>138.30</b>	<b>23,023.75</b>	<b>9,734.99</b>	<b>1,286.12</b>	<b>130.86</b>	<b>10,890.25</b>	<b>12,133.50</b>
	20,403.41	1,826.88	207.59	22,022.70	8,656.94	1,249.87	171.82	9,734.99	12,287.71

#### Notes:

- (i) Buildings include ₹8,631 (as at March 31, 2013 ₹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, ₹18.15 crores and ₹22.84 crores (as at March 31, 2013 ₹4.76 crores, ₹18.15 crores and ₹25.31 crores) and net block of ₹0.08 crore, ₹14.97 crores and ₹11.75 crores respectively (as at March 31, 2013 ₹0.08 crore, ₹15.74 crores and ₹18.50 crores) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- (b) The registration of leasehold land of ₹12.56 crores (as at March 31, 2013 ₹10.80 crores) is in process.
- (iii) Includes plant, machinery and equipment, furniture fixtures, office equipment, vehicles and computers and other IT assets having gross block of ₹192.46 crores, ₹0.14 crore, ₹0.43 crore, ₹1.77 crores and ₹128.64 crores (as at March 31, 2013 ₹189.08 crores, ₹0.15 crore, ₹0.66 crore, ₹1.49 crores and ₹165.64 crores), and net block of ₹9.23 crores, ₹0.01 crore, ₹0.03 crore, ₹0.04 crore and ₹0.23 crore (as at March 31, 2013 ₹5.69 crores, ₹0.01 crore, ₹0.06 crore, ₹0.02 crore and ₹0.53 crore) respectively, held for disposal at lower of their net book value and net realisable value.
- (iv) Additions / adjustments include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹111.13 crores (2012-2013 capitalisation of exchange loss of ₹169.22 crores).
- (v) Depreciation excludes:
- (a) Lease equalisation of ₹4.52 crores (2012-2013 ₹4.52 crores) adjusted in lease rental income.
- (b) Depreciation of ₹0.44 crore (2012-2013 ₹0.44 crore) on revalued portion of gross block transferred to Revaluation Reserve.

### 13. Intangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2013	Additions / adjustments **	Deductions / adjustments	Cost as at March 31, 2014	Accumulated amortisation as at April 1, 2013	Amortisation for the year	Deductions / adjustments for the year	Accumulated amortisation up to March 31, 2014	Net book value as at March 31, 2014
(i) Technical Know-how #	34.51	241.30	-	275.81	34.51	10.79	-	45.30	230.51
	34.51	-	-	34.51	34.51	-	-	34.51	-
(ii) Computer software #	417.04	22.11	-	439.15	317.84	42.46	-	360.30	78.85
	382.32	34.95	0.23	417.04	276.86	41.21	0.23	317.84	99.20
(iii) Product development cost *	4,592.93	459.81	-	5,052.74	1,524.10	730.93	-	2,255.03	2,797.71
	4,165.15	427.78	-	4,592.93	997.56	526.54	-	1,524.10	3,068.83
<b>Total Intangible assets</b>	<b>5,044.48</b>	<b>723.22</b>	<b>0.23</b>	<b>5,767.70</b>	<b>1,876.45</b>	<b>784.18</b>	<b>0.23</b>	<b>2,660.63</b>	<b>3,107.07</b>
	4,581.98	462.73	0.23	5,044.48	1,308.93	567.75	0.23	1,876.45	3,168.03

#### Notes:

\* internally generated intangible asset

# other than internally generated intangible asset

\*\* Additions / adjustments include capitalisation of exchange loss mainly on product development cost of ₹26.24 crores (2012-2013 capitalisation of exchange loss of ₹19.50 crores).

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

14. Non-current investments			As at March 31, 2014	As at March 31, 2013	
Number	Face value per unit	Description			
<b>I. Long-term investments (at cost)</b>					
<b>(A) Trade investments</b>					
<b>(1) Fully paid Ordinary / Equity shares (quoted)</b>					
<b>(i) Associates</b>					
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22	
44,32,497	10	Tata Steel Ltd	245.04	245.04	
70,249	10	Tata Chemicals Ltd	0.24	0.24	
			<b>353.50</b>	353.50	
<b>(2) Fully paid Ordinary / Equity shares (unquoted)</b>					
<b>(i) Subsidiaries</b>					
7,500,000	100	Sheba Properties Ltd	75.00	75.00	
30,300,600	10	Tata Technologies Ltd	224.10	224.10	
3,698,120	10	Concorde Motors (India) Ltd [Note 10, page 149]	49.63	49.63	
65,000,000	10	TAL Manufacturing Solutions Ltd	150.00	150.00	
77,000,000	10	TML Drivelines Ltd	448.85	448.85	
2,500,000	10	Tata Motors Insurance Broking & Advisory Services Ltd [Note 5 page 149]	19.31	19.31	
		Tata Daewoo Commercial Vehicle Co. Ltd (Korea) (30,16,060 shares sold during the year) [Note 43(ii), page 169]	-	245.41	
2,85,29,085	(GBP)	1	Tata Motors European Technical Centre Plc, UK [Note 6, page 149] (12,80,658 shares acquired during the year)	234.02	220.94
7,900	-		Tata Technologies Inc	0.63	0.63
128,93,47,181	10	Tata Motors Finance Ltd (5,93,47,181 shares acquired during the year)	2,400.00	2,200.00	
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70	86.70	
22,50,00,000	10	TML Distribution Company Ltd Tata Motors (Thailand) Ltd (1,02,60,000 shares acquired during the year and 2,51,29,900 shares sold during the year) [Note 43(ii), page 169]	225.00	225.00	
			-	209.89	
			-	7.81	
254,66,59,318	(USD)	1	Tata Motors (SA) (Proprietary) Ltd (1,19,02,200 shares sold during the year) [Note 43(ii), page 169]	11,816.76	11,816.76
1,34,523	(EUR)	31.28	TML Holdings Pte Ltd, (Singapore)	17.97	17.97
1,83,59,203	(SGD)	1	Tata Hispano Motors Carrocera S.A.	40.53	40.53
			Tata Precision Industries Pte. Ltd (Singapore)	-	30.38
			PT Tata Motors Indonesia [Note 7, page 149]	11.94	11.94
			Trilix Srl, Turin (Italy) [Note 8, page 149]	15,800.44	16,080.85
<b>(ii) Associates</b>					
16,000	(TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27	1.27
5,23,33,170		10	Tata AutoComp Systems Ltd	77.47	77.47
3,97,50,000		10	Tata Hitachi Construction Machinery Company Ltd (formerly known as Telco Construction Equipment Co. Ltd)	79.50	79.50
				158.24	158.24
<b>(iii) Joint ventures (JV)</b>					
12,22,57,980		100	Fiat India Automobiles Ltd [Note 9, page 149] (3,25,00,000 shares acquired during the year)	1,567.04	1,242.04
9,00,00,000		10	Tata Cummins Ltd	90.00	90.00
				1,657.04	1,332.04
<b>(iv) Others</b>					
50,000	1,000	Tata International Ltd	28.85	28.85	
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	
43,26,651	15	Tata Capital Ltd	6.70	6.70	
			315.73	315.73	
<b>(3) Fully paid Cumulative Redeemable Preference shares (unquoted)</b>					
<b>(a) Subsidiaries</b>					
13,54,195	100	7% Concorde Motors (India) Ltd [Note 10, page 149]	13.54	13.54	
		Carried forward	13.54	13.54	
			<b>18,298.49</b>	18,253.90	

## NOTES FORMING PART OF FINANCIAL STATEMENTS

			(₹ in crores)	
Number	Face value per unit	Description	As at March 31, 2014	As at March 31, 2013
		<b>I. Long-term investments (at cost) (contd.)</b>		
		Brought forward	18,298.49	18,253.90
		<b>(B) Other investments</b>		
		<b>Fully paid Equity shares (unquoted)</b>		
50,000	10	NICCO Jubilee Park Ltd.	0.05	0.05
			<b>18,298.54</b>	<b>18,253.95</b>
		Less : Provision for Diminution other than temporary in value of long term investments	55.97	99.06
		<b>II. Advance towards investments</b>		
		Tata Motors Finance Ltd	100.00	-
		PT Tata Motors Indonesia	-	16.82
		Concorde Motors (India) Ltd	15.00	-
			<b>115.00</b>	<b>16.82</b>
		<b>Total Non-current investments</b>	<b>18,357.57</b>	<b>18,171.71</b>

### Notes :

- (1) Face Value per unit is in Rupees unless stated otherwise
- (2) Book value of quoted investments 353.50 353.50
- (3) Book value of unquoted investments 18,004.07 17,818.21
- (4) Market value of quoted investments 253.07 204.82
- (5) The Company has given a letter of comfort to HDFC Bank amounting to ₹1 crore against working capital facility to Tata Motors Insurance Broking & Advisory Services Ltd (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.
- (6) The Company has given a letter of comfort to Standard Chartered Bank, London for GBP 15 million (₹149.27 crores as on March 31, 2014) 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.
- (7) The Company is in the process of divesting the holding of investments in certain subsidiary companies by transferring these investments to a wholly owned subsidiary. Consequently the investment are classified as current investments.
- (8) Trilix Srl, Turin (Italy) is a limited liability company.
- (9) The Company has given letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Ltd for ₹1,600 crores and Euro 130 million (₹1,069.75 crores as on March 31, 2014). The Letter of Comfort is restricted to 50% of the value of credit facilities extended i.e. ₹1,334.88 crores.
- (10) The Company has given a letter of comfort to Tata Capital Financial Services Limited (TCFSL) amounting ₹15 crores against Credit Facility Extended to Concorde Motors (India) Limited (CMIL).
- (11) Trade Investments also include :

Number	Face value per unit	Description	₹	₹
		<b>(i) Investments in subsidiary companies</b>		
100	(SGD) 1	TML Holdings Pte Ltd, (Singapore)	2,778.73	2,778.73
		<b>(ii) Investments in other companies</b>		
20,000	10	Metal Scrap Trade Corporation Ltd (15,000 shares received as bonus during the year)	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd	250	250
16,56,517	(M\$) 1	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, 2014	As at March 31, 2013
Number	Face value per unit	Description		
<b>I Current investments - others (at cost or fair value whichever is lower)</b>				
<b>(A) Trade investments</b>				
<b>(1) Fully paid Ordinary / Equity shares (unquoted)</b>				
<b>(i) Subsidiaries</b>				
1,55,40,737	(USD) 1	PT Tata Motors Indonesia [Note 7, page 149] (95,69,422 shares acquired during the year)	80.70	-
			80.70	
<b>(2) Fully paid Cumulative Redeemable Preference shares (unquoted)</b>				
<b>Subsidiaries</b>				
-	-	6.25% TML Holdings Pte Ltd, (Singapore) (25,85,463 shares redeemed during the period)	-	1,403.26
<b>(B) Other investments</b>				
<b>(1) Investments in mutual fund (unquoted)</b>				
<b>Liquid/liquid plus schemes</b>				
		Tata Liquid Fund Plan A-Growth	-	25.00
		Kotak Floater Short Term-Growth	-	75.41
		DWS Ultra Short Term Fund-Institutional Plan-Growth	-	102.01
		Templeton India Ultra - Short Bond Fund - Super Institutional - Growth	-	157.00
			-	359.42
<b>(2) Investments in Equity shares (unquoted)</b>				
35,000	10	Elcot Power Control Ltd	-	-
91,800	10	Munis Forge Ltd.	-	-
30,997	10	Roofit Industries Ltd.	-	-
			-	-
<b>(3) Investments in Preference shares (unquoted)</b>				
1,00,000	100	15.50% Pennar Paterson Securities Ltd	-	-
2,00,000	100	15.00% Atcom Technologies Ltd. - Cumulative Preference Shares	-	-
			-	-
			-	359.42
<b>II Advance towards current investments</b>				
		PT Tata Motors Indonesia	20.15	-
			20.15	-
<b>Total current investments</b>			<b>100.85</b>	<b>1,762.68</b>
<b>Notes:</b>				
(1) Face value per unit is in Rupees unless stated otherwise				
(2) Book value of quoted investments			-	-
(3) Book value of unquoted investments			100.85	1,762.68
(4) Market value of quoted investments			-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2014	As at March 31, 2013
<b>16. Long-term loans and advances</b>			
<b>Unsecured (considered good unless stated otherwise)</b>			
(a) Loans to employees		37.01	39.20
(b) Loan to a Joint Venture (FIAT India Automobiles Ltd)		265.00	265.00
(c) Loans to subsidiaries :			
Considered good	22.39		303.61
Considered doubtful	539.40		398.95
	561.79		702.56
Less : Allowances for doubtful loans	(539.40)		(398.95)
		22.39	303.61
(d) Dues from subsidiary (Tata Hispano Motors Carrocera S.A.)			
Considered good	-		47.92
Considered doubtful	55.13		-
	55.13		47.92
Less : Allowances for doubtful debts	(55.13)		-
		-	47.92
(e) Taxes recoverable, statutory deposits and dues from government		845.34	694.54
(f) Capital advances		242.11	127.32
(g) Credit entitlement of Minimum Alternate Tax (MAT)		777.18	1,508.98
(h) Non-current income tax assets (net of provisions)		581.16	472.86
(i) Others :			
Considered good	148.11		115.81
Considered doubtful	9.69		12.29
	157.80		128.10
Less : Allowances for doubtful loans and advances	(9.69)		(12.29)
		148.11	115.81
		<b>2,918.30</b>	<b>3,575.24</b>
<b>17. Short-term loans and advances</b>			
<b>(A) Secured</b>			
(a) Finance receivables #			
Vehicle loans*			
Considered good	22.19		37.18
Considered doubtful	225.47		238.00
	247.66		275.18
Less : Allowances for doubtful loans	(225.47)		(238.00)
		22.19	37.18
<b>(B) Unsecured (considered good unless stated otherwise)</b>			
(a) Advances and other receivables recoverable			
Considered good	196.39		173.60
Considered doubtful	69.89		70.99
	266.28		244.59
Less : Allowances for doubtful loans and advances	(69.89)		(70.99)
		196.39	173.60
(b) Inter corporate deposits			
Considered good	40.00		-
Considered doubtful	6.51		6.51
	46.51		6.51
Less : Allowances for doubtful loans	(6.51)		(6.51)
		40.00	-
(c) Dues from subsidiary companies [ Note (i), page 152]		38.51	107.80
(d) VAT, other taxes recoverable, statutory deposits and dues from Government		887.50	1,173.24
(e) Current income tax assets (net of provisions)		24.73	27.41
(f) Others		14.45	12.86
		<b>1,201.58</b>	<b>1,494.91</b>
<b>Total (A + B)</b>		<b>1,223.77</b>	<b>1,532.09</b>

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Note :	As at March 31, 2014	As at March 31, 2013
(i) Dues from subsidiary companies		
(a) TML Drivelines Ltd	25.83	14.47
(b) PT Tata Motors Indonesia	7.15	3.44
(c) Tata Motors (SA) (Proprietary) Ltd	3.69	3.57
(d) PT Tata Motors Distribusi, Indonesia	0.82	-
(e) Jaguar Land Rover Ltd	0.44	8.06
(f) Tata Daewoo Commercial Vehicle Co. Ltd	0.33	1.50
(g) JLR Automotive Plc	0.23	-
(h) Tata Marcopolo Motors Ltd.	0.02	51.04
(i) Tata Motors (Thailand) Ltd	-	25.28
(j) TML Distribution Company Ltd	-	0.01
(k) Tata Motors European Technical Centre	-	0.42
(l) Tata Motors Finance Ltd	-	0.01
	<b>38.51</b>	<b>107.80</b>
# Loans are secured against hypothecation of vehicles		
* Includes ₹ 0.16 crore (as at March 31, 2013 ₹1.17 crores) on account of overdue securitised receivables		

18. Other non-current assets	As at March 31, 2014	As at March 31, 2013
(a) Prepaid debt issue cost	21.37	33.27
(b) Prepaid expenses	0.17	0.80
(c) Interest accrued on deposits / loans	81.60	60.14
(d) Derivative financial instruments	20.71	0.11
	<b>123.85</b>	<b>94.32</b>

19. Other current assets	As at March 31, 2014	As at March 31, 2013
(a) Prepaid debt issue cost	12.09	12.71
(b) Prepaid expenses	94.85	63.58
(c) Interest accrued on deposits / loans	0.06	25.63
(d) Derivative financial instruments	2.06	2.34
	<b>109.06</b>	<b>104.26</b>

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2014	As at March 31, 2013
<b>20. Inventories</b>		
(a) Stores and spare parts	136.81	152.26
(b) Consumable tools	20.56	20.10
(c) Raw materials and components	1,085.57	1,283.78
(d) Work-in-progress	375.59	389.25
(e) Finished goods	1,969.47	2,310.90
(f) Stock-in-trade (in respect of goods acquired for trading)	137.33	153.96
(g) Goods-in-transit		
(i) Raw materials and components	114.63	83.44
(ii) Stock-in-trade	22.57	61.34
	<b>3,862.53</b>	<b>4,455.03</b>
<b>21. Trade receivables</b>		
(a) <b>Due over six months :</b>		
Considered good (unsecured)	292.86	461.32
Considered doubtful	493.35	221.50
	<b>786.21</b>	682.82
Less : Provision for doubtful debts	(493.35)	(221.50)
	<b>292.86</b>	461.32
(b) <b>Others :</b>		
Considered good (unsecured)	923.84	1,356.72
Considered doubtful	18.01	19.09
	<b>941.85</b>	1,375.81
Less : Provision for doubtful debts	(18.01)	(19.09)
	<b>923.84</b>	1,356.72
	<b>1,216.70</b>	<b>1,818.04</b>
<b>22. Cash and bank balances</b>		
(A) <b>Cash and cash equivalents</b>		
(a) Cash on hand	0.65	1.22
(b) Cheques on hand	25.63	46.84
(c) Current account with banks #	172.40	157.51
	<b>198.68</b>	205.57
(B) <b>Other bank balances (with more than 3 months but less than 12 months maturity)</b>		
(a) Earmarked balance with banks	23.37	247.38
(b) Bank deposits	0.08	0.21
(c) Margin money / cash collateral with banks	-	5.77
	<b>23.45</b>	253.36
(C) <b>Other bank balances (with more than 12 months maturity)</b>		
(a) Margin money / cash collateral with banks	0.11	0.02
(b) Bank deposits with maturity more than 12 months	3.91	3.91
	<b>4.02</b>	3.93
	<b>226.15</b>	462.86
# Includes		
- Remittances in transit	144.56	116.17
- In foreign currencies	4.72	0.29

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

23. Total revenue	2013-2014	2012-2013
<b>1. Revenue from operations</b>		
(a) Sale of products (Note 1 below) [Note 38, page 167]	<b>37,101.74</b>	48,665.28
(b) Sale of services	<b>256.90</b>	222.29
(c) Income from vehicle loan contracts	<b>18.22</b>	39.48
	<b>37,376.86</b>	48,927.05
(d) Other operating revenues	<b>381.14</b>	392.68
	<b>37,758.00</b>	49,319.73
<b>2. Other income</b>		
(a) Interest income	<b>178.02</b>	383.64
(b) Dividend income [Note 2 below]	<b>1,602.68</b>	1,660.65
(c) Profit on sale of investments (current) (net) [Note 3 below]	<b>2,052.33</b>	43.91
	<b>3,833.03</b>	2,088.20
<b>Note :</b>		
(1) Includes exchange (loss) / gain (net)	<b>(31.17)</b>	101.35
(2) Includes dividend on		
(a) Trade investments (non-current)	<b>28.70</b>	77.07
(b) Dividend from subsidiary companies (non-current)	<b>1,573.98</b>	1,583.58
(3) Profit on sale of Investment in subsidiary companies [Note 43 (ii), page 169] (Classified as current during the year )	<b>1,966.12</b>	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2013-2014	2012-2013
<b>24. Employee cost / benefits expense</b>		
(a) Salaries, wages and bonus	2,355.59	2,312.15
(b) Contribution to provident fund and other funds	218.94	207.53
(c) Staff welfare expenses	303.16	317.32
	<b>2,877.69</b>	<b>2,837.00</b>
<b>25. Finance cost</b>		
(a) Interest	1,359.48	1,378.78
Less: Transferred to capital account	(366.52)	(327.33)
	<b>992.96</b>	<b>1,051.45</b>
(b) Discounting charges	344.56	336.31
	<b>1,337.52</b>	<b>1,387.76</b>
<b>26. Other expenses</b>		
(a) Processing charges	1,416.70	1,743.64
(b) Consumption of stores and spare parts	497.90	655.67
(c) Power and fuel	392.09	484.66
(d) Rent	92.80	84.11
(e) Repairs to buildings	48.93	91.97
(f) Repairs to plant, machinery etc.	94.39	95.61
(g) Insurance	80.03	74.80
(h) Rates and taxes	86.08	32.01
(i) Freight, transportation, port charges, etc.	905.01	929.63
(j) Publicity	612.18	792.67
(k) Excise duty on change in closing stock	(68.37)	58.41
(l) Works operation and other expenses [note below]	2,829.79	2,740.14
	<b>6,987.53</b>	<b>7,783.32</b>
<b>Note :</b>		
<b>Works operation and other expenses include</b>		
(a) Warranty expenses	343.78	353.05
(b) Computer expenses	594.51	529.43
(c) Consultancy	181.33	189.96
(d) Provisions and write off for sundry debtors, vehicle loans and advances	262.40	35.80

## NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Earnings Per Share			2013-2014	2012-2013
(a)	Profit after tax	₹ crores	<b>334.52</b>	301.81
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	<b>273,23,46,381</b>	270,60,14,707
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	<b>48,19,62,228</b>	48,19,58,717
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	<b>2.00</b>	2.00
(e)	Share of profit for Ordinary shares for Basic EPS	₹ crores	<b>280.26</b>	252.09
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	<b>54.26</b>	49.72
(g)	Earnings Per Ordinary share (Basic)	₹	<b>1.03</b>	0.93
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	<b>1.13</b>	1.03
(i)	Profit after tax for Diluted EPS	₹ crores	<b>334.52</b>	301.81
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	<b>273,23,46,381</b>	270,60,14,707
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	<b>4,89,261</b>	4,92,722
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	<b>273,28,35,642</b>	270,65,07,429
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	<b>48,19,62,228</b>	48,19,58,717
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	<b>2,44,287</b>	2,47,798
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	<b>48,22,06,515</b>	48,22,06,515
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	<b>280.25</b>	252.08
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	<b>54.27</b>	49.73
(r)	Earnings Per Ordinary share (Diluted)	₹	<b>1.03</b>	0.93
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	<b>1.13</b>	1.03

\* '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.





## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2014	As at March 31, 2013
<b>29. Disclosure in respect of leases</b>			
<b>(A) Finance leases :</b>			
	<b>Assets taken on lease :</b>		
(a)	(i) Total of minimum lease payments	<b>40.73</b>	52.32
	The total of minimum lease payments for a period :		
	Not later than one year	<b>24.29</b>	21.02
	Later than one year and not later than five years	<b>16.44</b>	31.30
(ii)	Present value of minimum lease payments	<b>36.73</b>	48.98
	Present value of minimum lease payments for a period :		
	Not later than one year	<b>21.93</b>	17.06
	Later than one year and not later than five years	<b>14.80</b>	31.92
(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. The finance lease obligation is secured by a charge against the said assets.		
<b>(B) Operating leases</b>			
	<b>Assets given on lease :</b>		
(a)	Total of minimum lease payments	<b>21.11</b>	58.95
	The total of minimum lease payments for a period :		
	Not later than one year	<b>2.64</b>	4.41
	Later than one year and not later than five years	<b>10.55</b>	17.63
	Later than five years	<b>7.92</b>	36.91
(b)	Gross block	<b>34.49</b>	79.68
	Accumulated Depreciation	<b>13.84</b>	18.83
	Depreciation for the year ₹ <b>2.64 crores</b> (2012-13 ₹ 4.02 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

### 30. (i) Related party disclosures for the year ended March 31, 2014

#### (a) Related party and their relationship

##### 1. Subsidiaries :

Tata Technologies Ltd  
 TAL Manufacturing Solutions Ltd  
 TML Drivelines Ltd  
 Sheba Properties Ltd  
 Concorde Motors (India) Ltd  
 Tata Motors Insurance Broking & Advisory Services Ltd  
 Tata Motors European Technical Centre Plc  
 Tata Motors Finance Ltd  
 Tata Marcopolo Motors Ltd  
 PT Tata Motors Indonesia  
 TML Holdings Pte. Ltd, Singapore  
 TML Distribution Company Ltd  
 Tata Hispano Motors Carrocera S.A.  
 Trilix S.r.l  
 Tata Precision Industries Pte. Ltd  
 Jaguar Land Rover Automotive PLC  
 JLR Nominee Company Ltd.  
*(formerly known as Jaguar Land Rover Export Ltd)*  
 Jaguar Hispania SL  
*(absorbed into Land Rover Espana SL w.e.f. January 1, 2013)*  
 Jaguar Land Rover Austria GmbH  
 Jaguar Land Rover Ltd  
 Jaguar Land Rover Japan Ltd  
 Jaguar Land Rover Deutschland GmbH  
 Jaguar Land Rover North America LLC  
 Jaguar Land Rover Netherland BV  
 Jaguar Land Rover Portugal - Veiculos e Pecas, LDA  
 Jaguar Land Rover Australia Pty Ltd  
 Jaguar Land Rover Italia Spa  
 Jaguar Land Rover Korea Co. Ltd  
 Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd  
 Jaguar Land Rover Canada ULC  
 Jaguar Land Rover France, SAS  
 Jaguar Land Rover (South Africa) (Pty) Ltd  
 Jaguar e Land Rover Brasil Importacao e Comercia de Veiculos Ltda  
 Jaguar Land Rover" (Russia) Limited Liability Company  
 Jaguar Land Rover (South Africa) Holdings Ltd  
 Jaguar Land Rover Belux  
*(Land Rover Belux SA/NV merged with Jaguar Belux NV w.e.f. October 1, 2013 and name changed from Jaguar Belux w.e.f. November 12, 2013)*

##### 2. Associates :

Spark44 (JV) Ltd  
 Jaguar Cars Finance Ltd  
 Automobile Corporation of Goa Ltd  
 Nita Company Ltd  
 Tata Hitachi Construction Machinery Company Ltd  
 Tata Precision Industries (India) Ltd  
 Tata AutoComp Systems Ltd  
 Tata Sons Ltd *(Investing Party)*

Jaguar Land Rover India Ltd  
 Jaguar Land Rover Espana SL  
 Jaguar Cars South Africa (pty) Ltd  
 The Jaguar Collection Ltd  
 Jaguar Land Rover Holdings Ltd  
*(formerly known as Land Rover)*  
 Land Rover Group Ltd  
 Land Rover Exports Ltd  
 Land Rover Parts Ltd  
 Land Rover Ireland Ltd  
 The Daimler Motor Company Ltd  
 Daimler Transport Vehicles Ltd  
 S.S. Cars Ltd  
 The Lanchester Motor Company Ltd  
 Tata Hispano Motors Carrocera Maghreb  
 Tata Daewoo Commercial Vehicle Co. Ltd  
 Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd  
 Tata Motors (Thailand) Ltd  
 Tata Motors (SA) (Proprietary) Ltd  
 Tata Technologies Inc  
 Tata Technologies (Canada) Inc  
 Tata Technologies de Mexico, S.A. de CV  
 Tata Technologies Pte Ltd, Singapore  
 Tata Technologies (Thailand) Ltd  
 Tata Technologies Europe Ltd  
 INCAT International Plc.  
 INCAT GmbH  
 Cambric Holdings Inc. *(w.e.f 1st May,2013)*  
 Cambric Corporation *(w.e.f 1st May,2013)*  
 Cambric Limited *(w.e.f 1st May,2013)*  
 Cambric Consulting SRL *(w.e.f 1st May,2013)*  
 Cambric GmbH *(w.e.f 1st May,2013)*  
 Cambric UK Ltd *(w.e.f 1st May,2013)*  
 Cambric Managed Services Inc *(w.e.f 1st May,2013)*  
 Midwest Managed Services *(w.e.f 1st May,2013)*  
 Cambric Manufacturing Technologies (Shanghai) Co. Ltd  
*(incorporated w.e.f March 10, 2014)*  
 PT Tata Motors Distribusi Indonesia

##### 3. Joint Ventures :

Fiat India Automobiles Ltd  
 Suzhou Chery Jaguar Land Rover Trading Co. Ltd *(Ownership transferred to Chery Jaguar Land Rover Automotive Co. Ltd w.e.f. November 2013)*  
 Cherry Jaguar Land Rover Automotive Co. Ltd  
 TATA HAL Technologies Ltd  
 Tata Cummins Ltd

##### 4. Key Management Personnel :

Mr. Karl Slym *(upto January 26,2014)*  
 Mr. R Pisharody  
 Mr. S B Borwankar

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(b) Transactions with the related parties	(₹ in crores)				
	Subsidiaries	Joint Venture	Associates	Key Management Personnel	2013-2014 Total
Purchase of goods	<b>1,107.46</b>	<b>4,319.52</b>	<b>478.51</b>	-	<b>5,905.49</b>
	1,203.03	5,225.26	626.51	-	7,054.80
Sale of goods (inclusive of sales tax)	<b>1,109.86</b>	<b>1,110.63</b>	<b>135.58</b>	-	<b>2,356.07</b>
	4,338.79	622.21	125.73	-	5,086.73
Purchase of fixed assets	<b>263.21</b>	-	-	-	<b>263.21</b>
	32.64	-	-	-	32.64
Redemption / buy back of investments	<b>1,415.17</b>	-	-	-	<b>1,415.17</b>
	1,378.95	-	31.00	-	1,409.95
Sale of investment	<b>2,563.31</b>	-	-	-	<b>2,563.31</b>
	-	-	-	-	-
Services received	<b>2,663.14</b>	<b>0.40</b>	<b>12.27</b>	<b>19.42 #</b>	<b>2,695.23</b>
	1,761.27	0.48	17.53	23.45	1,802.73
Services rendered	<b>260.29</b>	<b>11.58</b>	<b>10.29</b>	-	<b>282.16</b>
	266.03	57.85	10.89	-	334.77
Finance given (including loans and equity)	<b>518.55</b>	<b>325.00</b>	<b>26.86</b>	-	<b>870.41</b>
	862.88	-	0.01	-	862.89
Loans repaid by the related parties	<b>377.83</b>	-	-	-	<b>377.83</b>
	487.80	-	23.83	-	511.63
Loans taken	<b>2,154.82</b>	-	<b>23.50</b>	-	<b>2,178.32</b>
	2,029.30	-	50.00	-	2,079.30
Loans repaid by the Company	<b>1,801.21</b>	-	<b>37.00</b>	-	<b>1,838.21</b>
	1,771.05	-	25.50	-	1,796.55
Interest / dividend paid / (received) (net)	<b>(1,552.91)</b>	<b>(22.70)</b>	<b>119.45</b>	- *	<b>(1,456.16)</b>
	(1,562.99)	(71.01)	245.10	- *	(1,388.90)
<b>(c) Balances with related parties (as at March 31, 2014)</b>					
Amount receivable	<b>303.54</b>	<b>16.25</b>	<b>7.78</b>	-	<b>327.57</b>
	460.57	79.91	10.10	-	550.58
Amount payable	<b>1,106.45</b>	<b>349.82</b>	<b>41.91</b>	-	<b>1,498.18</b>
	293.05	36.87	42.88	-	372.80
Amount receivable (in respect of loans and interest)	<b>602.08</b>	<b>346.60</b>	-	-	<b>948.68</b>
	748.38	325.14	-	-	1,073.52
Provision for amount receivable (in respect of loans and interest)	<b>539.40</b>	-	-	-	<b>539.40</b>
	398.95	-	-	-	398.95
Amount payable (in respect of loans and interest)	<b>15.00</b>	-	<b>16.00</b>	-	<b>31.00</b>
	321.10	-	29.50	-	350.60
Bills discounted (in respect of amount receivable)	-	-	<b>7.60</b>	-	<b>7.60</b>
	-	-	5.12	-	5.12
Bank guarantee / Other assets given as security	<b>2.35</b>	-	<b>3.00</b>	-	<b>5.35</b>
	2.54	-	3.00	-	5.54

# Includes ₹ 5.48 crores (Previous year ₹ Nil) of managerial remuneration which is subject to the approval of the Central Government and shareholders and ₹ 12.23 crores (Previous year ₹ Nil) of managerial remuneration which is subject to the approval of shareholders.

\* Less than ₹ 5,000/-

Note : Current year figures are shown in bold and comparative figures for the previous year are shown below the current year.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

(d) Disclosure in respect of material transactions with related parties		2013-2014	2012-2013
(i) Purchase of goods	Fiat India Automobiles Ltd	2,497.99	2,926.35
	Tata Cummins Ltd	1,821.53	2,298.91
	Jaguar Land Rover Ltd	549.17	492.30
	Tata Marcopolo Motors Ltd	537.24	673.51
	Automobile Corporation of Goa Ltd	279.49	199.65
	Tata AutoComp Systems Ltd	198.26	425.80
(ii) Sale of goods (inclusive of sales tax)	TML Distribution Company Ltd	403.39	3,484.44
	Fiat India Automobiles Ltd	966.11	622.21
	Concorde Motors (India) Ltd	466.72	446.10
	Nita Company Ltd	108.60	94.19
	Tata Cummins Ltd	144.52	-
	Tata Hitachi Construction Machinery Company Ltd	21.12	31.53
(iii) Redemption / buy back of investments	TML Holdings Pte Ltd	1,415.17	1,378.95
(iv) Sale of investment	TML Holdings Pte Ltd	2,563.31	-
(v) Purchase of fixed assets	Tata Hispano Motors Carrocera S.A	241.30	-
(vi) Services received	Tata Motors Finance Ltd	956.84	230.91
	TML Drivelines Ltd	591.54	596.07
	Tata Technologies Ltd	533.98	481.03
	Tata Motors European Technical Centre PLC	415.44	281.87
	Automobile Corporation of Goa Ltd	0.54	-
	Tata Sons Ltd	2.46	17.44
	Fiat India Automobiles Ltd	0.40	0.48
(vii) Services rendered	TML Drivelines Ltd	94.83	63.56
	Jaguar Land Rover Ltd	83.80	75.42
	Tata Cummins Ltd	6.45	-
	Tata Hitachi Construction Machinery Company Ltd	8.99	9.44
(viii) Finance given (including loans and equity)	Investment in equity		
	Tata Motors Finance Ltd	300.00	150.00
	Investment in equity		
	Fiat India Automobiles Ltd	325.00	-
	Investment in equity		
	PT Tata Motors Indonesia	70.47	30.38
Inter corporate deposit			
TML Distribution Company Ltd	80.00	480.00	
Others			
Tata AutoComp Systems Ltd	26.86	-	

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

		2013-2014	2012-2013
(ix) <b>Loans repaid by related parties</b>			
Inter corporate deposit	TML Distribution Company Ltd	80.00	480.00
Loan	Tata Motors (Thailand) Ltd	290.66	-
(x) <b>Loans taken</b>			
Inter corporate deposit	Tata Technologies Ltd	926.60	817.65
Inter corporate deposit	TML Drivelines Ltd	364.20	529.60
Inter corporate deposit	Automobile Corporation of Goa Ltd	23.50	50.00
(xi) <b>Loans repaid by the Company</b>			
Inter corporate deposit	TML Distribution Company Ltd	182.31	591.05
Inter corporate deposit	TML Drivelines Ltd	453.40	496.25
Inter corporate deposit	Tata Technologies Ltd	1,110.50	635.75
Inter corporate deposit	Automobile Corporation of Goa Ltd	37.00	25.50
(xii) <b>Interest / dividend paid / (received)</b>			
Dividend paid	Tata Sons Ltd	140.89	282.99
Dividend received	TML Holdings Pte Ltd, Singapore	(1,375.59)	(1,421.98)
Interest paid	Fiat India Automobiles Ltd	30.87	151.93
Interest received	Fiat India Automobiles Ltd	(53.58)	(186.94)

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

Amount of loans / advances in nature of loans outstanding from subsidiaries, associate and joint venture during 2013-2014

Name of the Company	Outstanding as at March 31, 2014	Maximum amount outstanding during the year	Investment in shares of the Company	Direct Investment in shares of subsidiaries of the Company
	₹ in crores	₹ in crores	No. of shares	No. of shares
<b>a) Subsidiaries</b>				
Sheba Properties Ltd	-	-	-	811,992
[Shares in Tata Technologies Ltd]	-	0.80	-	811,992
Tata Motors European Technical Centre Plc., UK	22.39	22.39	-	-
	-	55.33	-	-
Tata Marcopolo Motors Ltd	-	-	-	-
	-	5.00	-	-
Tata Motors (Thailand) Ltd	-	308.11	-	-
	278.98	278.98	-	-
TML Distribution Company Ltd	-	80.00	-	-
	-	200.00	-	-
Tata Hispano Motors Carrocera S.A.	539.40	539.40	-	202,000
[Shares in Tata Hispano Motors Carroceries Maghreb]	416.03	416.03	-	40,000
Tata Motors Insurance Broking and Advisory Services Ltd	-	-	-	-
	-	1.70	-	-
Tata Motors (SA) Proprietary Ltd	-	8.30	-	-
	7.56	8.53	-	-
Concorde Motors (India) Ltd	40.00	40.00	-	-
	-	-	-	-
<b>b) Associate</b>				
Tata AutoComp Systems Ltd	-	-	-	-
	-	23.83	-	-
<b>c) Joint Venture</b>				
Fiat India Automobiles Ltd	265.00	265.00	-	-
	265.00	265.00	-	-

## NOTES FORMING PART OF FINANCIAL STATEMENTS

31. The Company has joint ventures with (a) Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India and (b) Cummins Inc, USA, Tata Cummins Limited (TCL), for manufacturing engines in India. The Company has an investment of ₹1,567.04 crores as at March 31, 2014, representing 50% shareholding in FIAL and ₹90.00 crores as at March 31, 2014 representing 50% shareholding in TCL.

(a) The proportionate share of assets and liabilities as at March 31, 2014 and income and expenditure for the year 2013-2014 of FIAL as per their unaudited financial statement are given below :

	As on March 31, 2014	As on March 31, 2013		2013-2014	2012-2013
<b>RESERVES AND SURPLUS</b>	<b>(189.92)</b>	<b>(298.23)</b>	<b>INCOME</b>		
<b>NON-CURRENT LIABILITIES</b>			Revenue from operations	<b>1,931.54</b>	1,862.27
Long-term Borrowings	<b>496.39</b>	634.12	Less : Excise duty	<b>(238.96)</b>	(251.78)
Other Long term Liabilities	<b>59.88</b>	41.38	Other operating income	<b>160.92</b>	144.29
Long-term Provisions	<b>2.35</b>	5.35	Other Income	<b>28.93</b>	89.49
<b>CURRENT LIABILITIES</b>				<b>1,882.43</b>	1,844.27
Short-term Borrowings	<b>197.70</b>	108.01	<b>EXPENDITURE</b>		
Trade Payables	<b>247.51</b>	627.58	Manufacturing and other expenses	<b>1,460.79</b>	1,340.91
Other Current Liabilities	<b>224.66</b>	263.18	Depreciation	<b>132.33</b>	165.67
Short-term Provisions	<b>1.66</b>	3.40	Finance Cost	<b>101.19</b>	179.65
	<b>1,230.15</b>	1,683.02	Exchange Loss (net) on revaluation of foreign currency borrowings, deposits and loan given	<b>69.28</b>	12.74
<b>NON-CURRENT ASSETS</b>			Tax expenses / (credit)	<b>10.53</b>	(0.39)
Fixed Assets	<b>1,281.23</b>	1,386.20		<b>1,774.12</b>	1,698.58
Other long-term Loans and Advances	<b>98.55</b>	81.67			
Other Non-Current Assets	<b>12.40</b>	20.77			
Current Assets	<b>870.62</b>	793.71			
	<b>2,262.80</b>	2,282.35			
Claims not acknowledged as debts	<b>7.36</b>	10.46			
Capital Commitments	<b>41.65</b>	21.07			

(b) The proportionate share of assets and liabilities as at March 31, 2014 and income and expenditure for the year 2013-2014 of TCL as per their audited financial statement are given below :

	As on March 31, 2014	As on March 31, 2013		2013-2014	2012-2013
<b>RESERVES AND SURPLUS</b>			<b>INCOME</b>		
Reserves and Surplus	<b>243.15</b>	204.56	Revenue from operations	<b>1,046.28</b>	1,258.76
<b>NON-CURRENT LIABILITIES</b>			Less : Excise duty	<b>(110.41)</b>	(139.46)
Long-term Borrowings	<b>52.87</b>	45.22	Other operating income	<b>4.30</b>	5.21
Deferred tax liabilities	<b>30.47</b>	28.72	Other Income	<b>3.49</b>	4.06
Other Long term Liabilities	<b>0.65</b>	-		<b>943.66</b>	1,128.57
Long-term Provisions	<b>19.30</b>	18.09	<b>EXPENDITURE</b>		
<b>CURRENT LIABILITIES</b>			Manufacturing and other expenses	<b>896.33</b>	1,074.20
Short-term Borrowings	<b>18.72</b>	8.00	Depreciation	<b>31.06</b>	31.98
Trade Payables	<b>184.07</b>	150.64	Finance Cost	<b>2.66</b>	6.91
Other Current Liabilities	<b>127.88</b>	83.99	Tax expenses / (credit)	<b>(0.31)</b>	5.68
Short-term Provisions	<b>31.06</b>	35.57		<b>929.74</b>	1,118.77
	<b>465.02</b>	370.23			
<b>NON-CURRENT ASSETS</b>					
Fixed Assets	<b>555.93</b>	379.30			
Other Long-term Loans and Advances	<b>72.67</b>	110.56			
Other Non-Current Assets	<b>9.43</b>	8.10			
Current Assets	<b>160.13</b>	166.82			
	<b>798.16</b>	664.78			
Claims not acknowledged as debts	<b>240.40</b>	160.74			
Capital Commitments	<b>50.19</b>	147.07			

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 32. Defined benefit plans / long term compensated absences - as per actuarial valuations as on March 31, 2014.

(₹ in crores)

	Gratuity, Superannuation and BKY					Compensated Absences					Post-retirement Medicare scheme				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
<b>i Components of employer expense</b>															
Current service cost	44.21	41.46	37.98	29.63	24.97	31.17	28.55	23.16	18.41	14.68	4.27	3.96	4.12	2.88	2.53
Interest cost	53.44	51.78	48.77	42.32	38.09	18.92	18.21	15.82	12.49	10.30	7.80	7.64	7.03	6.15	5.86
Expected return on plan assets	(48.06)	(46.24)	(43.69)	(39.56)	(35.46)	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses	3.63	(0.04)	9.50	53.84	46.23	(22.41)	2.58	17.81	34.05	22.92	2.97	0.71	(3.80)	4.21	(1.74)
<b>Total expense recognised in the Statement of Profit and Loss in Note 24, page 155 under item :</b>	<b>53.22</b>	<b>46.96</b>	<b>52.56</b>	<b>86.23</b>	<b>73.83</b>	<b>27.68</b>	<b>49.34</b>	<b>56.79</b>	<b>64.95</b>	<b>47.90</b>	<b>15.04</b>	<b>12.31</b>	<b>7.35</b>	<b>13.24</b>	<b>6.65</b>
			(b) & (c)					(a)					(c)		
<b>ii Actual contribution and benefit payments for year ended March 31,</b>															
Actual benefit payments	72.95	72.52	48.92	55.21	54.15	38.16	31.79	25.62	25.93	18.24	2.85	2.94	2.82	3.10	3.17
Actual Contributions	25.24	54.12	46.91	78.11	75.80	38.16	31.79	25.62	25.93	18.24	2.85	2.94	2.82	3.10	3.17
<b>iii Net liability recognised in Balance Sheet as at March 31,</b>															
Present Value of Defined Benefit Obligation	690.29	682.38	652.56	606.73	534.60	235.89	245.72	230.14	198.97	159.95	108.64	96.42	88.66	84.13	73.99
Fair value of plan assets	604.45	624.60	587.21	547.03	483.02	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	(85.84)	(57.78)	(65.35)	(59.70)	(51.58)	(235.89)	(245.72)	(230.14)	(198.97)	(159.95)	(108.64)	(96.42)	(88.66)	(84.13)	(73.99)
Experience adjustment on plan liabilities	24.05	(20.20)	(1.05)	(33.21)	(3.35)	(4.97)	N/A	N/A	N/A	N/A	3.30	8.10	(3.87)	4.62	0.84
Experience adjustment on plan assets	21.40	18.52	(1.49)	1.55	(6.49)	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
<b>iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,</b>															
Present Value of DBO at the beginning of the year	682.38	652.56	606.73	534.60	485.95	245.72	230.14	198.97	159.95	130.29	96.42	88.66	84.13	73.99	70.51
Current service cost	44.21	41.46	37.98	29.63	24.97	31.17	28.55	23.16	18.41	14.68	4.27	3.96	4.12	2.88	2.53
Interest cost	53.44	51.78	48.77	42.32	38.09	18.92	18.21	15.82	12.49	10.30	7.80	7.64	7.03	6.15	5.86
Acquisitions/Transfer in/ Transfer out	0.98	(9.38)	-	-	-	0.65	(1.97)	-	-	-	0.03	(1.61)	-	-	-
Actuarial (gain) / losses	(17.77)	18.48	8.00	55.39	39.74	(22.41)	2.58	17.81	34.05	22.92	2.97	0.71	(3.80)	4.21	(1.74)
Benefits paid	(72.95)	(72.52)	(48.92)	(55.21)	(54.15)	(38.16)	(31.79)	(25.62)	(25.93)	(18.24)	(2.85)	(2.94)	(2.82)	(3.10)	(3.17)
Present Value of DBO at the end of the year	690.29	682.38	652.56	606.73	534.60	235.89	245.72	230.14	198.97	159.95	108.64	96.42	88.66	84.13	73.99
<b>v Change in fair value of assets during the year ended March 31,</b>															
Plan assets at the beginning of the year	624.60	587.21	547.03	483.02	432.39	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Acquisitions/Transfer in/ Transfer out	0.90	(8.97)	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	26.66	64.76	42.19	41.11	28.98	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	25.24	54.12	46.91	78.11	75.80	38.16	31.79	25.62	25.93	18.24	2.85	2.94	2.82	3.10	3.17
Benefits paid	(72.95)	(72.52)	(48.92)	(55.21)	(54.15)	(38.16)	(31.79)	(25.62)	(25.93)	(18.24)	(2.85)	(2.94)	(2.82)	(3.10)	(3.17)
Plan assets at the end of the year	604.45	624.60	587.21	547.03	483.02	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>vi Actuarial Assumptions</b>															
Discount Rate (%)	6.75-9.20	6.75-8.35	6.75-8.50	6.75-8.50	6.75-8.50	9.20	8.35	8.50	8.50	8.50	9.20	8.35	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	6.00	5.00	4.00	4.00	4.00
<b>vii The major categories of plan assets as percentage of total plan assets</b>															
Debt securities	71%	73%	77%	75%	74%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance with approved Insurance companies	28%	24%	19%	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balances with banks	1%	4%	4%	25%	26%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>viii Effect of one percentage point change in assumed Medical inflation rate</b>															
Revised DBO as at March 31,						2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
Revised service cost for the year						119.81	103.81	95.34	91.65	81.48	96.31	87.07	81.62	77.57	67.49
Revised interest cost for the year						4.96	3.95	4.01	3.37	2.95	3.70	2.79	3.04	2.48	2.17
						8.55	8.20	7.66	6.79	6.47	7.15	6.67	6.46	5.60	5.33

### (a) Defined contribution plans -

The Company's contribution to defined contribution plan aggregated ₹173.39 crores (2012-13 ₹170.45 crores) for the year ended March 31, 2014 has been recognised in the Statement of Profit and Loss under note 24 page 155

(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 ₹87.95 crores to the funded pension plans in the year 2014-15.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		2013-2014	2012-2013
<b>33. Purchase of products for sale</b>			
(a)	Spare parts and accessories for sale	1,540.58	1,735.82
(b)	Bodies and trailers for mounting on chassis	985.96	1,045.84
(c)	Vehicles <b>50,653 nos.</b> (2012-13 : 47,973 nos.)	2,523.28	3,082.79
		<u>5,049.82</u>	<u>5,864.45</u>
<b>34. Expenditure incurred on research and development</b>			
(a)	Revenue expenditure - charged to Statement of Profit and Loss	413.55	500.15
(b)	Revenue expenditure - capitalised	1,618.76	1,142.38
(c)	Capital expenditure	112.04	116.78
		<u>2,144.35</u>	<u>1,759.31</u>
<b>35. (a) Auditors' remuneration (excluding service tax)</b>			
(i)	Audit fees	4.50	4.25
(ii)	Audit fees for financial statements as per IFRS (including SOX certification)	3.60	3.25
(iii)	In other capacities :		
	Company law matters (₹35,000 for 2013-14, ₹35,000 for 2012-13)	-	-
	Tax audit / Transfer pricing audit*	0.75	0.49
	Taxation matters*	0.34	0.47
(iv)	Other services*	0.62	0.09
(v)	Reimbursement of travelling and out-of-pocket expenses	0.15	0.27
<b>(b) Cost Auditors' remuneration (excluding service tax)</b>			
(i)	Cost Audit fees	0.20	0.20
(ii)	Reimbursement of travelling and out-of-pocket expenses	0.01	0.01
	*Includes payment to an affiliate firm of statutory auditors	0.97	0.47
<b>36. Details of provision</b>			
<b>(a) Product warranty</b>			
	Opening balance	433.62	452.76
	Add: Provision for the year (net)	331.12	353.08
	Less: Payments / debits (net of recoveries from suppliers)	(355.26)	(372.22)
	Closing balance	409.48	433.62
	Current	263.24	309.38
	Non-current	146.24	124.24
<b>(b) Provision for Delinquency</b>			
	Opening balance	337.24	148.11
	Add: Provision for the year (net)	935.86	297.03
	Less: Payments / debits (net)	(255.49)	(107.90)
	Closing balance	1,017.61	337.24
	Current	770.94	242.81
	Non-current	246.67	94.43
<b>(c) Premium on redemption of Foreign Currency Convertible Notes (FCCN) and Convertible Alternative Reference Securities (CARS)</b>			
	Opening balance	34.21	912.50
	Foreign currency exchange (gain) /loss	0.94	82.97
	Premium on redemption of FCCN / CARS (including withholding tax)	(35.15)	(843.37)
	Reversal of provision for premium due to conversion of FCCN/CARS	-	(19.92)
	Provision / (Reversal of provision) for withholding tax upon conversion / redemption / foreign currency exchange of FCCN / CARS	-	(97.97)
	Closing balance	-	34.21
	Non current	-	34.21



## NOTES FORMING PART OF FINANCIAL STATEMENTS

### 37. Derivative transactions

The Company uses forward exchange contracts, interest rate 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, 2014

Currency	Amount (Foreign currency in millions)	Buy / Sell	Amount (₹ in crores)
(i) Forward exchange contracts (net)			
US \$ / IN ₹	US \$ -	Buy	-
US \$ / IN ₹	US \$ 37.57	Buy	203.95
US \$ / IN ₹	US \$ 4.00	Sell	23.96
US \$ / IN ₹	US \$ 25.0	Sell	135.69
(ii) Options (net)			
US \$ / IN ₹	US \$ 7.18	Buy	42.97
US \$ / IN ₹	US \$ 10.00	Buy	54.29
(iii) Interest Rate Swaps Floating to Fixed	US \$ 450	Swap	-
	-	-	-

(b) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2014

	Amount (Foreign currency in millions)	Amount (₹ in crores)
(i) Amount receivable on account of sale of goods, investment in preference shares, loan and interest receivable	US \$ 8.54	51.12
	US \$ 246.90	1,338.59
	€ 78.86	648.89
	€ 64.25	370.28
	£ 2.34	23.27
	£ 8.63	70.99
	THB 962.41	177.25
	THB 2,765.75	511.66
	ZAR 44.83	25.35
	ZAR 55.96	33.04
(ii) Creditors payable on account of loan and interest charges and other foreign currency expenditure	US \$ 640.26	3,835.14
	US \$ 959.46	5,208.44
	€ 11.74	96.67
	€ 11.89	82.67
	£ 12.66	125.46
	£ 15.67*	128.64
	¥ 138.37	8.06
	¥ 230.10	13.33
	Others	9.91
	Others	2.64

\* Note - Hedged partially by GBP USD forward of GBP 1.75 million

## NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)	
	2013-2014	2012-2013
<b>38. Information in regard to Sale of Products effected by the Company</b>		
1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon [including export and other incentives of ₹ 230.74 crores (2012-2013 ₹ 328.76 crores)]	<b>32,519.21</b>	43,810.63
2. Spare Parts for Vehicles	<b>3,006.31</b>	3,273.80
3. Others	<b>1,576.22</b>	1,580.85
	<b>37,101.74</b>	48,665.28
<b>39. Information in regard to raw materials and components consumed</b>		
Engines	<b>1,401.35</b>	1,707.41
Tyres, tubes and flaps	<b>1,749.19</b>	2,187.98
Paints, oils and lubricants	<b>189.76</b>	273.93
Steel , steel tubes, steel melting scrap	<b>665.73</b>	871.25
Non-ferrous alloys / metals , ferro alloys	<b>84.06</b>	85.63
Other components	<b>16,402.78</b>	22,118.08
	<b>20,492.87</b>	27,244.28

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 components (balancing figure based on the total consumption).

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

40. Information regarding exports and imports and other matters	2013-2014	2012-2013
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 ₹ 5.45 crores (2012-13 gain of ₹ 33.20 crores)]	3,508.26	3,419.05
(ii) Rent income	4.10	7.30
(iii) Commission	2.07	1.33
(iv) Interest and dividend	1,385.89	1,430.58
(v) Sale of services	75.29	27.57
(vi) Profit on sale of investment	1,966.12	-
2. C.I.F. value of imports		
(i) Raw material and components	1,049.65	1,057.03
(ii) Machinery spares and tools	35.46	60.66
(iii) Capital goods	268.37	275.34
(iv) Vehicles / spare parts / accessories for sale	274.03	456.98
(v) Other items	35.68	38.32
3. (a) Value of imported and indigenous raw materials and components consumed [note below] :		
(i) Imported	1,040.14	1,140.20
(ii) Indigenously obtained	19,452.73	26,104.08
(b) Percentage to total consumption :		
(i) Imported	%	5.08
(ii) Indigenously obtained	%	94.92

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.

(₹ in crores)

41. Expenditure in foreign currency (subject to deduction of tax where applicable)	2013-2014	2012-2013
(i) Technical know-how / services / consultancy fees	578.17	446.28
(ii) Interest	131.61	193.99
(iii) Consultancy / professional charges	16.66	26.69
(iv) Payments on other accounts [including exchange differences (net)]	211.45	163.79

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

42. Remittances in foreign currencies for dividends :		2013-2014	2012-2013
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 2012-13 are as under :			
(i) Number of non-resident shareholders			
a) For 2012-13	Nos.	<b>9,511</b>	-
b) For 2011-12	Nos.	-	10,292
(ii) Number of shares held by them			
a) For 2012-13	Nos.	<b>126,05,80,381</b>	-
b) For 2011-12	Nos.	-	122,16,76,252
(iii) Gross amount of dividend			
a) For 2012-13		<b>252.12</b>	-
b) For 2011-12		-	488.67

### 43. Other notes

- (i) Capital Work-in-progress as at March 31, 2014 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. In June 2011, the newly elected Government of West Bengal (State Government) enacted a legislation to cancel land lease agreement. The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta ruled against the validity of the legislation and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India, which is pending disposal. Based on management's assessment no provision is considered necessary to the carrying cost of buildings at Singur.
- (ii) The Company has substantially completed the process of divesting its investments in certain foreign subsidiary companies to TML Holding Pte Ltd, Singapore, a wholly owned subsidiary. Consequently, the year ended March 31, 2014 includes a profit of **₹1,966.12 crores** on such divestment (₹ Nil for the year ended March 31, 2013).
- (iii) During FY 2012-13, the Company sold the Forge division at Jamshedpur to its wholly-owned subsidiary, TML Drivelines Ltd on a slump sale basis for a consideration of ₹ 110 crores vide an agreement dated March 28, 2013.
- (iv) **Micro, Small and Medium Enterprises 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 the year is given below :

		2013-2014	2012-2013
(a) Amounts outstanding but not due as at March 31,		<b>141.65</b>	184.41
(b) Amounts due but unpaid as at March 31,	-Principal	-	-
(c) Amounts paid after appointed date during the year	-Principal	<b>18.21</b>	8.43
(d) Amount of interest accrued and unpaid as at March 31,	-Interest	<b>1.07</b>	2.29
(e) Amount of estimated interest due and payable for the period from April 1, 2014 to actual date of payment or May 29, 2014 (whichever is earlier)	-Interest	<b>0.03</b>	0.03

(v) Current year figures are shown in bold prints

(vi) Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

**N N WADIA**  
**R A MASHELKAR**  
**S BHARGAVA**  
**N MUNJEE**  
**V K JAIRATH**  
**F NAYAR**  
**R SPETH**  
Directors

**R PISHARODY**  
Executive Director  
**S B BORWANKAR**  
Executive Director  
**C RAMAKRISHNAN**  
Chief Financial Officer  
**H K SETHNA**  
Company Secretary  
Mumbai, May 29, 2014