

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Consolidation and Significant Accounting Policies

(I) Basis of consolidation:

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

(a) Basis of preparation

The financial statements have been prepared in accordance with the Generally Accepted Accounting Principles in India to comply with the Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")

(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) Principles of consolidation:

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

- The financial statements of the subsidiary companies / joint ventures / associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2016.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- The consolidated financial statements include the share of profit / loss of the associate companies which has been accounted as per the "Equity method"; and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.
An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
- The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.
- The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the consolidated financial statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the consolidated financial statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

(d) The following subsidiary companies are considered in the Consolidated Financial Statements:

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of equity holding either directly or through subsidiaries	
			As at March 31, 2016	As at March 31, 2015
Direct Subsidiaries				
1	TML Drivelines Limited	India	100	100
2	TAL Manufacturing Solutions Limited	India	100	100
3	Concorde Motors (India) Limited	India	100	100
4	Tata Motors Insurance Broking & Advisory Services Limited	India	100	100
5	Tata Motors European Technical Centre Plc	UK	100	100
6	Tata Technologies Limited	India	72.32	72.32
7	Tata Motors Finance Limited	India	100	100
8	Tata Marcopolo Motors Limited	India	51	51
9	TML Holdings Pte Limited	Singapore	100	100
10	TML Distribution Company Limited	India	100	100
11	Tata Hispano Motors Carrocera S.A.	Spain	100	100
12	Tata Hispano Motors Carrocerias Maghreb S.A.	Morocco	100	100
13	Trilix S.r.l	Italy	80	80
14	Tata Precision Industries Pte Limited	Singapore	78.39	78.39
Indirect subsidiaries *				
15	Tata Daewoo Commercial Vehicle Co. Limited	South Korea	100	100
16	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Limited	South Korea	100	100
17	Tata Motors (Thailand) Limited	Thailand	95.28	95.28
18	Tata Motors (SA) (Proprietary) Limited	South Africa	60	60
19	PT Tata Motors Indonesia	Indonesia	100	100
20	Tata Technologies (Thailand) Limited	Thailand	72.32	72.32
21	Tata Technologies Pte. Limited, Singapore	Singapore	72.32	72.32
22	INCAT International Plc	UK	72.32	72.32
23	Tata Technologies Europe Limited	UK	72.32	72.32
24	INCAT GmbH.	Germany	72.32	72.32
25	Tata Technologies Inc	USA	72.37	72.52
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.37	72.52
27	Tata Technologies (Canada) Inc.	Canada	72.37	72.52
28	Cambric Limited, Bahamas	USA	72.32	72.32

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at	As at
			March 31, 2016	March 31, 2015
29	Cambric UK Limited	UK	72.32	72.32
30	Cambric GmbH	Germany	72.32	72.32
31	Midwest Managed Services Inc, Utah	USA	72.32	72.32
32	Tata Technologies SRL	Romania	72.32	72.32
33	Cambric Manufaturing Technologies (Shanghai) Co. Limited	China	72.32	72.32
34	Jaguar Land Rover Automotive Plc	UK	100	100
35	Jaguar Land Rover Limited	UK	100	100
36	Jaguar Land Rover Austria GmbH	Austria	100	100
37	Jaguar Land Rover Belux NV	Belgium	100	100
38	Jaguar Land Rover Japan Limited	Japan	100	100
39	Jaguar Cars South Africa (pty) Limited	South Africa	100	100
40	JLR Nominee Company Limited	UK	100	100
41	The Daimler Motor Company Limited	UK	100	100
42	The Jaguar Collection Limited	UK	100	100
43	Daimler Transport Vehicles Limited	UK	100	100
44	S.S. Cars Limited	UK	100	100
45	The Lanchester Motor Company Limited	UK	100	100
46	Jaguar Land Rover Deutschland GmbH	Germany	100	100
47	Jaguar Land Rover Holdings Limited (formerly known as Land Rover)	UK	100	100
48	Jaguar Land Rover North America LLC	USA	100	100
49	Land Rover Ireland Limited	Ireland	100	100
50	Jaguar Land Rover Nederland BV	Netherlands	100	100
51	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	100	100
52	Jaguar Land Rover Australia Pty Limited	Australia	100	100
53	Jaguar Land Rover Italia Spa	Italy	100	100
54	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	Spain	100	100
55	Jaguar Land Rover Korea Co. Limited	South Korea	100	100
56	Jaguar Land Rover Automotive Trading (Shanghai) Co. Limited	China	100	100
57	Jaguar Land Rover Canada ULC	Canada	100	100
58	Jaguar Land Rover France, SAS	France	100	100
59	Jaguar Land Rover (South Africa) (pty) Limited	South Africa	100	100
60	Jaguar e Land Rover Brasil Indústria e Comércio de Veiculos LTDA (Name changed from Jaguar e Land Rover Brasil Importacao e Comercio de Veiculos Ltda w.e.f. February 10, 2016)	Brazil	100	100
61	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100	100
62	Land Rover Parts Ltd (Dissolved on July 14, 2015)	UK	100	100
63	Jaguar Land Rover (South Africa) Holdings Limited	UK	100	100
64	Jaguar Land Rover India Limited	India	100	100
65	Jaguar Cars Limited	UK	100	100
66	Land Rover Exports Ltd. (non-trading)	UK	100	100
67	Jaguar Land Rover Pension Trustees Limited	UK	100	100
68	Jaguar Daimler Heritage Trust Limited	UK	100	100
69	Silkplan Ltd (Acquired on April 16, 2015)	UK	100	-
70	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	100	100
71	Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015)	Slovakia	100	-
72	Jaguar Land Rover Singapore Pte Ltd (incorporated w.e.f November 25, 2015)	Singapore	100	-
73	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016)	UK	100	-
74	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016)	UK	100	-
75	PT Tata Motors Distribusi Indonesia	Indonesia	100	100
76	Tata Motors Finance Solutions Limited (Converted from Private Ltd w.e.f June 4, 2015)	India	100	100
77	TMNL Motor Services Nigeria Limited (incorporated w.e.f September 2, 2015)	Nigeria	100	-
78	Sheba Properties Ltd (indirect subsidiary w.e.f March 31, 2016)	India	100	100

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

(e) The following Joint Venture companies are considered in the Consolidated Financial Statements:

Sr No.	Name of the joint venture company	Country of incorporation	% of equity holding either directly or through subsidiaries	
			As at	As at
			March 31, 2016	March 31, 2015
1	Fiat India Automobiles Private Limited	India	50	50
2	Tata Cummins Private Limited	India	50	50
3	Tata HAL Technologies Limited**	India	36.16	36.16
4	Spark 44 (JV) Limited	UK	50	50
5	Spark44 Pty. Limited. (Sydney)	Australia	50	50
6	Spark44 GmbH (Frankfurt)	Germany	50	50
7	Spark44 LLC (LA & NYC)	USA	50	50
8	Spark44 Limited (Shanghai)	China	50	50
9	Spark44 Middle East DMCC (Dubai)	UAE	50	50
10	Spark44 Demand Creation Partners Limited (Mumbai)	India	50	50
11	Spark44 Limited (London & Birmingham)	UK	50	50
12	Spark44 Pte Limited (Singapore)	Singapore	50	50
13	Spark44 Communication SL (Madrid)	Spain	50	50
14	Spark44 SRL (Rome)	Italy	50	50
15	Spark44 Limited (Seoul)	South Korea	50	50
16	Spark44 KK (Tokyo)	Japan	50	50
17	Spark44 Canada Inc (Toronto)	Canada	50	50
18	Chery Jaguar Land Rover Automotive Co Limited	China	50	50
19	Chery Jaguar Land Rover Auto Sales Company Limited	China	50	50

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(II) Significant accounting policies :

(a) Revenue recognition

(i) Sale of products

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

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

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

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

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

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

(b) Depreciation and Amortisation

(i) Depreciation is provided on the Straight Line Method (SLM) over the estimated useful lives of the assets considering the nature, estimated usage, operating conditions, past history of replacement, anticipated technological changes, manufacturers warranties and maintenance support. Taking into account these factors, the Company and its domestic group companies have decided to retain the useful life hitherto adopted for various categories of fixed assets, which are different from those prescribed in Schedule II of the Act.

Type of Asset

Estimated useful life

Leasehold Land	amortised over the period of the lease
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	3 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 10 years
Furniture, fixtures and office appliances	3 to 20 years
Technical know-how	2 to 10 years
Developed technologies	10 years
Computer software	1 to 8 years

Special tools are amortised on a straight line basis over the lives of the model concerned, which is 7 to 10 years.

(ii) 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.

(iii) Product development costs are amortised over a period of upto 120 months for New Generation vehicles and power trains on the basis of highest of the volumes between planned and actuals and on a straight line method over a period of 36 months for Vehicle Variants, Derivatives and other Regulatory Projects.

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

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

(c) Fixed Assets

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

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

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

(iv) Heritage assets are measured at cost and not depreciated as they are considered to have useful economic life in excess of 50 years. An annual impairment review is performed and any impairment in the carrying value is recognized immediately in the statement of Profit and Loss.

(v) Tangible assets and 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(d) Impairment of Tangible Assets, Intangible Assets and Goodwill

At each Balance Sheet date, the Company assesses whether there is any indication that the tangible assets, intangible assets including Goodwill may be impaired. If any such impairment indicators exists, the recoverable amount of an asset is estimated to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in the subsequent period unless there are changes in external events.

As at March 31, 2016, none of the fixed assets were considered impaired.

(e) Leases

(i) Finance lease

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

(ii) Operating lease

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

(f) Transactions in foreign currencies and accounting of derivatives

(i) Exchange differences

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

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

(ii) Hedge accounting

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

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

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

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 for the year.

- (iii) Premium or discount on forward contracts other than those covered in (ii) above is amortised over the life of such contracts and is recognised as income or expense.

(g) Product warranty expenses

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(h) Income on vehicle loan

Interest income from loan contracts in respect of vehicles are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the net outstanding amount is accrued over the period of contract. The Company provides an allowance for finance receivables based on the prudential norms issued by the RBI relating to income recognition, assets classification and non-performing assets. In addition to the provisioning as per the RBI norms, provision is also being made for the anticipated loss to be incurred by the Company on resale of repossessed vehicles.

(i) Inventories

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

(j) Employee benefits

(i) Pension plans

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

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

During the year ended March 31, 2016, ₹3,702.60 crores (net of tax) has been credited and ₹6,659.25 crores (debit) (net of tax) as at March 31, 2016, have been accounted in "Reserves and Surplus" representing changes in actuarial valuation of pension plans of Jaguar Land Rover group in the UK, in accordance with IFRS principles and as permitted by AS 21 in the consolidated financial statements.

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

(ii) Gratuity

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

(iii) Superannuation

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

Employees who are members of the defined benefit superannuation plan are entitled to benefits depending on the years of service and salary drawn. The monthly pension benefits after retirement range from 0.75% to 2% of the annual basic salary for each year of service. The Company and the said subsidiaries 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.

During the year 2014-15, the employees covered by this plan were given one time option to exit from the plan prospectively. Further, the employees who opted for exit were given one time option to withdraw accumulated balances from the superannuation plan.

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% or ₹1,00,000 whichever is lower 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.

(iv) Bhavishya Kalyan Yojana (BKY)

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

(v) Severance indemnity

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

(vi) Post-retirement medicare scheme

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(vii) Provident fund and family pension

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

(viii) Compensated absences

The Company and some of its subsidiaries provides for the encashment of leave or leave with pay subject to certain rules. The employees are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilized leave at each balance sheet date on the basis of an independent actuarial valuation.

(k) Investments

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

(l) Income taxes

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

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

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

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

(m) 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.

(n) 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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
2. Share Capital		
(a) Authorised :		
350,00,00,000 Ordinary shares of ₹ 2 each (as at March 31, 2015: 350,00,00,000 Ordinary shares of ₹ 2 each)	700.00	700.00
100,00,00,000 'A' Ordinary shares of ₹ 2 each (as at March 31, 2015: 100,00,00,000 'A' Ordinary shares of ₹ 2 each)	200.00	200.00
30,00,00,000 Convertible Cumulative Preference shares of ₹ 100 each (as at March 31, 2015: 30,00,00,000 shares of ₹ 100 each)	3,000.00	3,000.00
	3,900.00	3,900.00
(b) Issued [Note (I), page F-59] :		
288,78,42,351 Ordinary shares of ₹ 2 each (as at March 31, 2015: 273,71,97,592 Ordinary shares of ₹ 2 each)	577.57	547.44
50,87,36,805 'A' Ordinary shares of ₹ 2 each (as at March 31, 2015: 48,22,06,515 'A' Ordinary shares of ₹ 2 each)	101.75	96.44
	679.32	643.88
(c) Subscribed and called-up :		
288,72,03,602 Ordinary shares of ₹ 2 each (as at March 31, 2015: 273,67,13,122 Ordinary shares of ₹ 2 each)	577.44	547.34
50,84,76,704 'A' Ordinary shares of ₹ 2 each (as at March 31, 2015: 48,19,66,945 'A' Ordinary shares of ₹ 2 each)	101.70	96.40
	679.14	643.74
(d) Calls unpaid - Ordinary shares	(0.01)	(0.01)
(e) Paid-up (c + d)	679.13	643.73
(f) Forfeited Shares - Ordinary shares	0.05	0.05
Total (e + f)	679.18	643.78
(g) Movement of number of shares and share capital :		
	2015-2016	2014-2015
	No. of shares	No. of shares
	(₹ in crores)	(₹ in crores)
(i) Ordinary shares		
Shares as at April 1	273,67,13,122	273,67,13,122
Add: Shares issued pursuant to Rights issue	150,490,480	-
Shares as at March 31	288,72,03,602	273,67,13,122
(ii) 'A' Ordinary shares		
Shares as at April 1	48,19,66,945	48,19,66,945
Add: Shares issued pursuant to Rights issue	26,509,759	-
Shares as at March 31	50,84,76,704	48,19,66,945

(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 declare 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 CONSOLIDATED FINANCIAL STATEMENTS

(iii) 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 Depositary with respect to the Ordinary shares represented by ADSs only in accordance with the provisions of the Company's ADSs deposit agreement and Indian Law. The depositary 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, 2016		As at March 31, 2015	
	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
(i) Ordinary shares :				
(a) Tata Sons Limited	26.98%	77,89,70,378	25.67%	70,23,33,345
(b) Tata Steel Limited	*	*	5.54%	15,16,87,515
(c) Life Insurance Corporation of India	6.90%	19,91,44,257	*	*
(d) Citibank N A as Depositary	#	49,19,64,200	#	58,22,60,190
(ii) 'A' Ordinary shares :				
(a) HDFC Trustee Company Limited-HDFC Equity Fund	12.95%	6,58,38,405	*	*
(b) HSBC Global Investment Funds A/C HSBC Global Investment Funds Mauritius Ltd	*	*	5.16%	2,48,78,664
# held by Citibank, N.A. as depositary 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 Company allotted 15,04,90,480 Ordinary shares (including 3,20,49,820 shares underlying the ADRs) of ₹2 each at a premium of ₹448 per share, aggregating ₹6,772.07 crores and 2,65,09,759 'A' Ordinary shares of ₹2 each at a premium of ₹269 per share, aggregating ₹718.42 crores pursuant to the Rights issue. 1,54,279 Ordinary shares and 20,531 'A' Ordinary shares have been kept in abeyance.

Proceeds from the Rights issue have been utilised upto March 31, 2016, in the following manner:

Particulars	(₹ in crores)	
	Planned	Actual
Funding capital expenditure towards plant and machinery	500.00	500.00
Funding expenditure relating to research and product development	1,500.00	1,500.00
Repayment, in full or part, of certain long-term and short-term borrowings availed by the Company	4,000.00	4,000.00
General corporate purposes	1,428.00	1,401.10
Issue related expenses	70.00	64.76
Total	7,498.00	7,465.86 *

* Of the above ₹2.34 crores was pending withdrawal as at March 31, 2016.

- (l) The entitlements to 6,38,749 Ordinary shares of ₹2 each (as at March 31, 2015 : 4,84,470 Ordinary shares of ₹2 each) and 2,60,101 'A' Ordinary shares of ₹2 each (as at March 31, 2015: 2,39,570 '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.

(Consolidated)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)			
		As at March 31, 2015	Additions	Deductions	As at March 31, 2016
3. Reserves and surplus					
(a)	Capital Redemption Reserve	2.28	-	-	2.28
		2.28	-	-	2.28
(b)	Securities Premium Account [Notes (i) and (ii)]	11,811.60	7,455.09	54.43	19,212.26
		11,683.09	175.05	46.54	11,811.60
(c)	Debenture Redemption Reserve	1,042.15	-	-	1,042.15
		1,042.15	-	-	1,042.15
(d)	Capital Reserve (on consolidation) [Note (iii)]	507.24	14.29	-	521.53
		504.56	2.68	-	507.24
(e)	Revaluation Reserve	22.87	-	-	22.87
		22.87	-	-	22.87
(f)	Amalgamation Reserve	0.05	-	-	0.05
		0.05	-	-	0.05
(g)	Special Reserve	269.38	22.88	-	292.26
		229.97	39.41	-	269.38
(h)	Hedging Reserve Account [Note (iv)]	(6,329.79)	94.55	788.31	(7,023.55)
		5,399.55	2,933.08	14,662.42	(6,329.79)
(i)	Pension Reserve [Note (v)]	(10,361.85)	4,837.84	1,135.24	(6,659.25)
		(7,568.38)	731.59	3,525.06	(10,361.85)
(j)	Earned Surplus Reserve [Note (vi), page F-61]	14.51	9.49	-	24.00
		14.51	-	-	14.51
(k)	Reserves for Research and Human Resource Development [Note (vii) page F-61]	169.29	-	-	169.29
		169.29	-	-	169.29
(l)	Restricted Reserve	0.39	-	-	0.39
		0.39	-	-	0.39
(m)	Legal Reserve	0.44	0.61	-	1.05
		0.33	0.11	-	0.44
(n)	Translation Reserve [Note (viii) page F-61]	2,979.09	1,730.87	-	4,709.96
		7,173.03	-	4,193.94	2,979.09
(o)	General Reserve [Note (ix), page F-61]	5,230.39	38.99	3,483.73	1,785.65
		5,181.62	48.77	-	5,230.39
(p)	Foreign Currency Monetary Item Translation Difference Account (Net) [Note (x), page F-61]	(4,227.07)	(271.89)	(1,651.12)	(2,847.84)
		573.88	(5,710.31)	(909.36)	(4,227.07)
(q)	Profit and Loss Account / Surplus [Note (xi), page F-61]	54,487.17	14,507.48	144.26	68,850.39
		40,530.48	14,079.69	123.00	54,487.17
		55,618.14	28,440.20	3,954.85	80,103.49
		64,959.67	12,300.07	21,641.60	55,618.14

Notes:

		2015 - 2016		2014 - 2015	
		Additions	Deductions	Additions	Deductions
(i)	The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹ 0.03 crore				
(ii)	Securities Premium Account :				
(a)	Premium on Rights issue of Shares	7,455.09	-	-	-
(b)	Rights issue expenses and brokerage, stamp duty and other fees on issue of Non-Convertible Debentures (NCD) [net of tax ₹ Nil (2014-15 ₹ 1.41 crores)]	-	54.43	-	46.54
(c)	Reversal of premium on redemption of NCD	-	-	175.05	-
		7,455.09	54.43	175.05	46.54
(iii)	The addition/deduction to Capital Reserve represents exchange gain/(loss) on opening balances in respect of foreign subsidiaries.				
(iv)	Hedging Reserve :				
(a)	Fair value gains / losses	-	788.31	-	14,662.42
(b)	Deferred tax on fair value gains / losses	94.55	-	2,933.08	-
		94.55	788.31	2,933.08	14,662.42
(v)	Pension Reserve :				
(a)	Actuarial losses (net)	4,837.84	-	-	3,525.06
(b)	Movement in restriction of pension assets	-	13.91	26.82	-
(c)	Deferred Tax impact on actuarial losses (net) and movement in restriction of pension assets	-	1,121.33	704.77	-
		4,837.84	1,135.24	731.59	3,525.06

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (vi) Under the Korean Commercial Code, Tata Daewoo Commercial Vehicle Company Ltd. (TDCV), an indirect subsidiary, is required to appropriate annually at least 10% of cash dividend declared each year to a legal reserve, 'Earned Surplus Reserve' until such reserve equals 50% of capital stock of TDCV. This reserve may not be utilized for cash dividends but may only be used to off-set against future deficit, if any, or may be transferred to capital stock of TDCV.
- (vii) Under the Special Tax Treatment Control Law, TDCV appropriated retained earnings for research and human resource development. The reserve, which was used for its own purpose, is regarded as 'Discretionary Appropriated Retained Earnings'.
- (viii) Translation Reserves represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates. [Note (f) (i), page F-55]

(₹ in crores)

	2015 - 2016		2014 - 2015	
	Additions	Deductions	Additions	Deductions
(ix) General Reserve :				
(a) Government grants/incentives received [net of tax ₹ 1.04 crores (2014-15 ₹ Nil)]	38.99	-	27.77	-
(b) Amount transferred from Profit and Loss Account	-	-	21.00	-
(c) Amount transferred to Profit and Loss Account	-	3,483.73	-	-
	38.99	3,483.73	48.77	-
(x) Foreign Currency Monetary Item Translation Difference Account (Net) :				
(a) Exchange gain / (loss) during the year (net)	(271.89)	-	(5,710.31)	-
(b) Amortisation of exchange fluctuation for the year	-	(1,651.12)	-	(909.36)
	(271.89)	(1,651.12)	(5,710.31)	(909.36)
(xi) Profit and Loss Account / Surplus :				
(a) Profit for the year	11,023.75	-	13,986.29	-
(b) Tax on interim dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)	-	13.42	-	8.40
(c) Proposed dividend	-	73.00	-	-
(d) Tax on proposed dividend (including Group's share of subsidiaries' dividend tax)	-	24.10	-	51.81
(e) Reversal of dividend distribution tax of earlier year	-	-	93.40	-
(f) Dividend on cumulative preference shares of a subsidiary	-	0.76	-	2.27
(g) General Reserve	3,483.73	-	-	21.00
(h) Special Reserve	-	22.88	-	39.41
(i) Earned Surplus Reserve	-	9.49	-	-
(j) Legal Reserve	-	0.61	-	0.11
	14,507.48	144.26	14,079.69	123.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2016	As at March 31, 2015
4. Long-term Borrowings		
(A) Secured :		
(a) Privately placed Non-Convertible Debentures [Notes 1(a) below, 2(a) and 2(b), page F-63]	2,310.23	2,493.34
(b) Term loans :		
(i) From banks [Notes 1(b) below, 2(d) and 2(f), page F-63]	4,214.37	5,329.79
(ii) From others [Note 2(e), page F-63]	577.89	489.75
(c) Finance Lease Obligations [Note 31(A)(a)(ii), page F-74]	38.38	11.42
	7,140.87	8,324.30
(B) Unsecured :		
(a) Privately placed Non-Convertible Debentures [Note 1(a) below]	6,079.90	8,129.90
(b) Subordinated perpetual debentures	375.30	375.30
(c) Term loans :		
(i) From banks [Note 1(b) below]	8,441.90	8,654.59
(ii) From others	48.70	200.17
(d) Senior Notes [Note 1(c) below]	29,789.64	30,387.08
	44,735.44	47,747.04
Total (A+B)	51,876.31	56,071.34
5. Short-term borrowings		
(A) Secured :		
(a) Loan from banks [Note 2(c), page F-63]	5,388.48	6,327.44
(b) Loan from others	98.23	77.07
	5,486.71	6,404.51
(B) Unsecured :		
(a) Loan from banks	1,044.18	1,663.05
(b) Loan from others	13.78	49.91
(c) Inter corporate deposits from associates	27.00	60.00
(d) Commercial paper	4,651.96	4,962.67
	5,736.92	6,735.63
Total (A+B)	11,223.63	13,140.14

Notes :

(1) Terms of redemption / repayments :

- (a) Privately placed Non-Convertible Debentures will be redeemed from financial year 2016-17 to 2025-26.
 (b) Term Loans from Banks are repayable from financial year 2016-17 to 2023-24.
 (c) Schedule of repayment of Senior notes :

	Currency	Amount (in million)	As at March 31, 2016 (₹ in crores)	As at March 31, 2015 (₹ in crores)
5.750% Senior Notes due 2024	USD	250	1,656.31	1,562.50
5.625% Senior Notes due 2023	USD	500	3,327.47	3,130.46
3.875% Senior Notes due 2023	GBP	400	3,818.09	3,697.96
5.000% Senior Notes due 2022	GBP	400	3,818.09	3,697.96
8.125% Senior Notes due 2021	USD	83.58*	556.24	523.30
5.75% Senior Notes due 2021	USD	300	1,987.43	1,874.93
8.25% Senior Notes due 2020	GBP	-	-	540.38
4.625% Senior Notes due 2020	USD	500	3,312.63	3,125.00
3.50% Senior Notes due 2020	USD	500	3,327.47	3,130.46
4.25% Senior Notes due 2019	USD	500	3,327.47	3,130.46
4.125% Senior Notes due 2018	USD	700	4,658.45	4,382.63
4.25% Senior Notes due 2018	SGD	-	-	1,591.04
			29,789.64	30,387.08

* Prepaid subsequent to March 31, 2016

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Notes:

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

- (a) 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.
- (b) Privately placed non-convertible debentures amounting to ₹1,610.23 crores are fully secured by :
 - (i) First pari passu charge on residential flat of Tata Motors Finance Limited (TMFL), a subsidiary of the Company
 - (ii) Pari passu charge is created in favour of debenture trustee on :
 - All receivables of TMFL arising out of loan, lease and hire purchase transactions,
 - All book debts, trade advances forming part of movable property of TMFL.
 - (iii) Any other security as identified by TMFL and acceptable to the debenture trustee.

- (c) Loans from Banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.

- (d) Term loans from banks amounting to ₹2,750 crores are secured by a pari passu charge in favour of the security trustee on all receivables of the Company arising out of loan, lease and hire purchase transactions, all other book debts, receivables from senior and junior pass-through-certificates in which Company has invested; and such other current assets as may be identified by the Company from time to time and accepted by the relevant lender/ security trustee.

Term loan from bank amounting to ₹19.84 crores is secured by hypothecation by way of exclusive charge on all the moveable Plant and Machinery at the "Generic Facility" at Nagpur.

Loan from bank is secured by exclusive charge on the factory land and building of ISLE Project at Phaltan (termed as TCL 3) and hypothecation charge on movable fixed assets of TCL 3 plant on pari passu with HSBC bank.

- (e) The term loan of ₹541.51 crores is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2036, 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.

The term loan of ₹11.15 crores is due for repayment in the quarter ending June 30, 2030, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee as per the terms of the agreement.

The term loan of ₹17.98 crores is due for repayment in the quarter ending March 31, 2026, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee .

- (f) The term loan of ₹1,029 crores (CNY 1,001 Million) taken by Jaguar Landrover Automotive PLC, an indirect subsidiary of the Company is for the syndicated loan of Chery Jaguar LandRover Automotive Co. Ltd in China, a Joint Venture (JV) of the Company, secured over the fixed assets of the JV.
- (g) During the year 2015-16, TML Holdings Pte Ltd, Singapore, a subsidiary of the Company, has refinanced the existing SGD 350 million 4.25% Senior notes due in May 2018 by a new syndicated loan of USD 250 million maturing in March 2020.

- (3) During the year ended March 31, 2016, TML Holdings Pte Ltd., Singapore, a wholly owned subsidiary of the Company has refinanced existing:

- (i) Unsecured Multi currency loan of USD 600 million (USD 250 million and SGD 62.8 million maturing in November 2017 and USD 210 million and SGD 114 million maturing in November 2019) by a new syndicated loan of USD 600 million (USD 300 million maturing in October 2020 and USD 300 million maturing in October 2022) and
- (ii) SGD 350 million 4.25% Senior notes due in May 2018 by a new syndicated loan of USD 250 million maturing in March 2020.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
6. (a)	Deferred tax assets and liabilities (net) classified on a company wise basis :		
(i)	Deferred tax assets	2,726.43	2,733.20
(ii)	Deferred tax liabilities	(3,166.08)	(1,343.20)
	Net deferred tax assets / (liabilities)	(439.65)	1,390.00
(b)	Major components of deferred tax arising on account of timing differences are:		
	Liabilities:		
	Depreciation	(1,816.77)	(1,782.45)
	Intangibles / Product development cost and Reserves for Research and Human Resource Development	(10,785.42)	(9,843.79)
	Others	(306.20)	(263.38)
		(12,908.39)	(11,889.62)
	Assets:		
	Unabsorbed depreciation / business loss	5,261.10	5,878.08
	Employee benefits / expenses allowable on payment basis	4,442.52	4,943.59
	Provision for doubtful debts	715.73	733.90
	Derivatives	1,925.76	1,610.46
	Others	123.63	113.59
		12,468.74	13,279.62
	Net deferred tax assets / (liabilities)	(439.65)	1,390.00
(c)	Tax expense :	2015 - 2016	2014 - 2015
(i)	Current tax		
	Current tax [including Minimum Alternate Tax / (credit)]	1,961.21	4,558.81
(ii)	Deferred tax charge	911.39	3,084.10
	Total (i + ii)	2,872.60	7,642.91
(d)	Deferred tax charge for the year	2015 - 2016	2014 - 2015
	Opening net deferred tax assets	1,390.00	774.75
	(Debited) / Credited to Securities Premium Account	-	1.41
	(Debited) / Credited to Hedging Reserve	94.54	2,933.08
	(Debited) / Credited to Pension Reserve	(1,121.33)	704.77
	Translation differences in respect of foreign subsidiaries	108.53	60.09
		471.74	4,474.10
	Closing net deferred tax assets / (liabilities)	(439.65)	1,390.00
	Deferred tax charge for the year	911.39	3,084.10

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

7. Other long-term liabilities	As at March 31, 2016	As at March 31, 2015
(a) Deferred payment liabilities	70.08	126.41
(b) Interest accrued but not due on borrowings	1.36	23.22
(c) Derivative financial instruments	7,744.11	7,721.94
(d) Deferred revenue	1,668.81	923.62
(e) Others	462.16	346.73
Total	9,946.52	9,141.92

8. Other current liabilities	As at March 31, 2016	As at March 31, 2015
(a) Liability towards vehicles sold under repurchase arrangements	2,550.44	1,820.60
(b) Liability for capital expenditure	3,503.13	4,605.24
(c) Deposits and retention money	219.11	211.21
(d) Interest accrued but not due on borrowings	968.12	1,004.72
(e) Current maturities of long-term borrowings (Note below)	7,368.55	4,398.91
(f) Deferred payment Liabilities	64.50	59.75
(g) Advance and progress payments from customers	2,163.70	2,288.91
(h) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	2,528.70	1,864.75
(i) Employee benefit obligations	18.89	43.00
(j) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 (IEPF) not due	33.19	40.50
(k) Derivative financial instruments	6,476.69	6,445.98
(l) Deferred revenue	956.19	621.56
(m) Others	410.61	283.45
Total	27,261.82	23,688.58

Notes:

Current maturities of long term borrowings consists of :

(i) Privately placed Non-Convertible Debentures	2,372.49	1,778.68
(ii) Term loans from banks and others	4,981.79	2,604.66
(iii) Finance lease obligations [Note 31(A)(a)(ii), page F-74]	14.27	15.57
Total	7,368.55	4,398.91

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

9. Long-term provisions	As at March 31, 2016	As at March 31, 2015
(a) Employee benefit obligations	4,604.68	8,964.79
(b) Warranty and product liability [Note 35(i), page F-81]	6,826.06	5,693.64
(c) Residual risk [Note 35(ii), page F-81]	123.42	142.55
(d) Environmental cost [Note 35(iii), page F-81]	222.15	244.88
(e) Provision for Annual maintenance contract [Note 35(iv), page F-81]	9.99	12.57
(f) Others	31.00	75.84
Total	11,817.30	15,134.27

10. Short term provisions	As at March 31, 2016	As at March 31, 2015
(a) Employee benefit obligations	1,878.86	341.82
(b) Warranty and product liability [Note 35(i), page F-81]	5,618.72	4,663.66
(c) Current income tax (net of payment)	928.77	835.90
(d) Proposed dividend	73.00	-
(e) Provision for tax on dividend	28.95	66.36
(f) Residual risk [Note 35(ii), page F-81]	57.42	42.72
(g) Environmental cost [Note 35(iii), page F-81]	68.99	44.18
(h) Provision for Annual maintenance contract [Note 35(iv), page F-81]	17.79	16.29
(i) Others	29.62	25.07
Total	8,702.12	6,036.00

11. Trade payables	As at March 31, 2016	As at March 31, 2015
(a) Acceptances	3,981.33	4,076.75
(b) Other than acceptances	59,651.56	53,330.53
Total	63,632.89	57,407.28

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

12. Tangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2015	Additions/ adjustments [Note (ii)]	Translation adjustment	Deductions/ adjustments	Cost as at March 31, 2016	Accumulated depreciation as at April 1, 2015	Depreciation for the year [Note (iii)]	Translation adjustment-accumulated depreciation	Deductions/ adjustments for the year [Note (iv)]	Accumulated depreciation up to March 31, 2016	Net book value as at March 31, 2016
[I] Owned assets :											
(i) Land	2,242.49 2,027.99	485.64 328.33	43.75 (112.39)	24.25 1.44	2,747.63 2,242.49	- -	- -	- -	- -	- -	2,747.63 2,242.49
(ii) Buildings	13,329.80 10,946.48	2,231.56 3,169.82	241.00 (620.66)	35.03 165.84	15,763.33 13,329.80	4,232.59 4,313.93	463.82 324.57	99.20 (246.09)	34.90 159.82	4,760.71 4,232.59	11,006.62 9,097.21
(iii) Plant, machinery and equipment [Note (i)]	88,493.04 79,061.70	14,851.14 16,046.70	1,753.61 (4,692.94)	1,844.16 1,922.42	103,253.63 88,493.04	49,567.02 48,411.14	7,402.60 5,846.04	1,081.04 (2,813.09)	1,675.17 1,877.07	56,375.49 49,567.02	46,878.14 38,926.02
(iv) Furniture, fixtures and office appliances [Note (i)]	1,149.40 1,010.56	257.64 232.79	22.68 (52.98)	37.69 40.97	1,392.03 1,149.40	560.41 476.04	140.23 141.85	11.46 (25.27)	35.49 32.21	676.61 560.41	715.42 588.99
(v) Vehicles [Note (i)]	280.40 270.33	57.42 52.38	1.38 (5.13)	45.18 37.18	294.02 280.40	152.77 142.83	43.19 39.17	0.30 (1.82)	37.61 27.41	158.65 152.77	135.37 127.63
(vi) Heritage assets	482.12 -	- 514.19	15.66 (32.07)	- -	497.78 482.12	- -	- -	- -	- -	- -	497.78 482.12
(vii) Computers and other IT assets [Note (i)]	1,363.66 1,125.82	384.76 294.07	10.81 (40.89)	41.24 15.34	1,717.99 1,363.66	841.37 757.04	141.37 110.20	7.52 (14.65)	29.34 11.22	960.92 841.37	757.07 522.29
[II] Assets given on lease :											
(i) Plant and machinery	411.02 404.32	3.26 7.35	- -	1.03 0.65	413.25 411.02	382.75 380.92	3.17 4.17	- -	0.76 2.34	385.16 382.75	28.09 28.27
(ii) Land	- -	21.66 -	(0.67) -	- -	20.99 -	- -	- -	- -	- -	- -	20.99 -
(iii) Buildings	- -	34.93 -	(1.11) -	- -	33.82 -	- -	0.74 -	(0.02) -	- -	0.72 -	32.10 -
[III] Assets taken on lease :											
(i) Leasehold land	270.48 268.47	0.02 2.37	- -	- 0.36	270.50 270.48	36.06 32.32	3.77 3.74	- -	- -	39.83 36.06	230.67 234.42
(ii) Buildings	66.10 63.65	6.08 3.84	(0.24) (0.68)	14.84 0.71	57.10 66.10	20.21 14.85	5.46 6.14	0.26 (0.28)	0.77 0.50	25.16 20.21	31.94 45.89
(iii) Plant and machinery	38.52 38.96	- 0.09	- -	- 0.53	38.52 38.52	37.77 36.64	0.25 1.70	- (0.04)	- 0.53	38.02 37.77	0.50 0.75
(iv) Computers and other IT assets	166.69 157.73	9.80 8.97	- (0.01)	- -	176.49 166.69	136.56 116.01	15.91 20.55	- -	- -	152.47 136.56	24.02 30.13
TOTAL TANGIBLE ASSETS	108,293.72 95,376.01	18,343.91 20,660.90	2,086.87 (5,557.75)	2,043.42 2,185.44	126,681.08 108,293.72	55,967.51 54,681.72	8,220.51 6,498.13	1,199.76 (3,101.24)	1,814.04 2,111.10	63,573.74 55,967.51	63,107.34 52,326.21

Notes:

- (i) Includes buildings, plant, machinery and equipment, furniture, fixtures and office appliances, vehicles and computers and other IT assets having gross block of ₹17.59 crores, ₹466.38 crores, ₹7.52 crores, ₹1.89 crores and ₹136.68 crores (as at March 31, 2015 ₹0.56 crore, ₹250.22 crores, ₹6.16 crores, ₹1.50 crores and ₹143.78 crores) and net block of ₹14.27 crores, ₹42.39 crores, ₹0.58 crore, ₹0.13 crore and ₹0.65 crore (as at March 31, 2015 ₹0.51 crore, ₹16.21 crores, ₹0.50 crore, ₹0.03 crore and ₹0.63 crore) respectively, held for disposal at lower of their net book value and net realisable value.
- (ii) Additions / adjustments:
(a) include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹42.49 crores (2014-2015 ₹26.24 crores)
(b) is net of capital government grants received ₹36.25 crores (2014-15 ₹93.61 crores)
- (iii) Depreciation excludes lease equalisation of ₹Nil (2014-15 ₹2.27 crores) adjusted in lease rental income.
- (iv) Includes impairment charge on plant, machinery and equipment in deduction / adjustment for the year of ₹60.32 crores (2014-2015 ₹Nil).

13. Intangible assets

Particulars	Cost as at April 1, 2015	Additions/ adjustments [Note (i)]	Translation adjustment	Deductions/ adjustments	Cost as at March 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year	Translation adjustment-accumulated amortisation	Deductions/ adjustments for the year [Note (ii)]	Accumulated amortisation up to March 31, 2016	Net book value as at March 31, 2016
(i) Technical know-how	83.50 56.65	28.18 26.82	0.12 0.03	- -	111.80 83.50	47.32 46.13	7.32 1.19	- -	- -	54.64 47.32	57.16 36.18
(ii) Computer software	4,572.82 3,118.71	1,638.42 1,787.75	86.30 (278.86)	179.05 54.78	6,118.49 4,572.82	1,948.86 1,555.64	760.69 524.59	32.05 (104.39)	162.96 26.98	2,578.64 1,948.86	3,539.85 2,623.96
(iii) Product development cost	40,456.62 29,229.51	13,557.42 15,265.62	819.95 (2,469.42)	3,560.06 1,569.09	51,273.93 40,456.62	15,688.51 11,833.55	7,929.69 6,248.50	292.88 (827.21)	3,457.71 1,566.33	20,453.37 15,688.51	30,820.56 24,768.11
(iv) Trade marks and brand	3,677.51 3,958.94	- -	119.71 (281.43)	- -	3,797.22 3,677.51	- -	- -	- -	- -	- -	3,797.22 3,677.51
(v) Developed technologies	1,122.39 1,188.40	0.49 1.91	32.21 (67.92)	0.49 -	1,154.60 1,122.39	771.86 698.34	95.97 116.22	18.67 (42.70)	- -	886.50 771.86	268.10 350.53
TOTAL INTANGIBLE ASSETS	49,912.84 37,552.21	15,224.51 17,082.10	1,058.29 (3,097.60)	3,739.60 1,623.87	62,456.04 49,912.84	18,456.55 14,133.66	8,793.67 6,890.50	343.60 (974.30)	3,620.67 1,593.31	23,973.15 18,456.55	38,482.89 31,456.29

Notes:

- (i) Additions/adjustments:
(a) include capitalisation of exchange loss mainly on product development cost of ₹28.19 crores (2014-15 capitalisation of exchange loss of ₹40.96 crores)
(b) is net of capital government grants received ₹284.80 crores (2014-15 ₹48.53 crores)
- (ii) Includes impairment charge of ₹103.62 crores (2014-15 ₹Nil).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

		As at March 31, 2016	As at March 31, 2015
14. Goodwill (on consolidation)			
Opening balance		4,696.99	4,978.83
Add : Addition due to acquisition of subsidiary		-	9.05
Less : Impairment		(2.59)	-
Add : Impact of foreign currency translation		142.12	(290.89)
Closing balance		4,836.52	4,696.99
15. Non-current investments			
(A) Investments in equity accounted investees :			
(a) Carrying amount of investments in associates (Note 4 below)		391.75	382.59
(b) 9% optionally convertible preference shares		160.00	160.00
		551.75	542.59
(B) Others (at cost)			
(i) Quoted			
Equity shares		313.98	302.08
(ii) Unquoted			
(a) Equity shares		381.46	382.31
(b) Non cumulative redeemable preference shares		2.00	2.00
(c) Cumulative redeemable non-participating preference shares		6.00	6.00
(d) Non-convertible debentures		3.50	3.50
(e) Retained interest in securitisation transactions		0.14	6.20
		707.08	702.09
(C) Provision for diminution in value of Investments (net)		(5.68)	(4.18)
Total (A + B + C)		1,253.15	1,240.50
Notes:			
(1) Book value of quoted investments (other than in associates)		313.98	302.08
(2) Book value of unquoted investments (other than in associates)		387.42	395.83
(3) Market value of quoted investments (other than in associates)		210.50	210.61
(4) The particulars of investments in associate companies as of March 31, 2016 are as follows:			

Sr. No.	Name of the Associates	Country of Incorporation	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill/ (Capital Reserve) in Original Cost	Share of post acquisition Reserves and Surplus	Carrying amount of Investments
(i)	Tata AutoComp Systems Ltd	India	26.00	77.47	-	139.92	217.39
			26.00	77.47	-	138.18	215.65
(ii)	NITA Company Ltd	Bangladesh	40.00	1.27	(0.43)	26.08	27.35
			40.00	1.27	(0.43)	20.92	22.19
(iii)	Automobile Corporation of Goa Ltd	India	47.19	109.63	55.28	33.47	143.10
			47.19	109.63	55.28	31.21	140.84
(iv)	Jaguar Cars Finance Ltd	UK	49.90	3.91	-	-	3.91
			49.90	3.91	-	-	3.91
(v)	Tata Hitachi Construction Machinery Company Ltd	India	40.00	80.20	0.20	(80.20)	-
			40.00	80.20	0.20	(80.20)	-
Total				272.48	55.05	119.27	391.75
				272.48	55.05	110.11	382.59

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

16.	Current investments (at cost or fair value whichever is lower) (fully paid)	As at March 31, 2016	As at March 31, 2015
(A)	Unquoted		
(a)	Mutual funds	19,211.01	14,058.36
(b)	Optionally convertible debentures	-	1.49
(c)	Equity shares	-	4.68
(d)	Retained interest in securitisation transactions	1.93	31.41
		19,212.94	14,095.94
(B)	Advance against investments	-	0.30
	Total (A+B)	19,212.94	14,096.24
Note:	Book value of unquoted investments	19,212.94	14,096.24
17.	Long-term loans and advances	As at March 31, 2016	As at March 31, 2015
(A)	Secured:		
	Finance receivables [Note below]	10,372.61	11,812.60
	Total	10,372.61	11,812.60
(B)	Unsecured:		
(a)	Loans to employees	38.17	40.06
(b)	Loan to Joint Venture (FIAT India Automobile Private Ltd)	-	132.50
(c)	Taxes recoverable, statutory deposits and dues from government	980.40	1,173.10
(d)	Capital advances	470.31	234.93
(e)	Credit entitlement of Minimum Alternate Tax (MAT)	58.26	89.88
(f)	Non-current income tax assets (net of provision)	1,343.48	947.70
(g)	Loan to others	33.81	42.14
(h)	Others	643.78	475.40
	Total	3,568.21	3,135.71
	Total (A + B)	13,940.82	14,948.31
Note:	Finance receivables (Gross)*	10,525.25	13,551.30
	Less: Allowances for doubtful loans	(152.64)	(1,738.70)
	Total	10,372.61	11,812.60
	*Loans are secured against hypothecation of the underlying vehicles		
18.	Short-term loans and advances	As at March 31, 2016	As at March 31, 2015
(A)	Secured:		
	Finance receivables [Note below]	8,626.77	5,065.22
	Others	23.51	85.37
	Total	8,650.28	5,150.59
(B)	Unsecured:		
(a)	Advances and other receivables	1,089.26	889.21
(b)	Inter corporate deposits	30.30	95.30
(c)	Loan to Joint Venture (FIAT India Automobile Private Ltd)	132.50	-
(d)	Fixed deposit with Financial Institutions	5.00	5.00
(e)	VAT, other taxes recoverable, statutory deposits and dues from government	4,529.79	4,269.28
(f)	Current income tax assets (net of provisions)	159.01	212.08
(g)	Others	161.37	124.98
	Total	6,107.23	5,595.85
	Total (A + B)	14,757.51	10,746.44
Note :	Finance receivables (Gross)*	10,455.51	6,104.98
	Less: Allowances for doubtful loans	(1,828.74)	(1,039.76)
	Total	8,626.77	5,065.22
	*Loans are secured against hypothecation of the underlying vehicles		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2016	As at March 31, 2015
19. Other non-current assets			
(a) Prepaid expenses		446.83	224.62
(b) Prepaid debt issue cost / loan arrangement fees		335.80	338.54
(c) Interest accrued on loans and deposits		0.56	62.56
(d) Derivative financial instruments		1,591.69	232.28
Total		2,374.88	858.00
20. Other current assets			
(a) Prepaid expenses		1,187.58	1,163.41
(b) Prepaid debt issue cost / loan arrangement fees		84.39	101.99
(c) Interest accrued on loans and deposits		77.02	12.12
(d) Derivative financial instruments		726.77	1,670.90
Total		2,075.76	2,948.42
21. Inventories			
(a) Stores and spare parts		206.97	196.64
(b) Consumable tools		283.89	215.81
(c) Raw materials and components		2,679.90	2,201.82
(d) Work-in-progress		4,280.75	3,367.26
(e) Finished goods		25,369.82	22,824.04
(f) Goods-in-transit - Raw materials and components		577.65	466.77
Total		33,398.98	29,272.34
22. Trade receivables (unsecured)			
(a) Over six months		1,147.24	1,001.02
(b) Others		13,083.07	12,316.04
		14,230.31	13,317.06
Less : Allowances for doubtful debts		(1,240.35)	(737.86)
Total		12,989.96	12,579.20
23. Cash and bank balances			
(A) Cash and cash equivalents			
(a) Cash on hand		40.09	36.97
(b) Cheques on hand		115.11	51.64
(c) Current account with banks #		9,271.65	8,070.61
(d) Bank deposits with upto 3 months maturity		9,923.63	12,969.11
Total		19,350.48	21,128.33
(B) Other bank balances			
Earmarked balances with banks		248.22	18.37
Total		248.22	18.37
(C) Other bank balances (with more than 3 months but less than 12 months maturity)			
(a) Bank deposits		12,776.18	10,434.24
(b) Earmarked balances with banks		282.60	216.36
Total		13,058.78	10,650.60
(D) Other bank balances (with more than 12 months maturity)			
(a) Earmarked balances with banks		206.87	218.33
(b) Margin money / cash collateral with banks		15.63	100.13
Total		222.50	318.46
Total (A + B + C + D)		32,879.98	32,115.76
# Includes remittances in transit		145.25	169.30

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

24.	Total revenue	2015-2016	2014-2015
(I) Revenue from operations			
(a)	Sale of products [including export and other incentive of ₹ 1,232.92 crores (2014-2015 ₹ 1,599.19 crores)]	273,501.03	261,071.20
(b)	Sale of services	1,294.15	1,020.22
(c)	Income from vehicle loan contracts (Note 1 below)	2,386.27	2,191.83
		277,181.45	264,283.25
(d)	Other operating revenues [including export and other incentive of ₹ 1,328.12 crores (2014-2015 ₹ 1,011.40 crores)]	2,915.27	2,424.65
	Total	280,096.72	266,707.90
(II) Other income			
(a)	Interest income	755.66	714.96
(b)	Dividend income (Note 2 below)	44.36	58.97
(c)	Profit on sale of investments (net) (Note 3 below)	181.39	119.57
(d)	Other non-operating income	0.31	5.24
	Total	981.72	898.74
Notes:			
1) Includes:			
(a)	Income from securitisation / sale of receivables of loan contracts (net)	71.06	24.85
(b)	Interest income from loan contracts (net of income reversal)	2,167.42	2,011.11
2) Includes dividend on:			
(a)	Trade investments (current)	3.12	7.51
(b)	Trade investments (non-current)	41.24	51.46
3) Includes:			
(a)	Profit on sale of investments including Mutual funds (current)	181.33	109.50
(b)	Profit on sale of investments (non-current)	0.06	10.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
25.	Employee cost / benefits expenses	2015-2016	2014-2015
(a)	Salaries, wages and bonus	22,670.51	19,802.49
(b)	Contribution to provident fund and other funds	3,341.74	2,799.21
(c)	Staff welfare expenses	3,186.64	2,947.26
	Total	29,198.89	25,548.96
26.	Finance cost	2015-2016	2014-2015
(a)	Interest	5,037.14	5,695.36
	Less: Transferred to capital account	(1,184.51)	(1,651.71)
		3,852.63	4,043.65
(b)	Discounting charges	770.72	817.84
	Total	4,623.35	4,861.49
27.	Other expenses	2015-2016	2014-2015
(a)	Processing charges	1,110.68	1,050.48
(b)	Consumption of stores & spare parts	2,097.24	1,782.94
(c)	Power & fuel	1,169.44	1,121.75
(d)	Rent	453.20	516.04
(e)	Repairs to buildings	118.28	120.47
(f)	Repairs to plant, machinery etc.	524.37	471.86
(g)	Insurance	376.25	287.49
(h)	Rates & taxes	376.77	380.53
(i)	Freight, transportation, port charges etc.	9,787.41	7,754.97
(j)	Publicity	8,847.93	8,501.36
(k)	Excise duty on change in closing stock	13.87	160.10
(l)	Works operation and other expenses (Note below and Note 39 (b), page F-86)	35,549.51	28,832.38
	Total	60,424.95	50,980.37

Note:**Works operation and other expenses include:**

(i)	Warranty and product liability expenses	6,953.18	5,945.99
(ii)	Computer expenses	2,459.24	2,163.25
(iii)	Engineering expenses	6,505.57	6,113.10
(iv)	Miscellaneous contract jobs / Outsourcing expenses	4,843.62	4,310.97
(v)	Lease rentals in respect of plant, machinery and equipment	332.76	216.63
(vi)	Provision and write off of sundry debtors, vehicle loans and advances (net)	893.33	1,800.78
(vii)	Exchange loss on Maturity and MTM on trading forward and options	3,716.03	39.48
(viii)	MTM loss on commodity derivatives	1,155.53	362.65
(ix)	Provision for carrying capital cost of buildings under construction at Singur [Note 30, page F-74]	-	309.88

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

28.	Earnings Per Share		2015-2016	2014-2015**
(a)	Profit for the year	₹ in crores	11,023.75	13,986.29
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	287,31,88,838	276,53,39,619
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,60,63,234	48,74,45,041
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	2.00
(e)	Share of profit for Ordinary shares for Basic EPS	₹ in crores	9,368.57	11,886.23
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ in crores	1,655.18	2,100.06
(g)	Earnings Per Ordinary share (Basic)	₹	32.61	42.98
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	32.71	43.08
(i)	Profit for the year for Basic EPS	₹ in crores	11,023.75	13,986.29
(j)	Profit for the year for Diluted EPS	₹ in crores	11,023.75	13,986.29
(k)	The weighted average number of Ordinary shares for Basic EPS	Nos.	287,31,88,838	276,53,39,619
(l)	Add: Adjustment for options relating to warrants, shares held in abeyance	Nos.	6,21,045	4,84,470
(m)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	287,38,09,883	276,58,24,089
(n)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,60,63,234	48,74,45,041
(o)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	2,57,745	2,39,570
(p)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	50,63,20,979	48,76,84,611
(q)	Share of Profit for Ordinary shares for Diluted EPS	₹ in crores	9,368.16	11,885.67
(r)	Share of Profit for 'A' Ordinary shares for Diluted EPS *	₹ in crores	1,655.59	2,100.62
(s)	Earnings Per Ordinary share (Diluted)	₹	32.60	42.97
(t)	Earnings Per 'A' Ordinary share (Diluted)	₹	32.70	43.07

* 'A' Ordinary share holders 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.

** Basic and diluted earnings per share for the year ended March 31, 2015, has been retrospectively adjusted for the bonus element in respect of rights issue as described in Note 2 (k) in page F-59.

(Consolidated)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

29. Contingent liabilities, commitments (to the extent not provided for):	As at March 31, 2016	As at March 31, 2015
Description of claims and assertions where a potential loss is possible, but not probable is reported under notes (1), (2) and (3) below:		
(1) Claims against the company not acknowledged as debt	2,922.87	2,782.27
(2) Provision not made for income tax matters in dispute	134.08	134.55
(3) The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which Department is in further appeal	267.03	70.71
(4) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation	229.95	215.45
(5) Other money for which the Company is contingently liable:		
(i) In respect of bills discounted and export sales on deferred credit	451.54	706.10
(ii) Cash margin / collateral	15.24	240.89
(iii) Corporate guarantee	1.20	-
(iv) In respect of subordinated receivables	0.10	0.93
(v) Bonus pertaining to retrospective period to the notification date January 1, 2016	34.84	-
(vi) Others	313.21	62.06
(6) Estimated amount of contracts remaining to be executed on capital account and not provided for	10,183.94	9,005.09
(7) Purchase commitments	19,472.19	9,127.77
<p>30. Capital work-in-progress as at March 31, 2014 included 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 law cancelling the land lease agreement at Singur, and took over possession of the land. The Company challenged the constitutional validity of the law. In June 2012, the Calcutta High Court declared the law unconstitutional and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India in August 2012, which is pending disposal. Though the Company continues to rigorously press its rights, contentions and claims in the matter, the Company has been advised that the time it may take in disposal of the appeal is uncertain. The Company has also been advised that it has a good case and can strongly defend the appeal, but the questions that arise are issues of constitutional law and thus the result of the appeal cannot be predicted. In these circumstances, in view of the uncertainty on the timing of resolution, following the course of prudence, the management has during the year ended March 31, 2015, made a provision for carrying capital cost of buildings at Singur amounting to ₹309.88 crores included under the head "works operations and other expenses" excluding other assets (electrical installations etc.) and expenses written off / provided in earlier years, security expenses, lease rent and claim for interest on the whole amount (including ₹309.88 crores). The Company shall however continue to pursue the case and assert its rights and its claims in the Courts.</p>		
31. Disclosure in respect of leases:	As at March 31, 2016	As at March 31, 2015
(A) Finance leases:		
Assets taken on lease:		
(a) (i) Total of minimum lease payments	80.81	29.76
The total of minimum lease payments for a period:		
Not later than one year	17.27	17.27
Later than one year and not later than five years	26.31	12.49
Later than five years	37.23	-
(ii) Present value of minimum lease payments	52.65	26.99
Present value of minimum lease payments for a period:		
Not later than one year	14.27	15.57
Later than one year and not later than five years	19.91	11.42
Later than five years	18.47	-
(b) A general description of the significant leasing arrangements - The Company has entered into finance lease arrangements for computers and data processing equipments from various vendors.		
(B) Operating leases:		
Assets given on lease:		
(a) Total of minimum lease payments	118.87	15.19
The total of minimum lease payments for a period:		
Not later than one year	17.59	15.19
Later than one year and not later than five years	8.07	-
Later than five years	93.21	-
(b) Gross block	54.81	-
Accumulated Depreciation	0.72	-
Depreciation for the year ₹0.74 crores (2014-15 ₹ Nil)		
Assets taken on lease:		
(a) Total of minimum lease payments	1,717.08	1,279.16
The total of minimum lease payments for a period:		
Not later than one year	499.82	464.82
Later than one year and not later than five years	778.79	571.07
Later than five years	438.47	243.27
(b) A general description of significant leasing arrangements - The Company has entered into operating lease arrangements for property, computers and data processing equipments from various vendors.		

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

32. Related party disclosures for the year ended March 31, 2016

(A) Related parties and their relationship

Joint Ventures :

Fiat India Automobiles Private Limited

Tata Cummins Private Limited

Tata HAL Technologies Limited

Spark 44 (JV) Limited

Spark44 Pty. Ltd. (Sydney)

Spark44 GmbH (Frankfurt)

Spark44 LLC (LA & NYC)

Spark44 Limited (Shanghai)

Spark44 Middle East DMCC (Dubai)

Spark44 Demand Creation Partners Limited (Mumbai)

Spark44 Limited (London & Birmingham)

Spark44 Pte Ltd (Singapore)

Spark44 Communication SL (Madrid)

Spark44 SRL (Rome)

Spark44 Limited (Seoul)

Spark44 KK (Tokyo)

Spark44 Canada Inc (Toronto)

Chery Jaguar Land Rover Automotive Company Limited

Chery Jaguar Land Rover Automotive Sales Company Limited

Nita Company Limited

Tata Precision Industries (India) Limited

Automobile Corporation of Goa Limited

Jaguar Cars Finance Limited

Tata Sons Ltd (Investing Party)

Key Management Personnel :

Mr. Guenter Butschek (w.e.f February 15, 2016)

Mr. R Pisharody

Mr. S B Borwankar

In Subsidiary Companies :

Dr. Ralf Speth

Associates

Tata Auto Comp Systems Limited

Tata Hitachi Construction Machinery Company Private Limited

(₹ in crores)

(B) Transactions with related parties	Joint Venture	Associates	Key Management Personnel	2015 - 2016 Total
Purchase of goods	2,781.45	872.73	-	3,654.18
	2,664.50	959.76	-	3,624.26
Sale of goods (inclusive of sales tax)	2,149.70	196.29	-	2,345.99
	1,357.13	172.96	-	1,530.09
Services received	422.20	24.22	62.66 *	509.08
	48.48	21.83	83.12	153.43
Services rendered	321.14	21.23	-	342.37
	113.76	11.10	-	124.86
Finance given (including loans and equity)	-	-	-	-
	-	160.00	-	160.00
Finance taken (including loans and equity)	-	1,933.09	-#	1,933.09
	-	64.00	-	64.00
Finance taken, paid back (including loans and equity)	-	159.00	-	159.00
	-	30.00	-	30.00
Interest / Dividend paid / (received) (net)	(14.24)	(41.68)	-	(55.92)
	(9.79)	120.38	-#	110.59
(C) Balances with the related parties				
Amount receivable	336.86	16.48	-	353.34
	218.09	8.76	-	226.85
Amount payable	175.70	77.52	-	253.22
	144.25	78.34	-	222.59
Amount receivable (in respect of loans, interest and dividend)	193.56	-	-	193.56
	183.97	25.66	-	209.63
Amount payable (in respect of loans, interest and dividend)	-	27.00	-	27.00
	-	3.49	-	3.49
Bills discounted (in respect of amount receivable)	-	5.18	-	5.18
	-	4.86	-	4.86
Bank Guarantee / Other assets given as security	-	3.00	-	3.00
	-	3.00	-	3.00

* Includes ₹4.61 crores (2014-2015 ₹ Nil) of managerial remuneration which is subject to the approval of the Central Government and shareholders.

Less than ₹ 10,000/-

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

(D) Disclosure in respect of transactions which are more than 10% of the total transactions of the same type with related parties during the year	2015 - 2016	2014 - 2015
(i) Purchase of goods		
Tata Cummins Private Limited	1,437.26	1,166.25
Fiat India Automobiles Private Limited	1,344.19	1,498.25
Automobile Corporation of Goa Limited	386.26	375.68
Tata AutoComp Systems Limited	485.11	582.78
(ii) Sale of goods (inclusive of sales tax)		
Fiat India Automobiles Private Limited	491.25	533.07
Chery Jaguar Land Rover Automotive Company Limited	1,552.34	735.04
Nita Company Limited	167.60	137.18
(iii) Services received		
Tata Sons Ltd	22.02	19.43
Spark 44 (JV) Limited	420.74	45.85
(iv) Services rendered		
Chery Jaguar Land Rover Automotive Company Limited	313.12	111.15
Tata Hitachi Construction Machinery Company Private Limited	16.51	7.94
(v) Finance taken (including loans and equity)		
Rights Issue money received	1,747.09	-
Inter-corporate deposits	158.00	-
Inter-corporate deposits	28.00	64.00
(vi) Finance taken, paid back (including loans and equity)		
Tata Hitachi Construction Machinery Company Private Limited	(158.00)	-
(vii) Interest / Dividend paid / (received)		
Dividend received	(29.70)	(9.90)
Dividend received	(4.50)	-
Dividend received	(10.47)	(10.47)
Dividend received	(4.47)	-
Interest received	(10.98)	(12.99)
Interest paid	3.73	-

(Consolidated)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

33. Consolidated segment information for the year ended March 31, 2016

(₹ in crores)

(A) Primary segment	Automotive				Others	Inter-Segment Eliminations	Total
	Tata Vehicles and financing thereof *	Jaguar and Land Rover	Intra Segment Eliminations	Total			
(a) Revenue							
External sales and income from other operations	49,665.89	224,463.12	-	274,129.01	1,432.10	-	275,561.11
	44,003.88	217,828.44	-	261,832.32	1,326.66	-	263,158.98
Inter segment/Intra segment sales and other income	76.91	8.00	(75.42)	9.49	1,502.72	(1,512.21)	-
	114.25	-	(106.84)	7.41	1,421.13	(1,428.54)	-
Total revenue	49,742.80	224,471.12	(75.42)	274,138.50	2,934.82	(1,512.21)	275,561.11
	44,118.13	217,828.44	(106.84)	261,839.73	2,747.79	(1,428.54)	263,158.98
(b) Segment results before other income, finance cost, tax and exceptional items	2,285.75	17,100.75	-	19,386.50	439.49	(83.94)	19,742.05
	(2,505.90)	28,127.33	-	25,621.43	375.96	(147.37)	25,850.02
(c) (i) Other income							981.72
							898.74
(ii) Finance cost							(4,623.35)
							(4,861.49)
(iii) Exceptional items :							
- Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans							(240.19)
							(91.72)
- Employee separation cost							(32.72)
							(92.99)
- Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company							(44.31)
							-
- Impairment of capitalised fixed assets							(163.94)
							-
- Others [Note 39(a), page F-86]							(1,638.39)
							-
(d) Profit before tax							13,980.87
							21,702.56
Tax expense (net)							2,872.60
							7,642.91
(e) Profit after tax							11,108.27
							14,059.65
(f) Segment assets	60,727.13	165,916.64	(10.00)	226,633.77	2,208.37	(935.19)	227,906.95
	57,553.16	146,134.60	-	203,687.76	2,092.68	(1,074.50)	204,705.94
(g) Segment liabilities	14,090.71	83,198.65	(10.00)	97,279.36	603.42	(281.31)	97,601.47
	14,115.52	76,234.35	-	90,349.87	629.56	(283.61)	90,695.82
(h) Other information							
(a) Depreciation and amortisation expense	2,810.47	14,138.05	-	16,948.52	65.66	-	17,014.18
	3,013.16	10,319.73	-	13,332.89	55.74	-	13,388.63
(b) Capital expenditure	3,725.79	28,257.78	-	31,983.57	124.65	(83.80)	32,024.42
	3,228.98	31,732.49	-	34,961.47	75.15	(147.01)	34,889.61
(i) Segment assets exclude:							
(i) Deferred tax assets							2,726.43
							2,733.20
(ii) Current and non-current investments							20,466.09
							15,336.74
(iii) Income tax assets (net of provision) including MAT credit entitlement							1,560.75
							1,249.66
(iv) Other unallocated assets							16,637.38
							14,632.45
							41,390.65
							33,952.05

* Other brand vehicles includes Tata Daewoo and Fiat traded vehicles

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

(j) Segment liabilities exclude:

(i) Minority interest	888.26
	433.34
(ii) Long-term borrowings	51,876.31
	56,071.34
(iii) Short-term borrowings	11,223.63
	13,140.14
(iv) Current maturities of long term debt	7,368.55
	4,398.91
(v) Deferred tax liabilities (net)	3,166.08
	1,343.20
(vi) Proposed dividend and tax thereon	101.95
	66.36
(vii) Provision for income tax (net of payment)	928.77
	835.90
(viii) Other unallocated liabilities	15,359.91
	15,411.06
	90,913.46
	91,700.25

(B) Secondary segment

	United States	UK	Rest of Europe	India	China	Rest of World	Total
Revenue from external customers	43,692.61	46,007.94	41,583.95	41,979.43	53,123.58	49,173.60	275,561.11
	31,469.53	35,484.92	31,791.99	35,676.53	76,170.40	52,565.61	263,158.98
Carrying amount of segment assets	3,514.18	136,080.86	4,442.72	56,394.25	13,376.82	14,098.12	227,906.95
	3,480.97	119,577.63	2,694.32	54,566.39	14,082.82	10,303.81	204,705.94
Capital expenditure	50.13	25,300.83	183.05	3,681.75	1,640.00	1,168.66	32,024.42
	51.40	29,642.62	14.90	3,102.05	1,779.83	298.81	34,889.61

Notes:

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

Particulars As at / for the year ended on March 31,	Gratuity, Superannuation and BKV / PSY					Compensated Absences					Post-retirement Medicare scheme				
	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
(i) Components of employer expense															
Current service cost	64.26	56.43	58.75	52.84	47.09	41.94	36.53	38.81	34.90	28.34	7.68	5.71	5.18	4.06	4.22
Interest cost	66.96	69.05	63.93	60.20	55.57	22.82	22.17	21.95	20.78	18.00	12.18	11.31	9.06	8.34	8.14
Expected return on plan assets	(60.63)	(57.15)	(57.02)	(53.64)	(49.95)	-	-	-	-	-	-	-	-	-	-
Past service cost	-	-	-	-	-	-	-	-	-	-	-	0.70	0.55	-	-
Actuarial Losses / (Gains)	(8.30)	60.00	(0.43)	4.99	21.89	(0.81)	39.23	(25.65)	5.88	22.85	(8.69)	16.15	2.65	2.00	(6.02)
Total expense recognised in the Statement of Profit and Loss in Note 25, page F-72 :	62.29	128.33	65.23	64.39	74.60	63.95	97.93	35.11	61.56	69.19	11.17	33.87	17.44	14.40	6.34
	(b) & (c)					(a)					(c)				
(ii) Actual Contribution and Benefit Payments															
Actual benefit payments	120.66	137.19	85.87	81.64	56.44	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
Actual contributions	50.78	122.62	42.40	68.00	68.36	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
(iii) Net asset/(liability) recognised in Balance Sheet															
Present value of Defined Benefit Obligation	923.92	901.85	827.79	814.79	757.76	323.59	309.90	268.65	283.58	263.38	160.11	155.72	124.05	110.51	100.18
Fair value of plan assets	799.73	789.18	720.63	737.38	676.74	-	-	-	-	-	-	-	-	-	-
Net asset / (liability) recognised in Balance Sheet	(124.19)	(112.67)	(107.16)	(77.41)	(81.02)	(323.59)	(309.90)	(268.65)	(283.58)	(263.38)	(160.11)	(155.72)	(124.05)	(110.51)	(100.18)
Experience adjustment on plan liabilities	6.85	7.82	23.55	(23.73)	(7.37)	0.51	(6.68)	N/A	N/A	N/A	(16.20)	(3.80)	3.46	8.76	(2.83)
(iv) Change in Defined Benefit Obligations (DBO)															
Present value of DBO at beginning of year	901.85	827.79	814.79	757.76	692.38	309.90	268.65	283.58	263.38	226.31	155.72	124.05	110.51	100.18	97.74
Liability on acquisitions	-	-	-	0.04	0.43	-	-	-	-	0.22	-	-	-	-	-
Current service cost	64.26	56.43	58.75	52.84	47.09	41.94	36.53	38.81	34.90	28.34	7.68	5.71	5.18	4.06	4.22
Past service cost	-	-	-	-	-	-	-	-	-	-	-	0.70	0.55	-	-
Interest cost	66.96	69.05	63.93	60.20	55.57	22.82	22.17	21.95	20.78	18.00	12.18	11.31	9.06	8.34	8.14
Plan amendments	-	(0.20)	-	-	-	(0.10)	(0.11)	-	-	-	-	-	-	-	-
Settlement cost / (credit)	-	-	-	-	-	-	-	(0.77)	-	-	-	-	-	-	-
Actuarial (gains) / losses	11.51	85.97	(23.81)	25.59	18.73	(0.81)	39.23	(25.65)	5.88	22.85	(8.69)	16.15	2.65	2.00	(6.02)
Benefits paid	(120.66)	(137.19)	(85.87)	(81.64)	(56.44)	(50.16)	(56.57)	(49.27)	(41.36)	(32.34)	(6.78)	(2.20)	(3.90)	(4.07)	(3.90)
Present value of DBO at the end of year	923.92	901.85	827.79	814.79	757.76	323.59	309.90	268.65	283.58	263.38	160.11	155.72	124.05	110.51	100.18
(v) Change in fair value of assets															
Plan assets at beginning of year	789.18	720.63	737.38	676.74	618.02	-	-	-	-	-	-	-	-	-	-
Liability on acquisitions	-	-	-	0.04	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	80.44	83.12	33.65	74.24	46.80	-	-	-	-	-	-	-	-	-	-
Actual Company contributions	50.78	122.62	42.40	68.00	68.36	50.16	56.57	49.27	41.36	32.34	6.78	2.20	3.90	4.07	3.90
Benefits paid	(120.66)	(137.19)	(85.87)	(81.64)	(56.44)	(50.16)	(56.57)	(49.27)	(41.36)	(32.34)	(6.78)	(2.20)	(3.90)	(4.07)	(3.90)
Others	-	-	(6.93)	-	-	-	-	-	-	-	-	-	-	-	-
Plan assets at the end of year	799.74	789.18	720.63	737.38	676.74	-	-	-	-	-	-	-	-	-	-
(vi) Actuarial Assumptions															
Discount rate (%)	6.75-8.00	6.75-8.00	6.75-9.30	6.75-8.35	6.75-8.90	7.90-8.00	7.90-8.00	9.20	8.35	8.50	8.00	8.00	9.20	8.35	8.50
Expected return on plan assets (%)	8.00-9.25	8.00-9.25	8.00-9.25	8.00-9.25	8.00-9.25	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	6.00	6.00	5.00	4.00
(vii) The major categories of plan assets as percentage to total plan assets															
Debt securities	79%	73%	71%	73%	77%	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	19%	21%	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	2%	6%	1%	4%	4%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
(viii) Effect of one percentage point change in assumed medical inflation rate	One percentage point increase in medical inflation rate					One percentage point decrease in medical inflation rate					One percentage point decrease in medical inflation rate				
	2016	2015	2014	2013	2012						2016	2015	2014	2013	2012
Revised DBO	181.56	176.28	137.03	121.00	108.44						142.21	138.52	111.55	101.33	81.62
Revised service cost	9.53	8.71	6.05	4.86	4.88						6.21	5.96	4.47	3.41	3.04
Revised interest cost	24.55	23.32	9.94	9.30	8.85						17.81	17.24	8.30	7.54	6.81

(a) Defined contribution plans-

The Company's contribution to defined contribution plan aggregated ₹ 193.92 crores (2014-15 ₹ 192.74 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72

(b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) The Company expects to contribute ₹ 70.03 crores to the funded pension plans in the year 2016-2017.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34. (b) Details of Severance Indemnity plan applicable to Tata Daewoo Commercial Vehicle Co. Ltd. and Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd., Korea.

(₹ in crores)

	As at / for the year ended on March 31,	2016	2015	2014	2013	2012
i	Components of employer expense					
	Current service cost	55.53	42.16	38.75	37.24	21.18
	Interest cost	7.61	8.05	5.64	9.30	10.26
	Past service cost	-	-	-	(6.17)	-
	Expected return on plan assets	(8.21)	(6.07)	(0.04)	-	-
	Actuarial losses / (gains)	(61.22)	69.92	(7.14)	(62.40)	(8.39)
	Total expense recognised in the Statement of Profit and Loss in Note 25(b), page F-72 :	(6.29)	114.06	37.21	(22.03)	23.05
ii	Actual Contribution and Benefit Payments					
	Actual benefit payments	3.31	4.73	6.83	87.97	14.64
	Actual contributions	52.15	75.48	135.03	87.97	14.64
iii	Net liability recognised in Balance Sheet					
	Present value of Defined Benefit Obligation	333.91	330.78	219.54	164.44	252.58
	Fair value of plan assets	261.78	202.54	129.43	-	-
	Net liability recognised in Balance Sheet	(72.13)	(128.24)	(90.11)	(164.44)	(252.58)
	Experience adjustment on plan liabilities	(4.09)	19.83	6.54	79.62	19.01
	Experience adjustment on plan assets	-	-	-	-	-
iv	Change in Defined Benefit Obligations (DBO)					
	Present Value of DBO at the beginning of the year	330.78	219.54	164.44	252.58	220.62
	Current service cost	55.53	42.16	38.75	37.24	21.18
	Interest cost	7.61	8.05	5.64	9.30	10.26
	Past service cost	-	-	-	(6.17)	-
	Actuarial losses / (gains)	(66.11)	67.29	(7.14)	(62.40)	(8.39)
	Benefits paid	(3.31)	(4.73)	(6.83)	(87.97)	(14.64)
	Exchange fluctuation	9.41	(1.53)	24.68	21.86	23.55
	Present Value of DBO at the end of the year	333.91	330.78	219.54	164.44	252.58
v	Change in fair value of assets					
	Plan assets at the beginning of the year	202.54	129.43	-	-	-
	Actual return on plan assets	3.32	3.44	0.04	-	-
	Actual Company contributions	52.15	75.48	135.03	87.97	14.64
	Benefits paid	(3.31)	(4.73)	(6.83)	(87.97)	(14.64)
	Exchange fluctuation	7.08	(1.08)	1.19	-	-
	Plan assets at the end of the year	261.78	202.54	129.43	-	-
vi	Actuarial assumptions					
	Discount Rate	1.90%	2.30%	3.60%	3.07%	4.03%
	Expected return on plan assets	2.00%	3.60%	N/A	N/A	N/A

(a) **Defined Contribution Plans-**

The Company's contribution to defined contribution plan aggregated ₹19.41crores (2014-15 ₹16.66 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72.

(b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) The Company expects to contribute ₹40.53crores to the funded pension plans in the year 2016-2017.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

34. (c) Details of Defined benefit plans applicable to Jaguar and Land Rover group

(₹ in crores)

	As at / for the year ended on March 31,	Post-retirement Pension scheme					Post-retirement Medicare scheme				
		2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
(i)	Components of employer expense										
	Current service cost	2,140.58	1,584.36	1,626.77	1,009.27	780.53	0.59	0.49	0.58	0.52	0.46
	Interest cost	2,661.70	2,772.76	2,587.53	2,177.34	1,829.87	0.49	0.39	0.48	0.60	0.53
	Expected return on plan assets	(2,218.84)	(2,342.67)	(2,203.42)	(1,917.76)	(1,833.99)	-	-	-	-	-
	Amortisation of past service cost	1.38	5.13	54.72	49.10	112.99	-	-	-	-	-
	Settlement	-	(2.07)	-	-	-	-	-	-	(0.52)	-
	Expenses paid	-	-	1.35	-	-	-	-	-	-	-
	Total expense recognised in the Statement of Profit and Loss in Note 25(b), page F-72	2,584.82	2,017.51	2,066.95	1,317.95	889.40	1.08	0.88	1.06	0.60	0.99
(ii)	Actual contribution and benefit payments										
	Actual benefit payments	1,601.62	1,437.45	1,314.88	1,112.62	866.72	-	0.10	0.10	0.09	-
	Actual contributions	937.70	3,409.01	3,202.75	1,442.36	1,760.55	-	0.10	0.10	3.10	-
(iii)	Amount recognised in Pension Reserve										
	Actuarial loss / (gain)	(4,836.85)	3,523.68	1,283.81	3,972.49	1,490.14	(0.99)	1.38	(2.40)	0.86	0.84
	Movement in restriction of pension assets	13.91	(26.82)	21.45	(235.08)	(42.75)	-	-	-	-	-
	Onerous obligation	-	-	-	(1,056.73)	(37.41)	-	-	-	-	-
	Economic benefit from pre payment of normal contribution	-	-	-	300.08	(266.44)	-	-	-	-	-
	Deferred tax	1,121.33	(704.77)	(40.39)	(626.73)	(1,272.50)	-	-	-	-	-
	Amount recognised in Pension Reserve	(3,701.61)	2,792.09	1,264.87	2,354.03	(128.96)	(0.99)	1.38	(2.40)	0.86	0.84
(iv)	Net liability recognised in Balance Sheet										
	Present value of Defined Benefit Obligation	73,179.83	72,871.09	60,249.67	49,426.92	40,065.65	12.48	11.73	9.15	9.60	10.76
	Fair value of plan assets	67,803.25	64,688.30	53,576.49	44,046.30	38,372.91	-	-	-	-	-
	Restriction of pension asset	(34.36)	(3.51)	(29.56)	(6.16)	(229.00)	-	-	-	-	-
	Onerous obligation	-	-	-	-	(1,001.94)	-	-	-	-	-
	Economic benefit from pre payment of normal contribution	-	-	-	-	284.52	-	-	-	-	-
	Net asset recognised in balance sheet	21.29	3.61	4.38	3.61	15.49	-	-	-	-	-
	Net (Liability) recognised in Balance Sheet	(5,432.23)	(8,189.91)	(6,707.12)	(5,390.39)	(2,654.65)	(12.48)	(11.73)	(9.15)	(9.60)	(10.76)
	Experience adjustment on plan liabilities	(621.32)	(995.83)	69.24	56.75	610.62	-	-	-	-	-
(v)	Change in Defined Benefit Obligations (DBO)										
	Present Value of DBO at beginning of year	72,871.09	60,249.67	49,426.92	40,065.65	30,723.35	11.73	9.16	9.60	10.32	7.69
	Current service cost	2,140.58	1,584.36	1,626.77	1,009.27	780.53	0.59	0.49	0.58	0.52	0.46
	Interest cost	2,661.70	2,772.76	2,587.53	2,177.34	1,829.87	0.49	0.39	0.48	0.60	0.53
	Amendments	-	-	55.78	49.10	51.53	-	-	-	-	-
	Actual member contributions	16.37	18.34	13.08	59.93	112.99	-	-	-	-	-
	Actuarial losses / (gains)	(5,344.70)	15,108.87	(2,628.99)	7,314.38	2,797.44	(0.99)	1.38	(2.40)	0.86	0.84
	Benefits paid	(1,601.62)	(1,437.45)	(1,314.88)	(1,112.62)	(866.72)	-	(0.10)	(0.10)	(0.09)	-
	Expenses paid	(27.61)	-	-	(0.77)	(1.22)	-	-	-	-	-
	Past service cost	1.38	5.13	-	-	-	-	-	-	-	-
	Plan combination	-	(1.58)	-	-	-	-	-	-	-	-
	Plan curtailment	-	-	(1.06)	-	-	-	-	-	-	-
	Plan settlement	-	(13.11)	-	-	-	-	-	-	(3.53)	-
	Exchange fluctuation	2,462.64	(5,415.90)	10,484.52	(135.36)	4,637.88	0.66	0.41	0.99	0.92	0.80
	Present Value of DBO at the end of year	73,179.83	72,871.09	60,249.67	49,426.92	40,065.65	12.48	11.73	9.15	9.60	10.32
(vi)	Change in fair value of assets										
	Plan assets at beginning of year	64,688.30	53,576.49	44,046.30	38,372.91	29,816.11	-	-	-	-	-
	Actual return on plan assets	1,710.99	13,927.87	(1,709.38)	5,259.65	3,141.29	-	-	-	-	-
	Actual company contributions	937.10	3,409.01	3,202.18	1,442.36	1,760.55	-	0.10	0.10	3.10	-
	Actual member contributions	16.37	18.34	13.08	59.93	51.53	-	-	-	-	-
	Benefits paid	(1,601.62)	(1,437.45)	(1,314.88)	(1,112.62)	(866.72)	-	(0.10)	(0.10)	(0.09)	-
	Expenses paid	(29.19)	(1.77)	(1.35)	(0.77)	(1.22)	-	-	-	-	-
	Plan settlement	-	(11.04)	-	-	-	-	-	-	(3.01)	-
	Exchange fluctuation	2,081.30	(4,793.15)	9,340.54	24.84	4,471.37	-	-	-	-	-
	Plan assets at the end of year	67,803.25	64,688.30	53,576.49	44,046.30	38,372.91	-	-	-	-	-
(vii)	Actuarial assumptions										
	Discount rate (%)	2.92-3.63	2.45-3.37	3.71-4.59	3.69-4.40	4.38-5.10	3.95	3.75	4.35	4.10	4.88
	Inflation (%)	2.00-3.01	2.00-3.06	2.00-3.44	2.00-3.40	2.00-3.30	N/A	N/A	N/A	N/A	N/A
	Expected return on plan assets (%)	2.92-3.63	3.37	2.07-3.94	4.75-6.34	4.85-6.34	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	4.50	4.50	4.50
(viii)	The major categories of plan assets as percentage to total plan assets										
	Equity securities	10%-19%	8%-20%	10%-37%	17%-38%	19%-38.4%	N/A	N/A	N/A	N/A	N/A
	Debt securities	48%-67%	49%-70%	35%-69%	38%-68%	38.4%-67%	N/A	N/A	N/A	N/A	N/A
	Other	22%-33%	18%-31%	19%-27%	15%-24%	8%-23.2%	N/A	N/A	N/A	N/A	N/A

(a) Defined Contribution Plans-

Jaguar Land Rover group's contribution to defined contribution plan aggregated ₹ 463.52 crores (₹ 325.37 crores) for the year ended March 31, 2015) has been recognised in the Statement of Profit and Loss in note 25(b) on page F-72.

(b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.

(c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

(d) The Company expects to contribute ₹ 1,656.84 crores to the funded pension plans in the year 2016-2017.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	2015 - 2016	2014 - 2015
35. (i) Movement of provision for warranty and product liability		
Opening balance	10,357.30	9,482.22
Add: Provision for the year (net) (including additional provision for earlier years)	6,925.88	5,912.78
Less: Payments / debits (net of recoveries from suppliers)	(5,156.82)	(4,152.96)
Foreign currency translation	318.42	(884.74)
Closing balance	12,444.78	10,357.30
Current portion	5,618.72	4,663.66
Non-current portion	6,826.06	5,693.64
	12,444.78	10,357.30
The provision is expected to be utilized for settlement of warranty claims within a period of 5 years.		
(ii) Movement of provision for residual risk		
Opening balance	185.27	148.94
Add: Provision / (reversal of provision) for the year	(2.86)	43.98
Less: Payments / debits	(14.79)	-
Foreign currency translation	13.22	(7.65)
Closing balance	180.84	185.27
Current portion	57.42	42.72
Non-current portion	123.42	142.55
	180.84	185.27
In certain markets, some subsidiaries are responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.		
(iii) Movement of provision towards environmental cost		
Opening balance	289.06	206.68
Add: Provision for the year (net)	(7.29)	98.29
Less: Payments	-	-
Foreign currency translation	9.37	(15.91)
Closing balance	291.14	289.06
Current portion	68.99	44.18
Non-current portion	222.15	244.88
	291.14	289.06
This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.		
(iv) Movement of provision for annual maintenance contract		
Opening balance	28.86	3.12
Add: Provision for the year (net)	8.68	29.32
Less: Payments	(9.76)	(3.58)
Closing balance	27.78	28.86
Current portion	17.79	16.29
Non-current portion	9.99	12.57
	27.78	28.86

(Consolidated)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. The Company has joint ventures with (a) Fiat Group Automobiles S.p.A., Italy, Fiat India Automobiles Private Limited (FIAL), for manufacturing passenger cars, engines and transmissions at Ranjangaon in India (b) Cummins Inc, USA, Tata Cummins Private Limited (TCL), for manufacturing engines in India (c) Hindustan Aeronautics Ltd, Tata HAL Technologies Ltd for providing engineering and design solutions and services in the domain of aerospace industry and (d) Spark 44 Ltd for advertising and (e) Chery Jaguar Land Rover Automotive Co. Ltd. for manufacture and assembly of vehicles. The Company has an investment of ₹1,567.04 crores in FIAL, ₹90.00 crores in TCL, ₹3.40 crores in Spark 44 Ltd and ₹2,748.28 crores in Chery Jaguar Land Rover Automotive Co. Ltd representing 50% shareholding and ₹3.67 crores representing 36.16% shareholding in Tata HAL Technologies Ltd.

(a) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of FIAL as per their unaudited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
RESERVES AND SURPLUS				
Reserves and Surplus	167.47	10.26		
NON-CURRENT LIABILITIES				
Long-term Borrowings	395.15	403.78		
Other Long term Liabilities	-	73.82		
Long-term Provisions	3.92	3.41		
CURRENT LIABILITIES				
Short-term Borrowings	32.38	75.88		
Trade Payables	129.13	157.91		
Other Current Liabilities	577.40	148.03		
Short-term Provisions	7.42	1.31		
	1,145.40	864.14		
NON-CURRENT ASSETS				
Fixed Assets	1,268.81	1,225.54		
Other Long-term Loans and Advances	169.57	35.13		
Other Non-Current Assets	-	-		
CURRENT ASSETS				
	1,097.07	836.30		
	2,535.45	2,096.97		
Claims not acknowledged as debts	21.61	21.06		
Capital Commitments	479.90	9.08		
INCOME				
Revenue from operations			1,768.64	2,074.38
Less : Excise duty			(217.01)	(215.02)
Other operating income			169.82	188.15
Other Income			29.04	45.50
			1,750.49	2,093.01
EXPENDITURE				
Manufacturing and other expenses			1,394.40	1,677.95
Depreciation			120.20	132.44
Finance Cost			35.75	78.07
Exchange (gain) / Loss (net) on revaluation of foreign currency borrowings, deposits and loan given			-	(48.13)
Tax expenses			43.00	52.50
			1,593.35	1,892.83

(b) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of TCL as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
RESERVES AND SURPLUS				
Reserves and Surplus	325.51	285.84		
NON-CURRENT LIABILITIES				
Long-term Borrowings	18.56	81.84		
Deferred Tax Liabilities	36.05	35.51		
Other Long term Liabilities	-	5.69		
Long-term Provisions	23.63	20.32		
CURRENT LIABILITIES				
Short-term Borrowings	45.85	100.69		
Trade Payables	195.92	137.33		
Other Current Liabilities	111.49	96.40		
Short-term Provisions	38.64	37.20		
	470.14	514.98		
NON-CURRENT ASSETS				
Fixed Assets	573.84	607.19		
Other Long-term Loans and Advances	63.70	60.33		
Other Non-Current Assets	13.99	9.08		
CURRENT ASSETS				
	234.10	214.22		
	885.63	890.82		
Claims not acknowledged as debts	38.06	178.18		
Capital Commitments	22.02	31.16		
INCOME				
Revenue from operations			1,738.29	1,373.18
Less : Excise duty			(183.27)	(129.64)
Other operating income			3.77	4.44
Other Income			1.63	1.86
			1,560.42	1,249.84
EXPENDITURE				
Manufacturing and other expenses			1,468.75	1,171.75
Depreciation			52.96	39.09
Finance Cost			19.63	7.96
Tax expenses			7.27	5.29
			1,548.61	1,224.09

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (c) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Tata HAL Technologies Ltd as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
RESERVES AND SURPLUS				
Reserves and Surplus	(2.00)	(2.13)	3.21	4.49
NON-CURRENT LIABILITIES			0.21	0.09
Long-term Provisions	0.08	0.07	3.42	4.58
CURRENT LIABILITIES				
Trade Payables	0.72	0.46		
Other Current Liabilities	0.07	0.06		
Short-term Provisions	0.01	0.01		
	0.88	0.60		
NON-CURRENT ASSETS				
Fixed Assets	0.11	0.22		
Other Long-term Loans and Advances	0.09	0.32		
Other Non-Current Assets	0.20	0.05		
CURRENT ASSETS	2.15	1.55		
	2.55	2.14	3.30	4.08
INCOME				
Service income				
Other Income				
EXPENDITURE				
Cost of traded items & services			0.58	0.02
Salary & other general expenses			2.55	3.89
Depreciation			0.13	0.17
Income tax			0.04	-

- (d) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Spark 44 (JV) Limited as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
RESERVES AND SURPLUS				
Reserves and Surplus	43.71	25.89	233.85	128.87
NON-CURRENT LIABILITIES				
Other Long-term Liabilities	2.48	0.65		
CURRENT LIABILITIES			233.85	128.87
Trade Payables	78.99	27.83		
Short-term Provisions	1.62	0.37		
	83.09	28.85		
NON-CURRENT ASSETS				
Fixed Assets	26.69	9.15	195.09	112.89
CURRENT ASSETS	100.13	45.58	7.15	3.45
	126.82	54.73	10.37	3.85
	-	176.58	212.61	120.19
INCOME				
Revenue from operations				
EXPENDITURE				
Manufacturing and other expenses				
Depreciation				
Tax expenses				

- (e) The proportionate share of assets and liabilities as at March 31, 2016 and income and expenditure for the year 2015-16 of Chery Jaguar Land Rover Automotive Company Limited as per their audited financial statements are given below:

(₹ in crores)				
	As at March 31, 2016	As at March 31, 2015	2015-2016	2014-2015
RESERVES AND SURPLUS				
Reserves and Surplus	3,268.19	2,621.39	5,452.40	781.29
NON-CURRENT LIABILITIES			108.78	15.97
Long-term Borrowings	1,028.98	893.61	5,561.18	797.26
CURRENT LIABILITIES				
Short-term Borrowings	163.61	258.49		
Trade Payables	2,421.24	1,274.22		
Other Current Liabilities	200.64	51.03		
Short-term Provisions	140.22	15.53		
	3,954.69	2,492.88		
NON-CURRENT ASSETS				
Fixed Assets	3,860.47	2,555.56	4,184.52	796.47
Other Long-term Loans and Advances	-	37.35	287.44	81.15
Other Non-Current Assets	28.73	115.19	260.01	14.20
CURRENT ASSETS	3,333.67	2,406.17	216.97	(29.09)
	7,222.87	5,114.27	4,948.95	862.73
Capital Commitments	973.61	175.65		
Purchase Commitments	343.63	-		
INCOME				
Revenue from operations				
Other income				
EXPENDITURE				
Manufacturing and other expenses				
Depreciation				
Finance Cost				
Tax expenses / (credit)				

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as subsidiary / Associates / Joint Ventures

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)
Parent				
Tata Motors Limited	27.56%	22,368.08	2.12%	234.23
Subsidiaries				
Indian				
TAL Manufacturing Solutions Limited	0.09%	69.97	-0.13%	(13.98)
TML Drivelines Limited	1.00%	813.21	0.50%	54.76
Concorde Motors (India) Limited	-0.01%	(6.05)	-0.37%	(40.54)
Sheba Properties Limited	0.24%	197.61	0.10%	11.02
Tata Technologies Limited	0.76%	617.10	2.02%	222.63
Tata Motors Insurance Broking & Advisory Services Limited	0.02%	12.42	0.05%	5.84
TML Distribution Company Limited	0.34%	277.01	0.07%	7.94
Tata Motors Finance Limited	4.43%	3,599.98	0.87%	95.62
Tata Motors Finance Solutions Limited	1.82%	1,479.01	0.07%	7.72
Tata Marcopolo Motors Limited	0.11%	86.36	-0.08%	(8.32)
Jaguar Land Rover India Limited	0.27%	217.20	-0.19%	(21.28)
Foreign				
Tata Daewoo Commercial Vehicle Co. Limited	2.60%	2,109.32	2.60%	286.90
Tata Motors European Technical Centre Plc	0.27%	215.68	-0.02%	(2.60)
Tata Motors (SA) (Proprietary) Limited	0.01%	10.15	0.00%	(0.36)
Tata Motors (Thailand) Limited	-0.38%	(307.29)	-1.13%	(124.88)
TML Holdings Pte Ltd, Singapore	12.21%	9,910.70	8.91%	982.74
Tata Hispano Motors Carrocera S.A	-0.81%	(655.45)	-0.11%	(11.60)
Tata Hispano Motors Carroceries Maghreb	-0.01%	(9.16)	-0.40%	(43.85)
Trilix S.r.l	0.05%	41.61	0.20%	21.51
Tata Precision Industries Pte Limited	0.00%	1.15	0.00%	-
PT Tata Motors Indonesia	0.17%	134.01	-0.04%	(4.91)
INCAT International Plc	0.06%	46.42	-0.01%	(0.59)
Tata Technologies Inc	0.41%	336.62	0.16%	17.92
Tata Technologies (Canada) Inc.	0.01%	4.08	-0.02%	(2.20)
Tata Technologies de Mexico, S.A. de C.V.	0.00%	3.88	0.00%	0.15
Tata Technologies Europe Limited	0.71%	574.13	1.14%	125.77
INCAT GmbH.	0.02%	16.08	0.00%	0.35
Tata Technologies (Thailand) Limited	0.01%	11.41	0.00%	0.49
Tata Technologies Pte. Ltd, Singapore	0.92%	744.45	-0.06%	(6.83)
Cambric Limited, Bahamas	0.02%	20.11	0.01%	1.17
Cambric UK Limited	0.00%	3.89	0.01%	0.61
Cambric GmbH	0.00%	1.99	0.00%	0.40
Midwest Managed Services Inc, Utah	0.00%	0.77	0.01%	0.80
Tata Technologies SRL, Romania	0.02%	15.51	0.11%	11.82
Cambric Manufacturing Technologies (Shanghai) Co. Limited	0.01%	7.06	0.04%	4.95
Jaguar Land Rover Automotive Plc	21.59%	17,523.43	26.09%	2,876.62
Jaguar Land Rover Limited	89.75%	72,854.61	99.22%	10,937.50
Jaguar Land Rover Holdings Limited	59.67%	48,438.17	73.71%	8,125.95
JLR Nominee Company Limited	0.00%	-	0.00%	-
Jaguar Land Rover North America, LLC	0.65%	528.22	1.38%	152.47
Jaguar Land Rover Deutschland GmbH	0.70%	568.07	0.92%	101.37
Jaguar Land Rover Austria GmbH	0.10%	79.78	0.13%	13.95
Jaguar Land Rover Italia Spa	0.46%	374.93	1.04%	114.80
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	-0.01%	(4.96)	0.03%	2.84
Jaguar Land Rover France, SAS	0.13%	107.68	0.28%	30.87
Jaguar Land Rover Australia Pty Limited	0.12%	99.98	0.73%	81.02
Jaguar Land Rover Automotive Trading (Shanghai) Co. Limited	4.87%	3,953.88	14.04%	1,548.19
Jaguar Land Rover Japan Limited	0.36%	294.14	0.23%	25.53
Jaguar Land Rover Korea Company Limited	0.13%	106.59	0.51%	56.76
Jaguar Land Rover Canada ULC	0.09%	70.06	0.65%	71.82

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in crores)	As % of consolidated profit or loss	Amount (₹ in crores)
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos Limited Liability Company "Jaguar Land Rover" (Russia)	0.03%	22.14	-3.23%	(355.67)
Jaguar Land Rover (South Africa) (Pty) Limited	0.85%	687.82	4.35%	480.02
Jaguar Land Rover Belux NV	0.17%	138.97	0.85%	94.05
Jaguar Land Rover South Africa Holdings Limited	0.07%	56.83	0.18%	19.65
Land Rover Ireland Limited	2.83%	2,294.81	0.41%	45.14
Jaguar Land Rover Espana SL	0.01%	7.82	0.01%	0.63
Jaguar Land Rover Nederland BV	0.51%	413.20	0.52%	57.15
The Lanchester Motor Company Limited	0.03%	20.94	0.01%	0.95
The Daimler Motor Company Limited	0.00%	-	0.00%	-
S S Cars Limited	0.02%	14.33	0.00%	-
Daimler Transport Vehicles Limited	0.00%	-	0.00%	-
The Jaguar Collection Limited	0.00%	-	0.00%	-
Jaguar Cars (South Africa) (Pty) Limited	0.00%	-	0.00%	-
Jaguar Cars Limited	0.00%	-	0.00%	-
Land Rover Exports Ltd (non-trading)	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Limited	0.00%	-	0.00%	-
Shanghai Jaguar Land Rover Automotive Services Company Limited	0.01%	4.72	-0.09%	(10.36)
JDHT Ltd (acquired w.e.f February 2, 2015)	0.00%	0.15	0.00%	-
Silkplan Ltd (Acquired on April 16, 2015)	0.00%	-	0.00%	-
Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015)	0.00%	-	0.00%	-
Jaguar Land Rover Singapore Pte Ltd (incorporated w.e.f November 25, 2015)	0.24%	193.11	-0.30%	(33.37)
Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016)	0.00%	3.61	0.00%	0.02
InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016)	0.00%	-	0.00%	-
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Limited	0.00%	-	0.00%	-
PT Tata Motors Distribusi Indonesia	0.03%	20.65	0.04%	4.59
TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)	0.01%	5.88	-0.45%	(49.43)
	0.00%	(0.13)	0.00%	(0.13)
Minority Interests				
Indian				
Concorde Motors (India) Limited	-0.01%	(11.81)	0.00%	-
Tata Marcopolo Motors Limited	-0.05%	(42.33)	0.04%	4.08
Tata Motors Finance Limited	-0.54%	(434.42)	0.00%	(0.42)
Tata Technologies Limited	-0.47%	(385.34)	-0.96%	(105.64)
Foreign				
Tata Motors (SA) (Proprietary) Limited	0.00%	(4.04)	0.00%	(0.14)
Tata Precision Industries Pte Limited	0.00%	(0.31)	0.00%	-
Trilix S.r.l	-0.01%	(10.01)	-0.03%	(3.74)
Joint ventures (as per proportionate consolidation / investment as per the equity method)				
Indian				
Fiat India Automobiles Private Limited	1.71%	1,390.05	2.01%	221.71
Tata Cummins Private Limited	0.51%	415.50	0.11%	11.84
Tata HAL Technologies Limited	0.00%	1.66	0.00%	0.12
Foreign				
Spark 44 (JV) Limited	0.05%	43.72	0.19%	20.63
Chery Jaguar Land Rover Automotive Co Limited	4.03%	3,268.19	5.39%	594.03
Adjustments arising out of consolidation	-142.04%	(115,296.65)	-144.65%	(15,946.39)
Sub - total (a)		80,782.67		11,002.41
Associates (Investment as per the equity method)				
Indian				
Tata AutoComp Systems Limited	0.27%	217.39	0.10%	11.19
Automobile Corporation of Goa Limited	0.18%	143.10	0.06%	6.81
Tata Hitachi Construction Machinery Company Private Limited	0.00%	-	0.00%	-
Foreign				
Nita Company Ltd	0.03%	27.35	0.03%	3.34
Tata Precision Industries (India) Limited	-	-	-	-
Jaguar Cars Finance Limited	0.00%	3.91	0.00%	-
Sub - total (b)		391.75		21.34
Total	100.00%	81,174.42	100.00%	11,023.75

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

38. The additional disclosure as required by AS 7 (Revised) on Construction Contracts:

- Advances received are ₹6.49 crores (as at March 31, 2015 ₹5.79 crores)
- Retention money is ₹4.63 crores (as at March 31, 2015 ₹6.07 crores)
- Contract revenue recognised during the year is ₹33.63 crores (2014-15 ₹13.81 crores)
- Aggregate amount of costs incurred and recognised profits (less recognised losses) ₹64.15 crores (as at March 31, 2015 ₹161.49 crores)

39. Other Notes

- A provision against the carrying value of inventory of ₹1,638.39 crores (GBP 157 million) was recognised in the year 2015-16, for the explosion at the port of Tianjin in China in August 2015. A provision of ₹2,493.18 crores (GBP 245 million) against the carrying value of inventory was recorded in the quarter ended September 30, 2015, based on the assessment of the physical condition of the vehicles involved. Subsequent to that, insurance proceeds and other recoveries of ₹854.79 crores (GBP 88 million) have been recognised, partially reversing the exceptional charge recognised during the quarter ended September 30, 2015. The process for finalising ongoing insurance claims may take some months to conclude, so further insurance and other potential recoveries will only be recognised in future periods when paid or confirmed and have not been recognised in this period.
- In May 2016, a passenger airbag safety recall was announced in the United States by National Highway Traffic System Administration (NHTSA) in respect of airbags from a supplier (Takata). Certain front-passenger airbags from Takata are installed in vehicles sold by Jaguar Land Rover Group. The Company has considered this to be an adjusting Post Balance Sheet event and has recognised an additional provision of ₹641.50 crores (GBP 67.4 million) for the estimated cost of repairs in the Statement of Profit and Loss for the year ended March 31, 2016. The provision is expected to be utilised over 1-4 years.
- During the year ended March 31, 2014, legislation was enacted that allows United Kingdom (UK) companies to elect for the Research and Development Expenditure Credit (RDEC) on qualifying expenditures incurred since April 1, 2013, instead of the existing super-deduction rules. As a result of this election by the Company's subsidiary in the UK, ₹647.65 crores and ₹645.81 crores of the RDEC, for the years ended March 31, 2016 and 2015, respectively, the proportion relating to capitalized product development expenditure, have been off set against intangibles under development.
- The following subsidiaries / joint venture have been considered on Unaudited basis. Details for the same as per individual entity's financials are as under:

	(₹ in crores)		
	Net Worth as at March 31, 2016	Total Revenue for the year ended March 31, 2016	Net Increase / (Decrease) in Cash & Cash equivalent during 2015-2016
(i) Subsidiaries :			
Tata Motors European Technical Centre Plc	215.69	273.92	29.27
Trilix S.r.l	41.61	115.07	(1.21)
Tata Precision Industries Pte Ltd	1.15	-	0.01
Tata Hispano Motors Carrocera S.A	(655.45)	6.16	(8.31)
Tata Hispano Motors Carroceries Maghreb S.A	(9.16)	9.59	22.07
	(406.16)	404.74	41.83
(ii) Joint venture :			
Fiat India Automobiles Private Ltd	1,390.01	1,806.93	10.76
Total (i + ii)	983.85	2,211.67	52.59
For the year ended / as at March 31, 2015	788.68	2,557.55	204.71

- Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.
- The Company has a process whereby periodically all long term contracts (including derivative contracts) are assessed for material foreseeable losses. At the year end, the Company has reviewed and ensured that adequate provision as required under any law/ accounting standards for material foreseeable losses on such long term contracts (including derivative contracts) has been made in the books of account.
- Current year figures are shown in bold prints.

For and on behalf of the Board

CYRUS P MISTRY [DIN: 00010178]
Chairman

N N WADIA [DIN: 00015731]
R A MASHELKAR [DIN: 00074119]
S BHARGAVA [DIN: 00035672]
N MUNJEE [DIN: 00010180]
V K JAIRATH [DIN: 00391684]
R SPETH [DIN: 03318908]
Directors

GUENTER BUTSCHEK [DIN: 07427375]
CEO & Managing Director
R PISHARODY [DIN: 01875848]
Executive Director
S B BORWANKAR [DIN: 01793948]
Executive Director
C RAMAKRISHNAN
Group Chief Financial Officer
H K SETHNA [FCS: 3507]
Company Secretary

Mumbai, May 30, 2016