

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Significant accounting policies

(a) Basis of preparation

The financial statements of the Company have been prepared under the historical cost convention on an accrual basis of accounting 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 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) Revenue recognition

The Company recognises revenues on the sale of products, net of discounts and sales incentives, when the products are delivered to the dealer / customer or when delivered to the carrier for export sales, which is when risks and rewards of ownership pass to the dealer / customer.

Sales include income from services and exchange fluctuations relating to export receivables. Sales include export and other recurring and non-recurring incentives from the Government at the national and state levels. Sale of products is presented gross of excise duty where applicable, and net of other indirect taxes.

Revenues are recognised when collectability of the resulting receivables is reasonably assured.

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

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

(d) Depreciation and amortisation

(i) Depreciation is provided on 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 has 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. Estimated useful lives of assets are as follows :

Type of Asset	Estimated useful life
• Leasehold Land	Amortised over the period of the lease
• Buildings, Roads, Bridges and culverts	4 to 60 years
• Plant, machinery and equipment	8 to 20 years
• Computers and other IT assets	4 to 6 years
• Vehicles	4 to 10 years
• Furniture, fixture and office appliances	5 to 15 years
• Technical Know-how	5 to 6 years
• Computer software	4 years
• Water system and sanitation	20 years
• Assets taken on lease are amortised over the period of lease	10 years

(ii) Product development costs are amortised over a period of upto 120 months for New Generation vehicles and powertrains on the basis of higher 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.

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

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

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

(e) Fixed assets

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

(ii) Product development cost incurred on new vehicle platforms, 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 incurred up to the date the asset is ready for its intended use. Borrowing cost incurred for qualifying assets is capitalised up to the date the asset is ready for intended use, based on borrowings incurred specifically for financing the asset or the weighted average rate of all other borrowings, if no specific borrowings have been incurred for the asset. The cost of acquisition is further adjusted for exchange differences relating to long term foreign currency borrowings attributable to the acquisition of depreciable asset w.e.f. April 1, 2007.

(iv) 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.

(f) Impairment

At each Balance Sheet date, the Company assesses whether there is any indication that the fixed assets with finite lives may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

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(g) Leases

(i) Finance lease

Assets acquired under finance leases are recognised as an asset and a liability at the commencement of the lease, at the lower of the fair value of the assets and the present value of minimum lease payments. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Assets given under finance leases are recognised as receivables at an amount equal to the net investment in the lease and the finance income is based on a constant rate of return on the outstanding net investment.

(ii) Operating lease

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

(h) Transactions in foreign currencies and accounting of derivatives

(i) Exchange differences

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

(1) Exchange differences arising on settlement of transactions and translation of monetary items other than those covered by (2) below are recognized as income or expense in the year in which they arise. Exchange differences considered as borrowing cost are capitalized to the extent these relate to the acquisition / construction of qualifying assets and the balance amount is recognized in the Statement of Profit and Loss.

(2) Exchange differences relating to long term foreign currency monetary assets / liabilities are accounted for with effect from April 1, 2007 in the following manner:

- Differences relating to borrowings attributable to the acquisition of depreciable capital assets are added to / deducted from the cost of such capital assets.
- Other differences were accumulated in Foreign Currency Monetary Item Translation Difference Account and amortized over the period, beginning April 1, 2007 or date of inception of such item, as applicable, and ending on March 31, 2011 or the date of its maturity, whichever was earlier.
- Pursuant to notification issued by the Ministry of Corporate Affairs on December 29, 2011, the exchange differences on long term foreign currency monetary items (other than those relating to acquisition of depreciable assets) are amortised over the period till the date of maturity or March 31, 2020, whichever is earlier.

(ii) Hedge accounting

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

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

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

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

If the forecasted transaction is no longer expected to occur, the net cumulative gain or loss recognised in Hedging Reserve Account is immediately transferred to the Profit and Loss Statement. Foreign currency options and other derivatives are stated at fair value as at the year end with changes in fair value recognized in the Statement of Profit and Loss.

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

(i) Product warranty expenses

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise - being typically up to 3 to 4 years.

(j) Inventories

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

(k) Employee benefits

(i) Gratuity

The Company has an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. The Company makes annual contributions to gratuity fund established as trust. The Company accounts for the liability for gratuity benefits payable in future based on an independent actuarial valuation carried out at each Balance Sheet date using the projected unit credit method.

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(ii) Superannuation

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

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

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

During the year 2014-15, the employees covered by this plan were given a one time option to exit from the plan prospectively. Further, the employees who opted for exit were given a 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 and has no further obligation beyond this contribution.

(iii) Bhavishya Kalyan Yojana (BKY)

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

(iv) Post-retirement medicare scheme

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

(v) Provident fund

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

(vi) Compensated absences

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

(l) Investments

Long term investments are stated at cost less other than temporary diminution in value, if any. Current investments are stated at lower of cost and fair value. Fair value of investments in mutual funds are determined on a portfolio basis.

(m) Income taxes

Tax expense comprises current and deferred taxes.

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Current tax is net of credit for entitlement for Minimum Alternative Tax (MAT).

Deferred tax is recognised, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of reversal in one or more subsequent periods.

Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised if there is virtual certainty that there will be sufficient future taxable income available to realise such losses. Other deferred tax assets are recognised if there is reasonable certainty that there will be sufficient future taxable income to realize such assets.

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

(n) 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.

(o) 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.

(p) Business segments

The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.

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(₹ in crores)

	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-16] :		
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	(₹ in crores)	No. of shares	(₹ in crores)
(i) Ordinary shares				
Shares as at April 1	273,67,13,122	547.34	273,67,13,122	547.34
Add: Shares issued pursuant to Rights issue	150,490,480	30.10	-	-
Shares as at March 31	288,72,03,602	577.44	273,67,13,122	547.34
(ii) 'A' Ordinary shares				
Shares as at April 1	48,19,66,945	96.40	48,19,66,945	96.40
Add: Shares issued pursuant to Rights issue	26,509,759	5.30	-	-
Shares as at March 31	50,84,76,704	101.70	48,19,66,945	96.40

(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.

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

- Each ADS and GDS underlying the ADR and GDR respectively represents five Ordinary shares of ₹2 each. A holder of ADS and GDS is not entitled to attend or vote at shareholders meetings. An ADS holder is entitled to issue voting instructions to the 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.

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	(₹ 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 [Note (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) Revaluation Reserve	22.87	-	-	22.87
	22.87	-	-	22.87
(e) Amalgamation Reserve	0.05	-	-	0.05
	0.05	-	-	0.05
(f) General Reserve [Note (v)]	5,006.07	-	3,506.73	1,499.34
	5,006.07	-	-	5,006.07
(g) Foreign Currency Monetary Item Translation Difference Account (net) [Note (iii)]	(14.94)	(98.92)	(16.42)	(97.44)
	(201.23)	(68.13)	(254.42)	(14.94)
(h) Hedging Reserve Account [Note (iv)]	16.69	4.68	13.98	7.39
	-	25.28	8.59	16.69
(i) Profit and Loss Account [Surplus / (Deficit)] [Note (vi)]	(3,667.96)	3,740.96	73.00	-
	977.59	93.40	4,738.95	(3,667.96)
	14,218.81	11,101.81	3,631.72	21,688.90
	18,532.87	225.60	4,539.66	14,218.81

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) Foreign Currency Monetary Item Translation Difference Account (net) :				
(a) Exchange loss during the year (net)	(98.92)	-	(68.13)	-
(b) Amortisation of exchange fluctuation for the year	-	(16.42)	-	(254.42)
	(98.92)	(16.42)	(68.13)	(254.42)
(iv) Hedging Reserve Account :				
(a) Fair value gain	-	13.98	25.28	-
(b) Deferred tax on fair value gain	4.68	-	-	8.59
	4.68	13.98	25.28	8.59
(v) General Reserve :				
Amount transferred to Profit and Loss Account Surplus/(deficit)	-	3,506.73	-	-
	-	3,506.73	-	-
(vi) Profit and Loss Account [Surplus / (Deficit)]				
(a) Profit / loss after tax for the year	234.23	-	-	4,738.95
(b) Amount transferred from General Reserve	3,506.73	-	-	-
(c) Proposed dividend	-	73.00	-	-
(d) Reversal of dividend distribution tax of earlier year	-	-	93.40	-
	3,740.96	73.00	93.40	4,738.95

(Standalone)

NOTES FORMING PART OF 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 [Note I (i) (a) and (ii) (a) below]	700.00	700.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate) [Note I (i) (b) below]	-	12.92
(c) Term loans from others [Note I (i) (c) below]	552.66	479.50
(d) Finance lease obligations [Note 30(A)(a)(ii), page F-32]	10.03	10.94
	1,262.69	1,203.36
(B) Unsecured		
(a) Privately placed Non-Convertible Debentures [Note I (ii) (b), page F-19]	3,950.00	5,000.00
(b) Term loans from banks : Buyers' line of credit (at floating interest rate) [Note I (iii), page F-19]	506.31	1,428.10
(c) Senior Notes [Note I (iv), page F-19]	4,968.94	4,687.50
	9,425.25	11,115.60
TOTAL (A+B)	10,687.94	12,318.96
5. Short-term borrowings		
(A) Secured		
From banks -Loans, cash credit, overdraft accounts [Note II, page F-19]	2,454.73	3,599.90
	2,454.73	3,599.90
(B) Unsecured		
(a) From banks	-	700.00
(b) Loans and advances from subsidiaries and associates (repayable on demand)	472.45	288.75
(c) Commercial paper [maximum balance outstanding during the year ₹4,355 crores (2014-2015 : ₹4,155 crores)]	424.56	3,173.36
	897.01	4,162.11
TOTAL (A+B)	3,351.74	7,762.01

I. Information regarding long term borrowings

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

- 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.
- Buyers line of credit from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other movable current assets except cash and bank balances, loans and advances of the Company both present and future. Classified under other current liabilities being maturity before March 31, 2017.
- 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.

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

Non-Convertible Debentures (NCDs)

	Redeemable on	(₹ in crores) Principal
(a) Secured :		
10.25% Non-Convertible Debentures (2025) #	April 30, 2025	150.00
10.25% Non-Convertible Debentures (2024) #	April 30, 2024	150.00
10.25% Non-Convertible Debentures (2023) #	April 30, 2023	100.00
10.25% Non-Convertible Debentures (2022) #	April 30, 2022	100.00
9.95% Non-Convertible Debentures (2020)	March 2, 2020	200.00

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	<u>Redeemable on</u>	<u>Principal</u>
(b) Non-Convertible Debentures (NCDs)		
Unsecured :		
9.77% Non-Convertible Debentures (2024)	September 12, 2024	200.00
9.81% Non-Convertible Debentures (2024)	August 20, 2024	300.00
9.35% Non-Convertible Debentures (2023)	November 10, 2023	400.00
9.60% Non-Convertible Debentures (2022)	October 29, 2022	400.00
9.02% Non-Convertible Debentures (2021)	December 10, 2021	300.00
9.73% Non-Convertible Debentures (2020)	October 1, 2020	400.00
9.70% Non-Convertible Debentures (2020)	June 18, 2020	150.00
9.75% Non-Convertible Debentures (2020)	May 24, 2020	100.00
9.90% Non-Convertible Debentures (2020)	May 7, 2020	150.00
9.71% Non-Convertible Debentures (2019)	October 1, 2019	300.00
10.00% Non-Convertible Debentures (2019)	May 28, 2019	110.00
9.69% Non-Convertible Debentures (2019)	March 29, 2019	200.00
10.30% Non-Convertible Debentures (2018)	November 30, 2018	190.00
9.45% Non-Convertible Debentures (2018)	March 29, 2018	200.00
8.60% Non-Convertible Debentures (2018)	February 2, 2018	300.00
10.00% Non-Convertible Debentures (2017)	May 26, 2017	250.00
9.84% Non-Convertible Debentures (2017)	March 10, 2017*	300.00
8.73% Non-Convertible Debentures (2016)	May 17, 2016*	300.00
8.95% Non-Convertible Debentures (2016)	April 29, 2016*	300.00

* Classified as other current liabilities being maturity before March 31, 2017

(iii) The buyers' line of credit from banks is repayable within a maximum period of three years from the drawdown dates. All the repayments are due from financial year ending March 31, 2017 to financial year ending March 31, 2019.

(iv) **Schedule of repayment of Senior Notes:**

	<u>Currency</u>	<u>Redeemable on</u>	<u>Amount (In million)</u>	<u>As at March 31, 2016</u>	<u>As at March 31, 2015</u>
				₹ in crores	
4.625% Senior Notes	USD	April 30, 2020	500	3,312.63	3,125.00
5.750% Senior Notes	USD	October 30, 2024	250	1,656.31	1,562.50

II. Information regarding short term borrowings

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

6. Deferred tax liabilities (Net)	As at March 31, 2016	As at March 31, 2015
(a) Major components of deferred tax arising on account of timing differences are:		
Liabilities:		
Depreciation	(1,485.40)	(1,471.04)
Product development cost	(2,849.13)	(2,678.50)
Others	(15.64)	(11.45)
	(4,350.17)	(4,160.99)
Assets:		
Employee benefits / expenses allowable on payment basis	559.81	674.21
Provision for doubtful debts	255.48	293.62
Unabsorbed depreciation and business losses	3,492.26	3,154.21
Others	42.62	38.95
	(4,350.17)	4,160.99
Net deferred tax liability	-	-
(b) Tax expense / (credit) (net) :		
(i) Current tax		
Current tax	(88.52)	37.34
Minimum Alternate Tax	-	777.18
	(88.52)	814.52
(ii) Deferred tax		
Opening deferred tax	-	43.11
Debited / (credited) to Hedging Reserve Account	(4.68)	8.59
Debited / (credited) to Securities Premium Account	-	(1.41)
	(4.68)	50.29
Closing Deferred tax	-	-
Deferred tax charge /(credit) for the year	4.68	(50.29)
Total	(83.84)	764.23

The Company has recognised deferred tax asset of ₹1,861.67 crores (as at March 31, 2015, ₹1,552.74 crores) on unabsorbed depreciation and ₹1,630.59 crores (as at March 31, 2015, ₹1,601.47 crores) on brought forward business losses to the extent there is deferred tax liability on timing differences that will reverse in the future.

NOTES FORMING PART OF 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	1.27	0.78
(c) Derivative financial instruments	0.09	17.87
(d) Deferred revenue	43.28	34.91
(e) Liability towards employee separation scheme	69.40	80.05
(f) Others	26.00	26.78
	210.12	286.80

8. Other current liabilities	As at March 31, 2016	As at March 31, 2015
(a) Interest accrued but not due on borrowings	416.01	464.19
(b) Current maturities of long-term borrowings [Note below]	1,847.57	1,053.44
(c) Liability for capital expenditure	75.11	62.80
(d) Liability for deposits and retention	212.22	198.65
(e) Deferred payment liabilities	64.50	59.75
(f) Advance and progress payments from customers	728.78	499.13
(g) Deferred revenue	67.86	78.62
(h) Statutory dues (VAT, Excise, Service tax, Octroi, etc)	695.07	605.95
(i) Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due		
(i) Unpaid dividends	14.37	17.22
(ii) Unclaimed matured deposits and interest thereon	18.60	21.69
(iii) Unclaimed matured debentures and interest thereon	0.22	0.22
(j) Derivative financial instruments	5.65	4.14
(k) Others	121.27	77.08
	4,267.23	3,142.88

Note :

Current maturities of long-term borrowings consist of :

(i) Non-Convertible Debentures [Note I(ii)(b), page F-19]	900.00	900.00
(ii) Buyers' line of credit (at floating rate interest) [Note I(i)(b), page F-18 and (iii), page F-19]	935.49	138.22
(iii) Finance lease obligations [Note 30(A)(a)(ii), page F-32]	12.08	15.22
	1,847.57	1,053.44

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
9. Long-term provisions		
(a) Employee benefit obligation	525.93	505.17
(b) Product warranty [Note 34(a), page F-39]	243.71	204.27
(c) Provision for delinquency [Note 34(b), page F-39]	629.42	1,382.18
(d) Provision for Annual maintenance contract [Note 34(c), page F-39]	9.99	12.57
	1,409.05	2,104.19

	As at March 31, 2016	As at March 31, 2015
10. Short-term provisions		
(a) Employee benefit obligation	44.17	49.42
(b) Product warranty [Note 34(a), page F-39]	382.51	310.84
(c) Provision for delinquency [Note 34(b), page F-39]	631.00	214.08
(d) Current income tax (net of payment)	67.02	22.46
(e) Proposed dividend	73.00	-
(f) Provision for Annual maintenance contract [Note 34(c), page F-39]	17.79	16.29
	1,215.49	613.09

	As at March 31, 2016	As at March 31, 2015
11. Trade payables		
(a) Acceptances	3,887.28	3,950.53
(b) Other than acceptances* [Note 42 (ii), page F-42]	5,029.32	4,902.12
	8,916.60	8,852.65
Includes payable to subsidiary companies :		
* Concorde Motors (India) Ltd	8.55	-
TAL Manufacturing Solutions Ltd	4.97	3.90
Tata Motors European Technical Centre Plc	55.59	108.92
Tata Motors Finance Ltd	24.58	43.71
Tata Motors Finance Solutions Ltd	122.41	-
Tata Technologies Ltd	48.50	28.91
Tata Motors Ltd (Thailand) Ltd	1.38	-
TML Distribution Company Ltd	5.85	7.84
Trilix S.r.l.	17.81	8.75
Jaguar Land Rover Ltd	239.97	140.25

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

12. Tangible assets

Particulars	Cost as at April 1, 2015	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at March 31, 2016	Accumulated depreciation as at April 1, 2015	Depreciation for the year [Note (v)]	Deductions / adjustments for the year [Note (vi)]	Accumulated depreciation up to March 31, 2016	Net book value as at March 31, 2016
[I] Owned assets :									
(i) Land	519.76	-	3.00	516.76	-	-	-	-	516.76
	519.76	-	-	519.76	-	-	-	-	519.76
(ii) Buildings [Note (i) & (ii) (a)]	2,819.35	88.30	8.36	2,899.29	699.32	88.86	1.49	786.69	2,112.60
	2,714.37	105.09	0.11	2,819.35	619.76	79.64	0.08	699.32	2,120.03
(iii) Plant, machinery and equipment [Note (ii) (a) & (iii)]	19,146.80	1,202.38	92.11	20,257.07	10,137.40	1,123.75	24.90	11,236.25	9,020.82
	17,887.58	1,363.50	104.28	19,146.80	9,007.39	1,224.83	94.82	10,137.40	9,009.40
(iv) Furniture and fixtures [Note (iii)]	146.67	12.30	0.35	158.62	60.42	7.51	0.26	67.67	90.95
	132.23	23.39	8.95	146.67	56.25	7.14	2.97	60.42	86.25
(v) Vehicles [Note (iii)]	160.41	35.37	28.60	167.18	105.06	24.46	23.83	105.69	61.49
	163.96	23.21	26.76	160.41	104.57	22.78	22.29	105.06	55.35
(vi) Office equipment [Note (iii)]	50.15	1.26	0.09	51.32	41.47	3.49	0.05	44.91	6.41
	49.67	0.74	0.26	50.15	21.13	20.56	0.22	41.47	8.68
(vii) Computers and other IT assets [Note (iii)]	601.70	26.01	8.73	618.98	488.01	32.26	8.64	511.63	107.35
	564.38	37.64	0.32	601.70	458.52	29.69	0.20	488.01	113.69
(viii) Water system and sanitation [Note (ii)(a)]	222.78	8.57	-	231.35	74.96	10.04	-	85.00	146.35
	217.57	5.21	-	222.78	64.92	10.04	-	74.96	147.82
[II] Assets given on lease :									
(i) Plant, machinery and equipment	425.84	1.00	1.17	425.67	393.12	1.89	0.51	394.50	31.17
	425.60	0.41	0.17	425.84	390.65	4.90	2.43	393.12	32.72
(ii) Buildings	4.05	-	-	4.05	0.49	0.09	-	0.58	3.47
	4.05	-	-	4.05	0.40	0.09	-	0.49	3.56
[III] Assets taken on lease :									
(i) Leasehold land [Note (ii)(b)]	121.38	-	-	121.38	15.01	1.21	-	16.22	105.16
	121.38	-	-	121.38	13.80	1.21	-	15.01	106.37
(ii) Buildings	31.28	-	-	31.28	5.25	0.51	-	5.76	25.52
	31.28	-	-	31.28	4.74	0.51	-	5.25	26.03
(iii) Plant, machinery and equipment	36.43	-	-	36.43	34.61	-	-	34.61	1.82
	36.43	-	-	36.43	33.23	1.38	-	34.61	1.82
(iv) Computers & other IT assets	164.46	9.80	-	174.26	135.44	15.91	-	151.35	22.91
	155.49	8.97	-	164.46	114.89	20.55	-	135.44	29.02
Total Tangible assets	24,451.06	1,384.99	142.41	25,693.64	12,190.56	1,309.98	59.68	13,440.86	12,252.78
	23,023.75	1,568.16	140.85	24,451.06	10,890.25	1,423.32	123.01	12,190.56	12,260.50

Notes :

- (i) Buildings include ₹ 8,631 (as at March 31, 2015 ₹ 8,631) being value of investments in shares of Co-operative Housing Societies.
- (ii) (a) Buildings, water system and sanitation and plant and machinery include gross block of ₹ 4.76 crores, ₹ 19.24 crores and ₹ 22.84 crores respectively (as at March 31, 2015 ₹ 4.76 crores, ₹ 18.87 crores and ₹ 22.84 crores) and net block of ₹ 0.08 crore, ₹ 14.38 crores and ₹ 3.31 crores respectively (as at March 31, 2015 ₹ 0.08 crore, ₹ 14.87 crores and ₹ 7.52 crores) in respect of expenditure incurred on capital assets, ownership of which does not vest in the Company.
- (b) The registration of leasehold land of ₹ 12.56 crores (as at March 31, 2015 ₹ 12.56 crores) is in process.
- (iii) Includes plant, machinery and equipment, furniture and fixtures, office equipment, vehicles and computers and other IT assets having gross block of ₹ 305.89 crores, ₹ 0.13 crore, ₹ 0.42 crore, ₹ 1.79 crores and ₹ 128.61 crores (as at March 31, 2015 ₹ 160.82 crores, ₹ 0.13 crore, ₹ 0.41 crore, ₹ 1.50 crores and ₹ 136.28 crores), and net block of ₹ 17.98 crores, ₹ Nil, ₹ 0.02 crore, ₹ 0.13 crore and ₹ 0.23 crore, respectively (as at March 31, 2015 ₹ 8.51 crores, ₹ 0.01 crore, ₹ 0.02 crore, ₹ 0.03 crore and ₹ 0.26 crore respectively) held for disposal at lower of their net book value and net realisable value.
- (iv) Additions / adjustments include capitalisation of exchange loss mainly on plant, machinery and equipment of ₹ 42.49 crores (2014-2015 ₹ 26.24 crores).
- (v) Depreciation excludes lease equalisation of ₹ Nil (2014-2015 ₹ 2.27 crores) adjusted in lease rental income.
- (vi) Includes impairment charge on plant, machinery and equipment of ₹ 60.32 crores (2014-2015 ₹ Nil).

13. Intangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2015	Additions / adjustments [Note (iii)]	Deductions / adjustments	Cost as at March 31, 2016	Accumulated amortisation as at April 1, 2015	Amortisation for the year	Deductions / adjustments for the year [Note (iv)]	Accumulated amortisation up to March 31, 2016	Net book value as at March 31, 2016
(i) Technical know-how [Note (ii)]	275.81	-	-	275.81	71.19	25.89	-	97.08	178.73
	275.81	-	-	275.81	45.30	25.89	-	71.19	204.62
(ii) Computer software [Note (ii)]	473.26	21.11	1.18	493.19	406.01	38.42	1.18	443.25	49.94
	439.15	34.11	-	473.26	360.30	45.82	0.11	406.01	67.25
(iii) Product development cost [Note (i)]	6,614.08	1,214.74	-	7,828.82	3,363.22	1,079.46	(103.62)	4,546.30	3,282.52
	5,052.74	1,561.34	-	6,614.08	2,255.03	1,108.19	-	3,363.22	3,250.86
Total Intangible assets	7,363.15	1,235.85	1.18	8,597.82	3,840.42	1,143.77	(102.44)	5,086.63	3,511.19
	5,767.70	1,595.45	-	7,363.15	2,660.63	1,179.90	0.11	3,840.42	3,522.73

Notes :

- (i) Internally generated intangible asset
- (ii) Other than internally generated intangible asset
- (iii) Additions / adjustments include capitalisation of exchange loss mainly on product development cost of ₹ 28.19 crores (2014-2015 ₹ 40.96 crores).
- (iv) Includes impairment charge of ₹ 103.62 crores (2014-15 ₹ Nil).

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

			As at March 31, 2016	As at March 31, 2015
14. Non-current investments				
Number	Face value per unit	Description		
I. Long-term investments (at cost)				
(A) Trade investments				
(1) Fully paid Ordinary / Equity shares (quoted)				
(i) Associates				
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22
(ii) Others				
44,32,497	10	Tata Steel Ltd	245.04	245.04
70,249	10	Tata Chemicals Ltd	0.24	0.24
			353.50	353.50
(2) Fully paid Ordinary / Equity shares (unquoted)				
(i) Subsidiaries				
		Sheba Properties Ltd (75,00,000 shares sold during the year)	-	75.00
3,03,00,600	10	Tata Technologies Ltd	224.10	224.10
3,36,97,694	10	Concorde Motors (India) Ltd [Note 9, page F-24] (1,50,00,000 shares acquired during the year)	79.63	64.63
11,50,00,000	10	TAL Manufacturing Solutions Ltd (1,50,00,000 shares acquired during the year)	200.00	185.00
7,70,00,000	10	TML Drivelines Ltd	448.85	448.85
25,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 5, page F-24]	19.31	19.31
3,43,92,495 (GBP)	1	Tata Motors European Technical Centre Plc, (UK) [Note 6, page F-24] (30,00,000 shares acquired during the year)	292.71	262.73
7,900	-	Tata Technologies Inc, (USA)	0.63	0.63
1,31,90,20,771	10	Tata Motors Finance Ltd [Note 11, page F-24]	2,500.00	2,500.00
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70	86.70
22,50,00,000	10	TML Distribution Company Ltd	225.00	225.00
2,51,16,59,418 (USD)	1	TML Holdings Pte Ltd, (Singapore)	10,158.52	10,158.52
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97	17.97
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01	-
2,02,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco) (2,02,000 shares acquired during the year)	49.59	-
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53	40.53
1,00,000 (NGN)	1	Trilix Srl, Turin (Italy) [Note 7, page F-24]	11.94	11.94
		TMNL Motor Services Nigeria Ltd (100,000 shares acquired during the year)	- *	-
		* Less than ₹ 100,000	14,355.49	14,320.91
(ii) Associates				
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27	1.27
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	77.47
3,97,50,000	10	Tata Hitachi Construction Machinery Company Private Ltd	79.50	79.50
			158.24	158.24
(iii) Joint venture (JV)				
12,22,57,983	100	Fiat India Automobiles Private Ltd [Note 8, page F-24]	1,567.04	1,567.04
9,00,00,000	10	Tata Cummins Private Ltd	90.00	90.00
			1,657.04	1,657.04
(iv) Others				
50,000	1,000	Tata International Ltd	28.85	28.85
1,383	1,000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
1,03,10,242	100	Tata Industries Ltd	183.19	183.19
33,600	100	Kulkarni Engineering Associates Ltd	0.67	0.67
12,375	1,000	Tata Sons Ltd	68.75	68.75
2,25,00,001	10	Haldia Petrochemicals Ltd	22.50	22.50
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	0.24	0.24
43,26,651	15	Tata Capital Ltd	6.70	6.70
			311.05	311.05
(3) Fully paid Cumulative Redeemable Preference shares (unquoted)				
Subsidiaries				
13,54,195	100	7% Concorde Motors (India) Ltd [Note 9, page F-24]	13.54	13.54
Fully paid Optionally Convertible Preference shares (unquoted)				
Associates				
1,59,00,000	100	9% Tata Hitachi Construction Machinery Company Private Ltd [Note 10, page F-24]	159.00	159.00
Carried Forward			17,007.86	16,973.28

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Number	Face value per unit	Description	As at March 31, 2016	As at March 31, 2015
I. Long-term investments (at cost) (contd.)				
		Brought forward	17,007.86	16,973.28
(B) Other investments				
Fully paid Equity shares (unquoted)				
50,000	10	NICCO Jubilee Park Ltd	0.05	0.05
		Less: Provision for Diminution other than temporary in value of long term investments	17,007.91	16,973.33
			105.56	55.97
II. Advance towards investments				
		Tata Motors European Technical Centre Plc, (UK)	43.11	-
		Tata Hispano Motors Carrocerias Maghreb S.A., (Morocco)	-	49.59
		Concorde Motors (India) Ltd	30.00	-
			73.11	49.59
Total Non-current investments			16,975.46	16,966.95

Notes:

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

(2) Book value of quoted investments

(3) Book value of unquoted investments

(4) Market value of quoted investments

(5) The Company has given a letter of comfort to HDFC Bank amounting to ₹ 1 crore against working capital facility to Tata Motor Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake in TMIBASL below 51% during the tenor of the loan.

(6) The Company had given a letter of comfort to Standard Chartered Bank, London for GBP 15 million which has been cancelled and now the Company has given a letter of comfort to ANZ Bank, London for GBP 2 million (₹ 19.09 crores as on March 31, 2016) against loan extended by the bank to Tata Motors European Technical Centre Plc, UK (TMETC). Also the Company has given an undertaking to ANZ Bank, London to retain atleast 51% ownership of TMETC at all times during the tenor of the loan.

(7) Trilix Srl, Turin (Italy) is a limited liability Company.

(8) The Company has given a letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Private Ltd for ₹ 1,000 crores and Euro 130 million (₹ 980.08 crores as on March 31, 2016). The letter of comfort is restricted to 50% of the value of credit facilities extended i.e. ₹ 990.04 crores.

(9) The Company has given a letter of comfort to Tata Capital Financial Services Limited amounting to ₹ 15 crores against credit facility extended to Concorde Motors (India) Limited (CMIL). The Company will not dilute its stake in CMIL below 100% during the tenor of the facility.

(10) The Company has invested in 9% Optionally Convertible Preference Shares (OCPS) as per the rights offered by Tata Hitachi Construction Machinery Company Private Ltd to existing equity shareholders in the ratio of 4 OCPS for every 10 equity shares. These OCPS are redeemable at par or can be converted into equity shares after a period of seven years from the date of subscription.

(11) During the year 2015-2016, Tata Motors Finance Limited, a subsidiary of the Company, issued 4,34,00,000 privately placed, cumulative non-participative compulsory convertible preference shares of ₹ 100 each convertible after 7 years. There is call/put option with the Company/counterparty to purchase/sell 1,30,00,000 and 3,04,00,000 cumulative non-participative compulsory convertible preference shares in March and April 2019, respectively.

(12) Trade Investments also include:

Number	Face value per unit	Description	₹ As at March 31, 2016	₹ As at March 31, 2015
Investments in other companies				
20,000	10	Metal Scrap Trade Corporation Ltd	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd	250	250
16,56,517 (M\$)	1	Tatab Industries Sdn. Bhd., (Malaysia)	1	1
4	25,000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995
200	10	Punjab Chemicals	1	1

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

15. Current investments			As at March 31, 2016	As at March 31, 2015
Number	Face value per unit	Description		
I Current investments - others (at cost or fair value whichever is lower)				
(A) Trade investments				
(1) Fully paid Ordinary / Equity shares (unquoted)				
Subsidiaries				
		PT Tata Motors Indonesia	-	15.54
		(33,82,697 shares sold during the year and 1,220 shares transferred to Non-Current Investment)		
			-	15.54
(B) Other investments				
(1) Investments in Mutual Funds (unquoted)				
Liquid / Liquid Plus Schemes				
10,21,691	1000	Principal Cash Managment Fund - Regular Plan - Growth	150.00	-
11,82,026	1000	UTI Money Market Fund - Institutional Plan - Growth	200.00	-
4,82,533	1000	L&T Liquid Fund - Growth	100.00	-
11,64,710	1000	Religare Invesco Credit Opportunities Fund - Growth	200.00	-
47,85,781	100	ICICI Prudential Money Market Fund - Growth	100.00	-
67,03,304	100	ICICI Prudential Flexible Income Plan - Growth	190.00	-
7,36,33,056	10	HDFC Floating Rate Income Fund - Short Term Plan- Wholesale Option - Growth	190.00	-
8,41,109	1000	Tata Money Market Fund - Regular Plan - Growth	200.00	-
8,99,917	1000	UTI Treasury Advantage Fund - Institutional Plan - Growth	184.00	-
1,64,63,630	10	ICICI Prudential Ultra Short Term - Growth	25.00	-
8,21,78,833	10	Kotak Treasury Advantage Fund - Growth (Regular Plan)	197.00	-
			1,736.00	-
(2) Investments in Equity shares (unquoted)				
		Tata Projects Ltd	-	4.68
		(1,35,000 shares sold during the year)		
35,000	10	Elcot Power Control Ltd	-	-
91,800	10	Munis Forge Ltd	-	-
30,997	10	Roofit Industries Ltd	-	-
			-	4.68
(3) Investments in Preference shares (unquoted)				
1,00,000	100	15.50% Pennar Paterson Securities Ltd	-	-
2,00,000	100	15.00% Atcom Technologies Ltd - Cumulative Preference Shares	-	-
			-	-
Total current investments			1,736.00	20.22
			1,736.00	20.22
Notes:				
(1) Face value per unit is in Rupees unless stated otherwise				
(2) Book value of quoted investments			-	-
(3) Book value of unquoted investments			1,736.00	20.22
(4) Market value of quoted investments			-	-

(Standalone)

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
16. Long-term loans and advances		
Unsecured (considered good unless stated otherwise)		
(a) Loans to employees	32.62	34.20
(b) Loan to a Joint Venture (Fiat India Automobiles Private Ltd)	-	265.00
(c) Loans to subsidiary companies :		
Considered good	16.61	20.80
Considered doubtful	581.11	539.40
	597.72	560.20
Less : Allowances for doubtful loans	(581.11)	(539.40)
	16.61	20.80
(d) Dues from subsidiary companies		
Considered doubtful		
(i) Tata Hispano Motors Carrocera S.A.	53.74	54.38
(ii) Tata Hispano Motors Carroceries Maghreb SA	4.64	-
	58.38	54.38
Less : Allowances for doubtful dues	(58.38)	(54.38)
	-	-
(e) Taxes recoverable, statutory deposits and dues from Government	925.66	1,127.68
(f) Capital advances	321.40	219.10
(g) Non-current income tax assets (net of provisions)	717.63	512.78
(h) Others :		
Considered good	349.30	224.00
Considered doubtful	18.16	8.86
	367.46	232.86
Less : Allowances for doubtful loans and advances	(18.16)	(8.86)
	349.30	224.00
	2,363.22	2,403.56
17. Short-term loans and advances		
(A) Secured		
(a) Finance receivables #		
Vehicle loans		
Considered good	0.24	20.81
Considered doubtful	13.23	221.39
	13.47	242.20
Less : Allowances for doubtful loans	(13.23)	(221.39)
	0.24	20.81
(B) Unsecured (considered good unless stated otherwise)		
(a) Advances and other receivables recoverable		
Considered good	316.87	327.00
Considered doubtful	106.12	77.99
	422.99	404.99
Less : Allowances for doubtful loans and advances	(106.12)	(77.99)
	316.87	327.00
(b) Inter corporate deposits		
Considered good	80.00	45.00
Considered doubtful	6.51	6.51
	86.51	51.51
Less : Allowances for doubtful loans	(6.51)	(6.51)
	80.00	45.00
(c) Loan to subsidiary company (Tata Motors European Technical Centre Plc, UK)	40.56	-
(d) Dues from subsidiary companies [Note (i), page F-27]	48.90	66.14
(e) Loan to a Joint Venture (Fiat India Automobiles Private Ltd)	265.00	-
(f) VAT, other taxes recoverable, statutory deposits and dues from Government	993.67	955.27
(g) Current income tax assets (net of provisions)	3.84	106.62
(h) Others	45.24	53.57
	1,794.08	1,553.60
Total (A + B)	1,794.32	1,574.41
# Loans are secured against hypothecation of vehicles		

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2016	As at March 31, 2015
Note :		
(i) Dues from subsidiary companies		
(a) TML Drivelines Ltd	23.92	25.45
(b) Tata Motors Finance Solutions Ltd	0.11	-
(c) PT Tata Motors Indonesia	5.96	5.39
(d) Tata Motors Insurance Broking and Advisory Services Ltd	0.02	-
(e) Tata Motors (SA) (Proprietary) Ltd	3.37	3.22
(f) Tata Motors Nigeria Ltd	0.12	-
(g) PT Tata Motors Distribusi Indonesia	0.82	0.82
(h) Jaguar Land Rover Ltd	-	1.34
(i) Tata Daewoo Commercial Vehicle Co. Ltd	1.62	0.95
(j) JLR Automotive Plc	0.23	0.23
(k) Tata Motors (Thailand) Ltd	1.53	2.64
(l) Tata Hispano Motors Carroceries Maghreb SA	-	1.16
(m) Tata Marcopolo Motors Ltd	11.20	24.94
	48.90	66.14

18. Other non-current assets	As at March 31, 2016	As at March 31, 2015
(a) Prepaid debt issue cost	37.78	45.18
(b) Prepaid expenses	0.67	0.33
(c) Interest accrued on deposits / loans	-	102.89
(d) Derivative financial instruments	98.35	27.27
	136.80	175.67

19. Other current assets	As at March 31, 2016	As at March 31, 2015
(a) Prepaid debt issue cost	7.39	7.53
(b) Prepaid expenses	84.95	68.70
(c) Interest accrued on deposits / loans	123.82	1.09
(d) Derivative financial instruments	36.69	38.18
(e) Share issue expenses	-	1.53
	252.85	117.03

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

20. Inventories	As at March 31, 2016	As at March 31, 2015
(a) Stores and spare parts	137.41	131.18
(b) Consumable tools	20.90	19.56
(c) Raw materials and components	1,318.42	1,145.97
(d) Work-in-progress	471.16	445.52
(e) Finished goods	2,867.11	2,915.69
(f) Goods-in-transit - Raw materials and components	87.20	144.16
	4,902.20	4,802.08
21. Trade receivables	As at March 31, 2016	As at March 31, 2015
(a) Due over six months :		
Considered good (unsecured)	291.73	223.54
Considered doubtful	578.46	535.69
	870.19	759.23
Less : Allowances for doubtful debts	(578.46)	(535.69)
	291.73	223.54
(b) Others :		
Considered good (unsecured)	1,276.73	890.94
Considered doubtful	19.58	36.58
	1,296.31	927.52
Less : Allowances for doubtful debts	(19.58)	(36.58)
	1,276.73	890.94
	1,568.46	1,114.48
22. Cash and bank balances	As at March 31, 2016	As at March 31, 2015
(A) Cash and cash equivalents		
(a) Cash on hand	0.26	0.24
(b) Cheques on hand	59.18	6.12
(c) Current account with banks #	152.30	855.59
	211.74	861.95
(B) Other bank balances		
Earmarked balance with banks	131.07	16.95
	131.07	16.95
(C) Other bank balances (with more than 3 months but less than 12 months maturity)		
(a) Earmarked balance with banks	105.22	11.85
(b) Bank deposits	0.06	0.07
	105.28	11.92
(D) Other bank balances (with more than 12 months maturity)		
(a) Margin money / cash collateral with banks	-	0.01
(b) Earmarked balance with banks	3.99	53.92
	3.99	53.93
	452.08	944.75
# Includes		
- Remittances in transit	143.94	167.94
- In foreign currencies	1.81	673.67

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

23. Total revenue	2015-2016	2014-2015
1. Revenue from operations		
(a) Sale of products (Note 1 below) [Note 38, page F-41]	45,879.45	38,829.49
(b) Sale of services	342.60	284.72
(c) Income from vehicle loan contracts	2.80	5.89
	46,224.85	39,120.10
(d) Other operating revenues (Note 2 below)	421.82	411.13
	46,646.67	39,531.23
2. Other income		
(a) Interest income	257.99	102.45
(b) Dividend income [Notes 3 and 4 below]	1,070.71	1,698.48
(c) Profit on sale of Investments (net) [Note 5 below]	804.22	80.48
	2,132.92	1,881.41
Note :		
(1) Includes exchange (loss) / gain (net)	36.15	46.91
(2) Sale of occupancy rights	-	36.60
(3) Includes dividend on		
(a) Trade investments (non-current)	58.90	30.83
(b) Dividend from subsidiary companies (non-current)	1,005.53	1,638.56
(4) Includes exchange gain (non-current)	6.28	29.09
(5) Profit on sale of Investment in subsidiary companies [Note 6 below]	656.36	13.49
(6) During the year ended March 31, 2016,		
(i) the Company has received an additional consideration of ₹324.48 crores from TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary towards divestment of investments in the quarter ended December 31, 2013, in a foreign subsidiary.		
(ii) the Company has sold its 100% stake in Sheba Properties Ltd, to its subsidiary Tata Motors Finance Ltd for a consideration of ₹405.37 crores, resulting in a profit of ₹330.37 crores.		
(iii) the Company has sold its investments in PT Tata Motors Indonesia Ltd, to TML holdings Pte Ltd, Singapore, a wholly owned subsidiary company. Consequently, consideration of ₹17.05 crores (₹145.65 crores for the year 2014-2015) was received resulting in a profit of ₹1.51 crores (₹13.49 crores for the year 2014-2015).		

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	2015-2016	2014-2015
24. Employee cost / benefits expense		
(a) Salaries, wages and bonus	2,548.89	2,524.43
(b) Contribution to provident fund and other funds	172.15	225.78
(c) Staff welfare expenses	305.71	341.25
	3,026.75	3,091.46
25. Finance cost		
(a) Interest	1,559.13	1,616.12
Less: Transferred to capital account	(450.89)	(465.05)
	1,108.24	1,151.07
(b) Discounting charges	372.87	460.61
	1,481.11	1,611.68
26. Other expenses		
(a) Processing charges	1,507.21	1,450.57
(b) Consumption of stores and spare parts	470.94	447.36
(c) Power and fuel	402.36	395.88
(d) Rent	86.70	98.34
(e) Repairs to buildings	55.86	63.58
(f) Repairs to plant, machinery etc.	101.64	103.23
(g) Insurance	93.92	74.62
(h) Rates and taxes	103.25	108.88
(i) Freight, transportation, port charges, etc.	1,284.57	1,049.93
(j) Publicity	669.99	745.44
(k) Excise duty on change in closing stock	0.71	145.01
(l) Works operation and other expenses [Note below]	3,264.66	3,404.44
	8,041.81	8,087.28
Note :		
Works operation and other expenses include		
(a) Warranty expenses	482.72	428.68
(b) Computer expenses	625.32	615.95
(c) Consultancy	139.34	147.12
(d) Provisions and write off for sundry debtors, vehicle loans and advances (net)	111.48	125.11
(e) Provision for carrying capital cost of buildings under construction at Singur [Note 29, page F-32]	-	309.88
(f) Auditors' remuneration (excluding service tax)		
(i) Audit fees (including IFC certification)	5.05	4.50
(ii) Audit fees for financial statements as per IFRS (including ICFR certification)	3.85	3.85
(iii) In other capacities :		
- Company law matters (₹48,534 for 2015-16, ₹47,500 for 2014-15)	-	-
- Tax audit / Transfer pricing audit	0.65	0.58
- Taxation matters	0.19	0.27
(iv) Other services*	0.75	1.60
(v) Reimbursement of travelling and out-of-pocket expenses	0.60	0.22
* - Includes payment to an affiliate firm of statutory auditors	0.58	0.55
- Excludes audit fees debited to Securities Premium Account related to Rights issue	1.70	-
(g) Cost Auditors' remuneration (excluding service tax) :		
(i) Cost Audit fees	0.20	0.20
(ii) Reimbursement of travelling and out-of-pocket expenses	0.01	0.01
(h) Works operation and other expenses for the year 2015-16 includes ₹20.57 crores (₹18.62 crores for the year 2014-15) spent towards various schemes of Corporate Social Responsibility (CSR) as prescribed under Section 135 of the Companies Act, 2013. No amount has been spent on construction / acquisition of an asset of the Company. The prescribed CSR expenditure required to be spent in the year 2015-16 as per the Companies Act, 2013 is Nil, in view of average net profits of the Company being ₹Nil (under section 198 of the Act) for last three financial years.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

27. Earnings Per Share			2015-2016	2014-2015
(a)	Profit / (loss) after tax	₹ crores	234.23	(4,738.95)
(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	₹ crores	194.85	(4,028.80)
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ crores	39.38	(710.15)
(g)	Earnings Per Ordinary share (Basic)	₹	0.68	(14.57)
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	0.78	(14.57)
(i)	Profit after tax for Diluted EPS	₹ crores	234.23	#
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	287,31,88,838	#
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	621,045	#
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	287,38,09,883	#
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,60,63,234	#
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	257,745	#
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	50,63,20,979	#
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	194.84	#
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	39.39	#
(r)	Earnings Per Ordinary share (Diluted)	₹	0.68	(14.57)
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	0.78	(14.57)

Basic and diluted earnings per share for the year ended March 31, 2015, have been retrospectively adjusted for the bonus element in respect of rights issue as described in Note 2(k), F-16.

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

Since there is a loss for the year ended March 31, 2015, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

			(₹ in crores)	
28. 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 note (1), (2) and (4) below :				
1	Claims against the Company not acknowledged as debts			
	(i)	Sales tax - Gross	1,104.04	870.58
		- Net of tax	721.95	574.67
	(ii)	Excise duty - Gross	1,224.34	1,276.16
		- Net of tax	800.62	842.32
	(iii)	Others - Gross	218.72	265.29
		- Net of tax	143.03	175.12
	(iv)	Income Tax in respect of matters pending in appeal / others	92.35	92.58
2	The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal		64.34	70.66
3	Other money for which the Company is contingently liable in respect of bills discounted and export sales on deferred credit		217.80	234.63
4	Bonus pertaining to retrospective period as per notification dated January 1, 2016		17.47	-
5	(a) Corporate guarantee given to RUAG Aerospace Structures GMBH for TAL Manufacturing Solutions Limited.		66.25	62.50
	(b) Commitment given for funding Tata Motors European Technical Centre's contribution to National Automotive Innovation Centre at the University of Warwick, UK.		158.45	-
	(c) Corporate Guarantee given to YES Bank for Broadcast Audience Research Council.		1.20	-
6	Estimated amount of contracts remaining to be executed on capital account and not provided			
	(i)	Tangible	1,451.69	1,034.57
	(ii)	Intangible	398.25	382.02
7	Purchase commitments		3,207.80	6,413.58
8	The Company has entered into an agreement to compensate Tata Motors Finance Solutions Ltd (TMFSL), an indirect subsidiary of the Company, the cost of funds on overdue principal amounts for certain finance receivables, where TMFSL claim losses from the Company, which in the current year amounted to ₹ 121.97 crores (previous year ₹ Nil).			

NOTES FORMING PART OF FINANCIAL STATEMENTS

29. 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.

(₹ in crores)		
	As at March 31, 2016	As at March 31, 2015
30. Disclosure in respect of leases		
(A) Finance leases :		
Assets taken on lease :		
(a) (i) Total of minimum lease payments	23.95	28.80
The total of minimum lease payments for a period :		
Not later than one year	13.27	16.86
Later than one year and not later than five years	10.68	11.94
(ii) Present value of minimum lease payments		
Present value of minimum lease payments for a period :	22.11	26.16
Not later than one year	12.08	15.22
Later than one year and not later than five years	10.03	10.94
(b) A general description of the significant leasing arrangements - The Company has entered into Finance lease arrangements for computers and data processing equipments from a vendor. The finance lease obligation is secured by a charge against the said assets.		
(B) Operating leases :		
Assets given on lease :		
(a) Total of minimum lease payments	39.31	59.87
The total of minimum lease payments for a period :		
Not later than one year	15.35	16.09
Later than one year and not later than five years	21.03	36.43
Later than five years	2.93	7.35
(b) Gross block	36.93	37.10
Accumulated Depreciation	18.08	16.61
Depreciation for the year ₹ 1.98 crores (2014-15 ₹2.73 crores)		
(c) A general description of significant leasing arrangements- The Company has entered into Operating lease arrangements for buildings and plant and machinery.		

NOTES FORMING PART OF FINANCIAL STATEMENTS

31. (i) Related party disclosures for the year ended March 31, 2016

(a) Related party and their relationship

1. Subsidiaries :

Concorde Motors (India) Limited
TAL Manufacturing Solutions Limited
Tata Motors European Technical Centre PLC
Tata Motors Insurance Broking and Advisory Services Limited
Tata Motors Finance Limited
TML Holdings Pte. Limited
TML Distribution Company Limited
Tata Hispano Motors Carrocera S.A.
Tata Hispano Motors Carrocerries Maghreb S.A.
TML Drivelines Limited
Trilix S.r.l.
Tata Precision Industries Pte. Limited
Tata Technologies Limited
Tata Marcopolo Motors Limited
Tata Daewoo Commercial Vehicle Company Limited
Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited
Tata Motors (Thailand) Limited
Tata Motors (SA) (Proprietary) Limited
PT Tata Motors Indonesia
PT Tata Motors Distribusi Indonesia
Tata Technologies Inc.
Tata Technologies (Canada) Inc.
Tata Technologies de Mexico, S.A. de C.V.
Tata Technologies Pte Limited
Tata Technologies (Thailand) Limited
Tata Technologies Europe Limited
INCAT International Plc.
INCAT GmbH
Cambric Limited
Tata Technologies SRL
Cambric GmbH
Cambric UK Limited
Midwest Managed Services Inc.
Cambric Manufacturing Technologies (Shanghai) Company Limited
Sheba Properties Limited
Tata Motors Finance Solutions Limited (*Converted from Private Ltd w.e.f. June 4, 2015*)
TMNL Motor Services Nigeria Limited (*Incorporated w.e.f. September 2, 2015*)
Jaguar Land Rover Automotive Plc
Jaguar Land Rover Limited
Jaguar Land Rover Austria GmbH
Jaguar Land Rover Japan Limited
JLR Nominee Company Limited
Jaguar Land Rover Deutschland GmbH
Jaguar Land Rover North America LLC
Jaguar Land Rover Nederland BV
Jaguar Land Rover Portugal - Veículos e Peças, Lda.
Jaguar Land Rover Australia Pty Limited
Jaguar Land Rover Italia Spa
Jaguar Land Rover Korea Company Limited
Jaguar Land Rover Automotive Trading (Shanghai) Company Limited
Jaguar Land Rover Canada ULC
Jaguar Land Rover France, SAS
Jaguar Land Rover (South Africa) (Pty) Limited
Jaguar Land Rover (South Africa) Holdings Limited
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (*Name changed from Jaguar e Land Rover Brasil Importacao e Comercio de Veiculos Ltda w.e.f. February 10, 2016*)
Limited Liability Company "Jaguar Land Rover" (Russia)

Jaguar Land Rover India Limited
Jaguar Land Rover Espana SL
Jaguar Land Rover Belux NV
Jaguar Land Rover Holdings Limited
Jaguar Cars South Africa (Pty) Limited
The Jaguar Collection Limited
Jaguar Cars Limited
Land Rover Exports Limited
Land Rover Ireland Limited
Land Rover Parts Limited (*Dissolved & struck off with effect from July 14, 2015*)
The Daimler Motor Company Limited
Daimler Transport Vehicles Limited
S.S. Cars Limited
The Lanchester Motor Company Limited
Shanghai Jaguar Land Rover Automotive Services Company Limited
Jaguar Land Rover Pension Trustees Limited
JDHT Limited (*Acquired by Jaguar Land Rover Limited on February 2, 2015*)
Silkplan Limited (*Acquired by Jaguar Land Rover Limited on April 16, 2015*)
Jaguar Land Rover Slovakia s.r.o (*Incorporated w.e.f. August 27, 2015*)
Jaguar Land Rover Singapore Pte. Ltd (*Incorporated w.e.f. November 25, 2015*)
Jaguar Racing Limited (*Incorporated w.e.f. February 2, 2016*)
InMotion Ventures Limited (*Incorporated w.e.f. March 18, 2016*)

2. Associates :

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

3. Joint Ventures :

Tata Cummins Private Limited
Fiat India Automobiles Private Limited
Chery Jaguar Land Rover Automotive Company Limited
Chery Jaguar Land Rover Automotive Sales Company Limited
Spark44 (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)
TATA HAL Technologies Limited

4. Key Management Personnel :

Mr Guenter Butschek - CEO & Managing Director (*w.e.f. February 15, 2016*)
Mr R Pisharody - Executive Director
Mr S B Borwankar - Executive Director

NOTES FORMING PART OF FINANCIAL STATEMENTS

					(₹ in crores)
					2015-2016
(b) Transactions with the related parties	Subsidiaries	Joint Venture	Associates	Key Management Personnel	Total
Purchase of goods	1,060.41 1,314.21	5,562.89 5,329.00	742.58 774.56	-	7,365.88 7,417.77
Sale of goods (inclusive of sales tax)	2,612.77 1,611.15	1,194.23 1,243.30	195.09 170.28	-	4,002.09 3,024.73
Purchase of fixed assets	26.17 25.85	-	-	-	26.17 25.85
Sale of fixed assets	5.57 11.46	-	-	-	5.57 11.46
Redemption / buy back of investments	- 1,658.24	-	-	-	- 1,658.24
Sale of investment	746.90 145.66	-	-	-	746.90 145.66
Services received	2,473.53 2,755.01	0.23 0.86	5.41 4.48	11.29# 4.37	2,490.46 2,764.72
Services rendered	256.40 245.66	15.94 5.22	14.26 7.89	-	286.60 258.77
Finance given (including loans and equity)	256.07 141.71	-	- 159.00	-	256.07 300.71
Finance taken (including loans and equity)	1,779.25 1,667.00	-	1,933.09 4.00	-*	3,712.34 1,671.00
Loans repaid by the Company	1,632.55 1,392.25	-	159.00 20.00	-	1,791.55 1,412.25
Interest / dividend paid / (received) (net)	(979.84) (1,613.00)	(28.47) (19.57)	(43.55) 116.39	-	(1,051.86) (1,516.18)
Provision for loan given	45.71 -	-	-	-	45.71 -
Assets given as security	2,500.00 -	-	-	-	2,500.00 -
(c) Balances with related parties (as at March 31, 2016)					
Amount receivable	343.33 620.95	-	12.20 4.65	-	355.53 625.60
Amount payable	1,636.87 337.63	336.07 287.35	52.97 59.63	-	2,025.91 684.61
Amount receivable (in respect of loans and interest)	718.40 605.48	387.12 367.94	- 25.66	-	1,105.52 999.08
Provision for amount receivable (including loans)	639.49 593.78	-	-	-	639.49 593.78
Amount payable (in respect of loans)	445.45 288.75	-	27.00 -	-	472.45 288.75
Bills discounted (in respect of amount receivable)	- -	-	5.18 4.86	-	5.18 4.86
Bank Guarantee / Other assets given as security	2,502.35 2.35	-	3.00 3.00	-	2,505.35 5.35

includes ₹4.61crores (₹ Nil for the year 2014-2015) 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 the current year

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

(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	Fiat India Automobiles Private Ltd	2,688.37	2,996.49
	Tata Cummins Private Ltd	2,874.52	2,332.51
	Tata Marcopolo Motors Ltd	578.16	659.88
	Jaguar Land Rover Ltd	466.12	628.57
	Tata AutoComp Systems Ltd	369.15	408.46
	Automobile Corporation of Goa Ltd	372.07	364.80
(ii) Sale of goods (inclusive of sales tax)	Fiat India Automobiles Private Ltd	982.50	1,066.15
	Concorde Motors (India) Ltd	742.78	599.84
	Jaguar Land Rover India Ltd	1,190.52	449.68
	TML Distribution Company Ltd	536.43	354.97
	Tata Cummins Private Ltd	211.73	177.15
	Nita Company Ltd	167.60	137.18
(iii) Sale of investment	TML Holdings Pte Ltd	324.48	145.66
	Tata Motors Finance Ltd	405.37	-
(iv) Purchase of fixed assets	Tata Technologies Ltd	3.44	11.00
	TML Drivelines Ltd	10.11	7.81
	TAL Manufacturing Solutions Ltd	8.19	4.32
	Jaguar Land Rover India Ltd	4.40	2.71
(v) Sale of fixed assets	TML Drivelines Ltd	5.57	-
(vi) Services received	TML Drivelines Ltd	826.02	766.26
	Tata Technologies Ltd	599.26	556.21
	Tata Motors European Technical Centre PLC	253.60	367.08
	Automobile Corporation of Goa Ltd	2.17	2.39
	Tata Sons Ltd	3.24	2.09
	Tata Motors Finance Solutions Ltd	412.97	-
	Tata Cummins Private Ltd	0.22	-
(vii) Services rendered	TML Drivelines Ltd	105.35	101.78
	Jaguar Land Rover Ltd	74.08	70.70
	Tata Hitachi Construction Machinery Company Private Ltd	10.59	5.79
	Tata Cummins Private Ltd	15.94	5.22
	Tata Sons Ltd	1.78	1.39
(viii) Finance given (including loans and equity)	Investment in Equity		
	Concorde Motors (India) Ltd	45.00	-
	Tata Motors European Technical Centre PLC	73.09	28.71
	Loans		
	Tata Hispano Motors Carrocerries Maghreb S.A.,	58.32	-
(ix) Assets given as security	Tata Motors Finance Solutions Ltd	2,500.00	-

NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)	
		2015-2016	2014-2015
(x)	Finance taken by the Company		
	Inter Corporate Deposit Tata Technologies Ltd	1,168.80	983.70
	Inter Corporate Deposit TML Drivelines Ltd	484.95	484.35
	Inter Corporate Deposit Automobile Corporation of Goa Ltd	28.00	4.00
	Inter Corporate Deposit Tata Hitachi Construction Machinery Company Private Ltd	158.00	-
	Rights issue money received Tata Sons Ltd	1,747.09	-
(xi)	Loans repaid by the Company		
	Inter Corporate Deposit Tata Technologies Ltd	1,147.30	882.20
	Inter Corporate Deposit TML Drivelines Ltd	356.25	332.60
	Inter Corporate Deposit Tata Hitachi Construction Machinery Company Private Ltd	158.00	167.45
(xii)	Interest / Dividend paid / (received)		
	Dividend paid / (received) Tata Sons Ltd	(29.70)	140.89
	Dividend received TML Holdings Pte Ltd, Singapore	(700.21)	(1,494.11)
	Dividend received Tata Technologies Ltd	(227.25)	(99.99)
	Dividend received Tata AutoComp Systems Ltd	(10.47)	-
	Dividend received Automobile Corporation of Goa Limited	(4.47)	-
	Dividend received Tata Cummins Private Ltd	(9.00)	-
	Interest received Fiat India Automobiles Private Ltd	(21.97)	(25.98)

ii) **Disclosures required by Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 186(4) of the Companies Act, 2013**

(a) Amount of loans / advances in nature of loans outstanding from Subsidiaries and Joint Venture during 2015-2016

Name of the Company	Outstanding as at March 31, 2016	Maximum amount outstanding during the year
	₹ in crores	₹ in crores
i) Subsidiaries:		
Tata Motors European Technical Centre Plc., UK [Tata Motors European Technical Centre has utilised this loan for investment in National Automotive Innovation Centre set up jointly with University of Warwick and Jaguar Landrover Ltd and carried an interest rate of 12 months LIBOR + 3%, prevailing rate (4.7076% p.a - 4.7738% p.a.)]	40.56 20.80	40.56 22.39
Tata Hispano Motors Carrocera S.A. (Tata Hispano Motors Carrocera S.A. has utilised this loan for meeting its capex requirement and general corporate purposes, which is fully provided)	539.40 539.40	539.40 539.40
Tata Hispano Motors Carrocerries Maghreb S.A. (Tata Hispano Motors Carrocerries Maghreb S.A. has utilised this loan for general corporate purposes, which is partly provided)	58.32 -	58.32 -
TAL Manufacturing Solutions Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	5.00 10.00	15.00 10.00
Concorde Motors (India) Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	50.00 35.00	50.00 40.00
Tata Marcopolo Motors Ltd (Inter Corporate Deposit utilised for working capital finance at the rate of interest of 10.00% p.a. having Call / Put option)	25.00 -	25.00 -
ii) Joint Ventures:		
Fiat India Automobiles Private Ltd (Loan has been utilised for meeting Capex requirement. The Interest rate is RBI Bank rate, prevailing rate of interest is 7.75 % p.a.)	265.00 265.00	265.00 265.00

(b) Details of Investments made are given in Note 14 and 15 [Refer page F-23, F-24 and F-25].

(c) During the year 2015-16, the Company has provided Commitment for funding Tata Motors European Technical Centre's contribution towards the National Automotive Innovation Centre at the University of Warwick, UK GBP 16.6 million (₹ 158.45 crores).

NOTES FORMING PART OF FINANCIAL STATEMENTS

32. 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 and (b) Cummins Inc, USA, Tata Cummins Private Limited (TCL), for manufacturing engines in India. The Company has an investment of ₹ 1,567.04 crores as at March 31, 2016, representing 50% shareholding in FIAL and ₹ 90.00 crores as at March 31, 2016 representing 50% shareholding in TCL.

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

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

- (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 statement are given below :

	As at March 31, 2016	As at March 31, 2015		2015-2016	2014-2015
RESERVES AND SURPLUS			INCOME		
Reserves and Surplus	325.51	285.84	Revenue from operations	1,738.29	1,373.18
NON-CURRENT LIABILITIES			Less : Excise duty	(183.27)	(129.64)
Long-term Borrowings	18.56	81.84	Other operating income	3.77	4.44
Deferred tax liabilities	36.05	35.51			
Other Long term Liabilities	-	5.69	Other Income	1.63	1.86
Long-term Provisions	23.63	20.32		1,560.42	1,249.84
CURRENT LIABILITIES					
Short-term Borrowings	45.85	100.69			
Trade Payables	195.92	137.33	EXPENDITURE		
Other Current Liabilities	111.49	96.40	Manufacturing and other expenses	1,468.75	1,171.75
Short-term Provisions	38.64	37.20	Depreciation	52.96	39.09
	470.14	514.98	Finance Cost	19.63	7.96
NON-CURRENT ASSETS			Tax expenses	7.27	5.29
Fixed Assets	573.84	607.19		1,548.61	1,224.09
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			

NOTES FORMING PART OF FINANCIAL STATEMENTS

33. Defined benefit plans / long term compensated absences - as per actuarial valuations as on March 31, 2016.

(₹ in crores)

	Gratuity, Superannuation and BKY					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	46.38	42.10	44.21	41.46	37.98	34.17	29.92	31.17	28.55	23.16	6.05	4.56	4.27	3.96	4.12
Interest cost	55.04	57.42	53.44	51.78	48.77	19.92	19.56	18.92	18.21	15.82	10.39	9.80	7.80	7.64	7.03
Expected return on plan assets	(50.13)	(47.69)	(48.06)	(46.24)	(43.69)	-	-	-	-	-	-	-	-	-	-
Actuarial (Gains) / Losses	(10.46)	49.12	3.63	(0.04)	9.50	(3.59)	30.91	(22.41)	2.58	17.81	(11.18)	12.34	2.97	0.71	(3.80)
Total expense recognised in the Statement of Profit and Loss in Note 24, page F-30 under item :	40.83	100.95	53.22	46.96	52.56	50.50	80.39	27.68	49.34	56.79	5.27	26.70	15.04	12.31	7.35
	(b) & (c)					(a)					(c)				
ii Actual Contribution and Benefit Payments for year ended March 31,															
Actual benefit payments	101.72	119.14	72.95	72.52	48.92	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
Actual Contributions	36.66	102.62	25.24	54.12	46.91	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
iii Net liability recognised in Balance Sheet as at March 31,															
Present Value of Defined Benefit Obligation	752.94	742.03	690.29	682.38	652.56	279.16	269.56	235.89	245.72	230.14	134.67	134.32	108.64	96.42	88.66
Fair value of plan assets	664.54	657.87	604.45	624.60	587.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Net liability recognised in Balance Sheet	(88.40)	(84.16)	(85.84)	(57.78)	(65.35)	(279.16)	(269.56)	(235.89)	(245.72)	(230.14)	(134.67)	(134.32)	(108.64)	(96.42)	(88.66)
Experience adjustment on plan liabilities	3.16	8.18	24.05	(20.20)	(1.05)	-	(6.68)	(4.97)	N/A	N/A	(14.88)	(4.42)	3.30	8.10	(3.87)
iv Change in Defined Benefit Obligations (DBO) during the year ended March 31,															
Present Value of DBO at the beginning of the year	742.03	690.29	682.38	652.56	606.73	269.56	235.89	245.72	230.14	198.97	134.32	108.64	96.42	88.66	84.13
Current Service cost	46.38	42.10	44.21	41.46	37.98	34.17	29.92	31.17	28.55	23.16	6.05	4.56	4.27	3.96	4.12
Interest cost	55.04	57.42	53.44	51.78	48.77	19.92	19.56	18.92	18.21	15.82	10.39	9.80	7.80	7.64	7.03
Transfer in/ Transfer (out)	5.47	(0.60)	0.98	(9.38)	-	0.13	(0.24)	0.65	(1.97)	-	0.73	-	0.03	(1.61)	-
Actuarial (gain) / losses	5.74	71.96	(17.77)	18.48	8.00	(3.59)	30.91	(22.41)	2.58	17.81	(11.18)	12.34	2.97	0.71	(3.80)
Benefits paid	(101.72)	(119.14)	(72.95)	(72.52)	(48.92)	(41.04)	(46.48)	(38.16)	(31.79)	(25.62)	(5.65)	(1.02)	(2.85)	(2.94)	(2.82)
Present Value of DBO at the end of the year	752.94	742.03	690.29	682.38	652.56	279.16	269.56	235.89	245.72	230.14	134.67	134.32	108.64	96.42	88.66
v Change in Fair Value of Assets during the year ended March 31,															
Plan assets at the beginning of the year	657.87	604.45	624.60	587.21	547.03	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Transfer in/ Transfer (out)	5.40	(0.60)	0.90	(8.97)	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	66.33	70.54	26.66	64.76	42.19	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Actual Company contributions	36.66	102.62	25.24	54.12	46.91	41.04	46.48	38.16	31.79	25.62	5.65	1.02	2.85	2.94	2.82
Benefits paid	(101.72)	(119.14)	(72.95)	(72.52)	(48.92)	(41.04)	(46.48)	(38.16)	(31.79)	(25.62)	(5.65)	(1.02)	(2.85)	(2.94)	(2.82)
Plan assets at the end of the year	664.54	657.87	604.45	624.60	587.21	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
vi Actuarial Assumptions															
Discount Rate (%)	6.75-8.00	6.75-8.00	6.75-9.20	6.75-8.35	6.75-8.50	8.00	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	8.00	8.00	8.00	8.00	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.00	6.00	6.00	5.00	4.00
vii The major categories of plan assets as percentage of total plan assets															
Debt securities	81%	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	17%	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%	7%	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				
						2016	2015	2014	2013	2012	2016	2015	2014	2013	2012
Revised DBO as at March 31,						150.95	150.27	119.81	103.81	95.34	118.27	118.16	96.31	87.07	81.62
Revised service cost for the year						7.24	6.81	4.96	3.95	4.01	4.64	4.65	3.70	2.79	3.04
Revised interest cost for the year						19.66	19.14	8.55	8.20	7.66	14.24	14.24	7.15	6.67	6.46

(a) Defined Contribution Plans-

- The Company's contribution to defined contribution plan aggregating ₹ 141.62 crores (2014-15 ₹ 142.08 crores) for the year ended March 31, 2016 has been recognised in the Statement of Profit and Loss under note 24 (b) page F-30.
- (b) The expected rate of return on plan assets is based on market expectations, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) The assumption of future salary increases, considered in actuarial valuation, takes into account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) The Company expects to contribute ₹ 56.77 crores to the funded pension plans in the year 2016-17.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

34. Details of provision	2015-2016	2014-2015
(a) Product warranty		
Opening balance	515.11	409.48
Add: Provision for the year (net)	456.01	395.61
Less: Payments / debits (net of recoveries from suppliers)	(344.90)	(289.98)
Closing balance	626.22	515.11
Current	382.51	310.84
Non-current	243.71	204.27
(b) Provision for Delinquency		
Opening balance	1,596.26	1,017.61
Add: Provision for the year (net)	-	1,175.94
Less: Payments / debits (net)	(335.84)	(597.29)
Closing balance	1,260.42	1,596.26
Current	631.00	214.08
Non-current	629.42	1,382.18
(c) Provision for Annual maintenance contracts		
Opening balance	28.86	3.12
Add: Provision / (reversal) for the year (net)	8.68	29.32
Less: Payments / debits (net)	(9.76)	(3.58)
Closing balance	27.78	28.86
Current	17.79	16.29
Non-current	9.99	12.57
35. Purchase of products for sale	2015-2016	2014-2015
(a) Spare parts and accessories for sale	1,578.61	1,731.67
(b) Bodies and trailers for mounting on chassis	1,404.30	1,330.24
(c) Vehicles 51,315 nos. (2014-15 : 54,285 nos.)	2,276.36	2,703.33
	5,259.27	5,765.24
36. Expenditure incurred on Research and Development	2015-2016	2014-2015
(a) Revenue expenditure - charged to statement of profit and loss	563.11	456.10
(b) Revenue expenditure - capitalised	1,573.20	1,651.70
(c) Capital expenditure	80.80	96.50
	2,217.11	2,204.30

NOTES FORMING PART OF FINANCIAL STATEMENTS

37. Derivative transactions

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

(a) Derivative Instruments outstanding as at March 31, 2016

	Amount (Foreign currency in millions)	Buy / Sell	Amount (₹ in crores)
(i) Forward exchange contracts (net)			
USD \$ / INR ₹	USD \$ 1.00	To Buy	6.63
USD \$ / INR ₹	USD \$ 2.00	To Buy	12.50
USD \$ / INR ₹	USD \$ 128.17	To Sell	849.09
USD \$ / INR ₹	USD \$ 93.02	To Sell	581.35
GBP £ / INR ₹	GBP £ 0.08	To Sell	0.76
GBP £ / INR ₹	GBP £ 0.03	To Sell	0.26
(ii) Options (net)			
USD \$ / INR ₹	USD \$ 739.50*	To Buy	4,899.00
USD \$ / INR ₹	USD \$ 760.33	To Buy	4,751.90
USD \$ / INR ₹	USD \$ 4.00	To Sell	26.50
USD \$ / INR ₹	-	To Sell	-
GBP £ / USD \$	GBP £ 24.00	To Buy	229.06
GBP £ / USD \$	GBP £ 7.63	To Buy	70.54
GBP £ / INR ₹	-	To Buy	-
GBP £ / INR ₹	GBP £ 2.49	To Buy	23.02
EURO € / USD \$	EURO € 8.00	To Buy	60.30
EURO € / USD \$	-	To Buy	-
(b) Foreign exchange forward contracts, designated as cash flow hedges as at March 31, 2016			
USD \$ / INR ₹	USD \$ 157.00	To Sell	1,040.09
USD \$ / INR ₹	USD \$ 455.00	To Sell	2,843.64

(c) Foreign exchange currency exposures not covered by derivative instruments as at March 31, 2016

	Amount (Foreign currency in millions)	Amount (₹ in crores)
(i) Amount receivable on account of sales of goods, loan and interest charges		
	USD \$ 22.71	141.94
	EURO € 0.25	1.92
	-	-
	GBP £ 4.27	40.76
	GBP £ 4.65	43.02
	THB 305.30	57.60
	THB 179.85	34.52
	ZAR 26.80	12.03
	ZAR 52.14	26.76
(ii) Amount payable on account of loan and interest charges and other foreign currency expenditure	USD \$ 98.05	649.57
	USD \$ 70.36	439.76
	EURO € 5.44	41.02
	EURO € 9.25	62.13
	GBP £ 9.26	88.43
	GBP £ 28.72	265.50
	JPY ¥ 67.66	399.00
	JPY ¥ 113.89	5.94
	ZAR 21.63	9.71
	ZAR 16.06	8.24
	Others	5.08
	Others	5.83

* Note: Options includes Call Spread Structures (Buy a Call option and Sell a Call option), Seagull Structures (Buy a Call option, Sell a Call option and Sell a Put option) and Range Forward (Sell a Call option and Buy a Put option).

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

38. Information in regard to Sale of Products effected by the Company	2015-2016	2014-2015
1. Light, medium and heavy commercial vehicles, jeep type vehicles, passenger cars, utility vehicles etc. and bodies thereon [including export and other incentives of ₹235.95 crores (2014-2015 ₹293.76 crores)]	41,201.55	34,151.74
2. Spare Parts for Vehicles	3,123.93	2,991.70
3. Others	1,553.97	1,686.05
	45,879.45	38,829.49
39. Information in regard to raw materials and components consumed	2015-2016	2014-2015
(i) Engines	2,110.72	1,841.64
(ii) Tyres, tubes and flaps	2,807.59	2,375.75
(iii) Paints, oils and lubricants	181.59	188.00
(iv) Steel, steel tubes, steel melting scrap	581.37	609.75
(v) Non-ferrous alloys/metals, ferro alloys	77.01	89.70
(vi) Other components	18,554.80	17,050.39
	24,313.08	22,155.23

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

40. Information regarding exports and imports and other matters	2015-2016	2014-2015
1. Earnings in foreign exchange :		
(i) F.O.B. value of goods exported [including sales through Export House, Exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - gain of ₹10.32 crores (2014-15 ₹1.78 crores)]	4,372.15	3,980.18
(ii) Commission	1.68	1.77
(iii) Interest and dividend	708.37	1,526.95
(iv) Sale of services	50.79	58.31
(v) Profit on sale of investment	325.99	13.49
2. C.I.F. value of imports:		
(i) Raw material and components	1,271.37	1,254.57
(ii) Machinery spares and tools	40.68	37.78
(iii) Capital goods	354.25	387.62
(iv) Vehicles / spare parts / accessories for sale	25.42	195.48
(v) Other items	17.84	16.01
3. (a) Value of imported and indigenous raw materials and components consumed [note below] :		
(i) Imported	941.99	1,073.39
(ii) Indigenously obtained	23,371.09	21,081.84
(b) Percentage to total consumption :		
(i) Imported	3.87	4.84
(ii) Indigenously obtained	96.13	95.16

In giving the above information, the Company has taken the view that components and spares as referred to in Clause 5(viii)(c) of Part II of Schedule III of Companies Act, 2013 covers only such items as are consumed directly in production.

NOTES FORMING PART OF FINANCIAL STATEMENTS

	(₹ in crores)	
41. Expenditure in foreign currency (subject to deduction of tax where applicable)	2015-2016	2014-2015
(i) Technical know-how / services / consultancy fees	565.03	661.40
(ii) Interest	263.34	170.21
(iii) Consultancy / professional charges	13.42	12.08
(iv) Payments on other accounts [including exchange differences (net)]	219.44	327.19

42. Other notes

- (i) 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.

(ii) Micro, Small and Medium Enterprise Development Act, 2006

The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the Company. The amount of principal and interest outstanding during the year is given below :

	(₹ in crores)	
	2015-2016	2014-2015
(a) Amounts outstanding but not due as at March 31,	127.39	139.28
(b) Amounts due but unpaid as at March 31,	-	-
(c) Amounts paid after appointed date during the year	122.51	125.55
(d) Amount of interest accrued and unpaid as at March 31,	1.17	1.15
(e) Amount of estimated interest due and payable for the period from April 1, 2016 to actual date of payment or May 30, 2016 (whichever is earlier)	0.03	0.04

- (iii) Current year figures are shown in bold prints.

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

CYRUS P MISTRY [DIN: 00010178]
Chairman

For and on behalf of the Board

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