TATA MOTORS

TATA

72nd Annual Report

2016-17

FUTURE READY

THE GLOBAL MOBILITY ECOSYSTEM IS UNDERGOING A PHENOMENAL TRANSFORMATION AT A BREATHTAKING SPEED. THE COMMERCIAL VEHICLES SPACE, IS WITNESSING A SEA OF CHANGE. THE 'SHARED ECONOMY' MODEL IS GAINING TRACTION AND SO ARE TELEMATICS. THE NEW-AGE CONSUMER'S ASPIRATIONS OF STAYING CONNECTED, BACKED WITH THE ADVANCES IN MOBILE AND TELECOMMUNICATION TECHNOLOGIES, IS SHIFTING THE PARADIGMS OF 'IN-TRANSIT' ECOSYSTEMS. 'SAFETY', 'ECO-EFFICIENCY' ARE BECOMING INTEGRAL TO DESIGN AND INNOVATION OF TRANSPORTATION SYSTEMS. FROM PERSONALLY OWNED, DRIVER DRIVEN CARS TO SHARED - AUTONOMOUS CARS, THE MOBILITY LANDSCAPE IS SEEING UNPRECEDENTED CHANGES. SOME OF THESE TRENDS ARE ALSO SLOWLY BECOMING VISIBLE IN INDIA. WITH THE ADVENT OF THIS TRANSFORMATION JOURNEY IN THE AUTOMOTIVE INDUSTRY, WE RECKON THAT THE FUTURE OF MOBILITY HAS ARRIVED AND WE AT TATA MOTORS ARE 'FUTURE READY'.

HIGHLIGHTS FY2017

CONSOLIDATED

TOTAL VEHICLES SOLD	REVENUE	EBITDA	EMPLOYEES
11,57,808	₹274,492 Cr.	₹36,912 Cr.	79,558

PRODUCTS LAUNCHED IN THE YEAR

TATA MOTORS		TATA DAEWOO	JAGUAR LAND ROVER
09	03	08	11
COMMERCIAL VEHICLES	PASSENGER VEHICLES	COMMERCIAL VEHICLES	

CAPITAL EXPENDITURE

INCLUDING CAPITALISED R&D

₹31,751 Cr.

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About This Report

This Annual Report is aimed at meeting the information requirements of all our shareholders to help them take informed decisions regarding the Tata Motors Group. It also informs all our stakeholders, including customers, suppliers, employees, contractors, competitors, press, analysts, government and others, about the Company's value creation process.

Materiality
This Report includes information which is material to our stakeholders and it presents an overview of our businesses and associated activities that help in short, medium and long-term value creation. We have listed the material financial and non-financial issues for the Company and have presented information around our strategic approach towards these issues.

Scope of the Report
We have presented the information on the Tata Motors Group including our major subsidiary Jaguar Land Rover in a fair, balanced and understandable manner. To ensure optimal disclosure on strategic overview, performance, governance oversight and risk management and control, the contents of this Report have been reviewed by our Senior Management. The information is reported for the period FY 2016-17 while being presented with comparative figures for the previous year, providing a holistic view to stakeholders.

Reporting Principle
Through this Report, we have attempted to enhance our disclosures and have made efforts to align the communication with the Integrated Reporting <IR> framework by International Integrated Reporting Council (IIRC) and the Companies Act, 2013, as well as, the Securities Exchange Board of India (SEBI) guidelines. The Report tries to communicate a clear, concise, integrated story that explains how all our resources are put together in creating value for the business and its stakeholders.

Annual General Meeting

Date
Tuesday, August 22, 2017

Time
3.00 p.m.

Venue
Birla Matushri Sabhagar, 19,
Sir Vithaldas Thackersey Marg,
Mumbai 400 020

INTRODUCING TATA MOTORS

Tata Motors Limited (TML), a $42 billion organisation, is India's largest automobile company and is a leading global manufacturer of cars, utility vehicles, buses, trucks and defence vehicles. Incorporated in India in the year 1945, Tata Motors is a part of the over $100 billion Tata Group founded by Jamsetji Tata in 1868. Recognised for its world-class quality, originality, engineering and design excellence, the Company is on the path of shaping the future of mobility in India. Sustainability and the spirit of 'giving back to society' is our guiding philosophy and good corporate citizenship is strongly embedded in our DNA.

With a large global footprint, the Company has consolidated its position as the Tata Motors Group through mergers and acquisitions. It has a network of 76 subsidiaries in India and internationally, which provide a host of engineering and automotive solutions.

Some of the world's most iconic brands, including Jaguar Land Rover in the UK and Tata Daewoo in South Korea form part of the automotive operations of the Group.

AUTOMOTIVE OPERATIONS

Tata Motors Group

TATA MOTORS

Tata and other brands

TATA DAEWOO

Tata Daewoo Commercial Vehicles

TATA Motorfinance *driven by trust*

Tata Motors Finance Limited

Jaguar Land Rover

JAGUAR

LAND ROVER

OTHER OPERATIONS

Information Technology Services

Machine Tools & Factory Automation Services

TATA AND OTHER BRANDS

TATA MOTORS

Tata Motors has a remarkable portfolio of both passenger and commercial vehicles and have been leading India's commercial vehicles space for several years. The Company operates six principal automotive manufacturing facilities in India: at Jamshedpur in the state of Jharkhand, at Pune in the state of Maharashtra, at Lucknow in the state of Uttar Pradesh, at Pantnagar in the state of Uttarakhand, at Sanand in the state of Gujarat and at Dharwad in the state of Karnataka. Tata Motor's Operating Philosophy is reflected in its Vision, Mission and Values.

Vision

As a High-Performance Organisation, we are, by FY 2019

Among the top 3 in Global CV and Domestic PV

Achieving Sustainable Financial Performance

Delivering Exciting Innovations

Values

Integrity
Teamwork
Accountability
Customer Focus
Excellence
Speed

Mission

We innovate mobility solutions with passion to enhance quality of life

TATA DAEWOO COMMERCIAL VEHICLES

Tata Daewoo Commercial Vehicle Company (TDCV) is South Korea's second largest manufacturer of medium and heavy-duty trucks. Formerly part of the Daewoo Group, the Company was acquired by Tata Motors in March 2004. TDCV is actively pioneering overseas markets by exporting products to about 60 countries.

2nd Largest

MANUFACTURER OF MEDIUM AND HEAVY-DUTY TRUCKS IN SOUTH KOREA

TATA MOTORS FINANCE LIMITED

Tata Motors Finance Limited (TMFL) was incorporated on June 1, 2006, with the objective of becoming a preferred financing provider for the customers of TML's dealers. TMFL is registered with the RBI as a Non-Deposit Taking Non-Banking Financial Company (NBFC) and is classified as an Asset Finance Company under the RBI's regulation on NBFCs.

JAGUAR LAND ROVER

Jaguar Land Rover (JLR) is Britain's largest automotive manufacturer which designs, manufactures and sells some of the world's best known premium cars. The two iconic brands of JLR include Jaguar, with a range of luxury sedans, sports cars and luxury performance SUVs and Land Rover, which encompasses a portfolio of premium all-terrain vehicles. Tata Motors acquired JLR in 2008.

JLR has four principal automotive manufacturing facilities in the United Kingdom at Solihull, Castle Bromwich, Halewood and the Engine Manufacturing Centre at Wolverhampton. It also has two product development facilities in the United Kingdom at Gaydon and Whitley. Jaguar Land Rover also owns a joint venture manufacturing plant under its China Joint Venture, in Changshu, near Shanghai. Expanding its footprint, the firm opened a new manufacturing facility in Brazil and is currently building manufacturing facilities in Slovakia and tied up a contract manufacturing with Magna Steyr in Austria. Jaguar Land Rover is known for its hallmark quality and excellence, strong global distribution network, path-breaking product development and engineering capabilities.

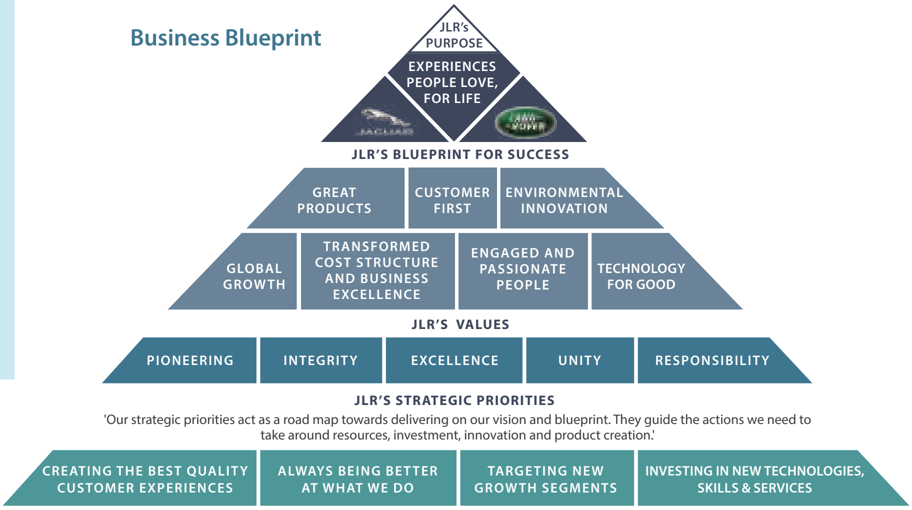
#1
BRITAIN'S BIGGEST CAR MANUFACTURER

213
PRODUCT AWARDS IN 2017

Vision

'We are entering the largest, fastest industrial revolution ever, driven by decarbonisation, air quality, digitisation, connectivity, automation and technology. Against this backdrop we see endless exciting opportunities to create a world in which we will live safer, better, more connected and mobile lives.'

Business Blueprint



TATA MOTORS GROUP – EMBRACING THE FUTURE OF MOBILITY

New technologies, new business models and new partnerships are fast emerging across the world. Both Tata Motors and Jaguar Land Rover are enhancing customer experiences, while being able to deal with the discontinuity and disruption in the market, which comes from new technologies, competition and evolving customer behaviour.

TATA MOTORS – TAMO

We believe in delivering innovation that improves the quality of life for our customers. With the objective of foraying into future mobility solutions, we introduced a sub-brand - TAMO - as a core element of our transformation journey, 'FutuReady'. The first innovation from TAMO will be to redefine connected and personalised driving experiences for Indian customers.

Leveraging Expertise for Connectivity

TAMO will operate as an agile, ring-fenced vertical, in the first step on a low volume, low investment model to provide fast-tracked proves of technologies and concepts.

It will act as an open platform to network with global startups and leading tech companies to get access to trends, innovations and solutions, for the design of exciting future products and services.

For the rapidly changing automotive environment, TAMO will transform the experience of interfacing and interacting with customers and the wider community. We are collaborating with Microsoft to leverage its connected vehicle technologies.

JAGUAR LAND ROVER – INMOTION VENTURE

Our subsidiary, Jaguar Land Rover, through its subsidiary InMotion, offers new digital solutions and on-demand services that meet modern travel and transport challenges of today's consumers. Its long-term ambition is to remain at the forefront of customer-first innovation by creating visionary premium products that respond to changing lifestyles and mobility trends.

Pioneering Connected Autonomous Vehicles

Jaguar Land Rover is working towards global leadership in Connected Autonomous Vehicles. Unrivalled driving experiences and vehicle performance and capability remain central to its strategy. Jaguar Land Rover's Advanced Driver Assistance Systems, including autonomous emergency braking and park assist, are its stepping stones to full autonomy. Through technologies like CloudCar and Connected Car diagnostics, Jaguar Land Rover is pioneering the use of real-time data from its vehicles.

Innovating for a Greener, Smarter Tomorrow

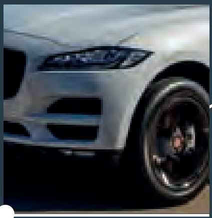
Jaguar Land Rover is introducing a range of alternative powertrains for 2018 and beyond. This includes full electric, hybrid and mild hybrid solutions. By 2020 half of its range will be available with an alternative power option to meet the differing needs of the customers. Jaguar Land Rover is working towards integrating connected and autonomous technology with low-carbon ecosystems. In partnership with Governments and academia, Jaguar Land Rover is also exploring innovations such as car-to-home charging, car-to-grid, and battery storage solutions to respond to an increase in electric vehicle sales.

AN EXCITING AND EVENTFUL YEAR

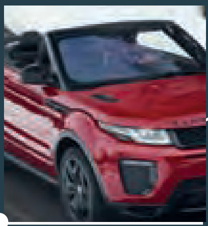
APRIL 2016

JLR launched its InMotion Ventures business unit which is established to develop innovative solutions aimed at overcoming future travel and transport challenges

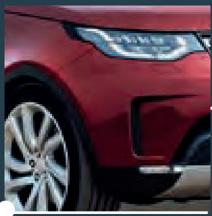
TML launched 'Tiago', the Dynamic Hatchback



Winner of World Car of the Year and World Car Design of the Year, the new Jaguar F-PACE went on general retail sale



The Range Rover Evoque convertible went on sale



The all new Land Rover Discovery was revealed to the public and went on sale

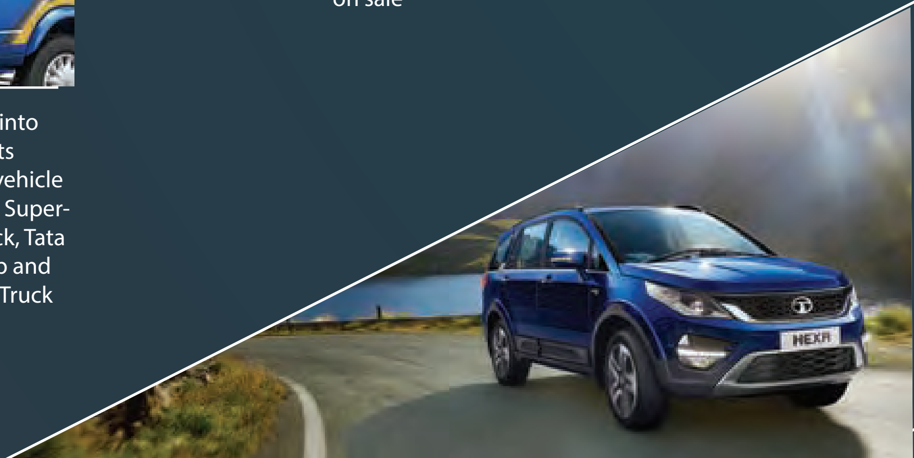
TML forayed into Bolivia with its commercial vehicle range of Tata Super-Ace Mini Truck, Tata Xenon Pickup and Tata LPT 613 Truck

MAY 2016

Jaguar XE went on sale in the US

JLR opened its first wholly owned international manufacturing plant in Brazil

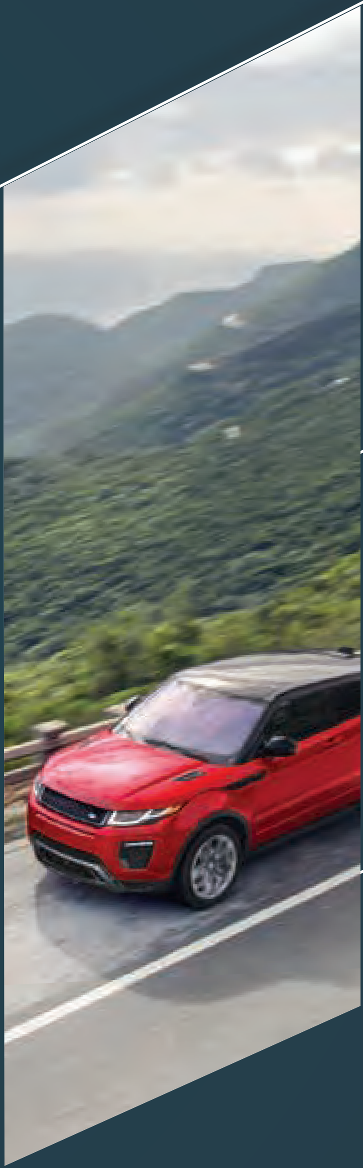
Construction of JLR's manufacturing plant in Nitra, Slovakia commenced. Discovery would be the first vehicle to be produced at the plant from 2018



JUNE 2016

TML launched the 'ULTRA' business utility vehicles in Kenya

Production of JLR's in-house 4 cylinder Ingenium Petrol Engine commenced at the Engine Manufacturing Centre in Wolverhampton in the UK

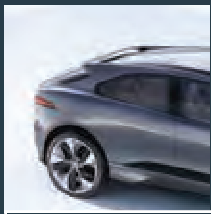


SEPTEMBER 2016

Production of the new long wheel base Jaguar XFL commenced at the China Joint Venture and went on sale locally

OCTOBER 2016

TML recognised as per the J.D. Power study among the most improved brand in its customer service levels with an increase of 39 points, from 2015



NOVEMBER 2016

The Jaguar I-PACE concept, JLR's first battery electric vehicle, was revealed to the public which will go on sale in 2018

Jaguar XF won the Auto Express Golden Steering Wheel award for best saloon car of 2016

JANUARY 2017

TML's contemporary SUV Hexa was launched

TAMO

FEBRUARY 2017

TML introduced its new sub-brand – TAMO

TML launched the subcompact sedan Tigor

MARCH 2017

JLR revealed the Range Rover Velar to the public. It is the 4th Range Rover model positioned between the Range Rover Evoque and the Range Rover Sport

KEY PERFORMANCE INDICATORS

FINANCIAL KPIs (Consolidated)*

TOTAL INCOME (₹ in crores)

2014-15	264,058
2015-16	278,546
2016-17	275,247

NET PROFIT (AFTER MINORITY INTEREST) (₹ in crores)

2014-15	13,986
2015-16	11,678
2016-17	7,557

OPERATING PROFITS (₹ in crores)

2014-15	42,114
2015-16	41,776
2016-17	36,912

EARNINGS PER SHARE (ORDINARY SHARE) (₹)

BASIC

2014-15	42.98
2015-16	34.25
2016-17	21.94

TOTAL DEBT (₹ in crores)

2014-15	72,711
2015-16	69,360
2016-17	78,604

NET DEBT / EQUITY RATIO

2014-15	0.49:1
2015-16	0.25:1
2016-17	0.47:1

NET CASH FROM OPERATIONS (₹ in crores)

2014-15	35,531
2015-16	37,900
2016-17	30,199

*Figures for 2014-15 are as per IGAAP. 2015-16 and 2016-17 figures are as per Ind AS.

STRATEGIC KPIs

TATA MOTORS LIMITED (INDIA)

MARKET SHARE (STANDALONE)

	2014-15	2015-16	2016-17
COMMERCIAL VEHICLES	49.4%	46.2%	44.4%
PASSENGER VEHICLES	5.3%	4.6%	5.2%

JLR: DIVERSIFIED AND BALANCED REGION-WISE SALES

JLR RETAIL SALES (in No.)

	UK	NORTH AMERICA	EUROPE
2014-15	86,750	78,372	87,863
2015-16	107,371	99,606	124,734
2016-17	124,755	123,527	141,043
% Growth in FY 17 vs FY 16	+16%	+24%	+13%

	CHINA	OVERSEAS	TOTAL JLR RETAIL SALES
2014-15	115,969	93,255	462,209
2015-16	95,167	94,693	521,571
2016-17	125,207	89,477	604,009
% Growth in FY 17 vs FY 16	+32%	-6%	+16%

	R&D EXPENDITURE TML (₹ in crores)	R&D EXPENDITURE JLR (GBP in Millions)
2014-15	2,204	1,411
2015-16	2,217	1,560
2016-17	2,100	1,794

CHAIRMAN'S MESSAGE

Dear Shareholders,

It is my honour and privilege to interact with you as the Chairman of the Board at Tata Motors and its British subsidiary Jaguar Land Rover.

The automotive industry is going through multiple changes from different dimensions – changing regulatory and environmental standards as well as technological disruptions and the industry is also witnessing increased competition.

From your Company's point of view JLR has posted an excellent performance but the performance of the domestic segment has been a major concern. The commercial vehicle segment has witnessed a continued decline in market share and the passenger car performance has been muted.

Our consolidated net revenues declined by 1.2% to ₹269,850 crore for the 12 months to March 31st, 2017 and our consolidated profit before tax for the year fell sharply to ₹9,315 crore, compared with ₹14,126 crore in the prior year. Our standalone net revenues increased by 3.7% to ₹44,477 crore for the 12 months to March 31st, 2017 and our standalone loss before tax for the year fell to ₹2,421 crore, compared with ₹67 crore in the prior year.

Jaguar Land Rover represents world-class quality, reliability and performance through its exceptional product range. The Company delivered a 9.2% increase in full year revenues to GBP 24.3 billion in the last financial year, and reported pre-tax profits up 3.4% at GBP 1.6 billion.

In the domestic market, the market share in both the Commercial Vehicles and Passenger Vehicles have declined significantly. The market share for CV segment has fallen to 44.4% from a high of 59.4% in FY 2011-12, while market share for PV declined to 5.2% from 13.1% in the same period. Overall, delays in new product launches as well as lack of adequate responsiveness to the competitive environment and an unsustainable cost structure have contributed to this performance.

In the domestic business segment, business turnaround is the need of the hour and management is working

> We have to bring a renewed focus and energy to improve our market share, reduce our cost base, streamline our supply chain and ensure timely delivery of new products to market.

I am confident that the series of actions being taken by the management team will succeed and show an improved performance in both the commercial vehicle and passenger vehicle segments in India and deliver better financial results.

with renewed focus and energy to improve our market share, reduce our cost base, streamline the supply chain and ensure launch of products on time to delight our customers.

I am confident that the series of actions being taken by the management team will succeed and show an improved performance in both the commercial vehicle and passenger vehicle segments in India and deliver better financial results.

I would like to thank our employees as well as our extended partners, including dealers, suppliers and other stakeholders for their hard work and commitment in this critical phase of Tata Motors.

Finally, I thank you for your continued trust, confidence and support.

Best Regards,
N Chandrasekaran
Mumbai, May 23, 2017

TML MD'S MESSAGE

Dear Shareholders,

When I joined almost a year and a half ago, there was an immediate need to launch a transformation journey, setting the long-term priorities for the organisation, redefining the MVV (Mission, Values, and Vision), laying down the blueprint for CV & PV business strategy till 2020, and launching our strategic game plan with high impact projects for bottom-line/ top-line improvement – all leading to a robust business plan for the FY 16-17. With this background, we set ourselves towards aspirational targets in terms of market share and financials.

On June 20, 2016, we kick-started our transformation journey to be 'FUTUREADY', to instill a sense of the 'very purpose' for the organisation's existence, which immediately caught up with the organisation. The ImpACT (Improvement by Action) projects with full time senior leaders and dedicated teams having ownership at ExCom level helped us focus on four angles of attack – intense top-line focus, cost optimisation, customer centricity and structural improvements in processes. These projects have started to payback and have created a great change of momentum in the entire organisation. We have built a very strong savings potential with positive effects in FY 17-18 and the years to come.

One of the most important initiatives in FY 16-17 was the Organisational Effectiveness (OE) exercise, with the objective of bringing the much needed empowerment and accountability within the BUs, strong functional oversight based on the key principles of speed, simplicity and agility. Due to its magnitude and complexity, the transition of the new management structure w.e.f. April 01, 2017 faced some challenges, which in the meanwhile are getting addressed on a case-to-case basis.

Due to the unexpected and unprecedented changes in the market, we faced a rather hostile business cycle with headwinds in the form of demonetisation and the famous Supreme Court ruling on BS IV transition. As a matter of fact, it was not only the market volatility which affected our performance, but mainly our sluggishness in reading the market in time, as we were effectively late to respond.

While we have made great progress as far as the transformation journey in terms of setting the missing direction for the organisation, we are cognisant of the misses on the operational side where we have delivered significantly below our expectations. There is an immediate need for action in order to refocus the organisation on regaining market share in commercial vehicles and bringing accelerated efforts in cost reduction in order to drive business profitability. I would like to take this opportunity to commit to a stretched plan in FY 17-18 thereby compensating on our poor performance in FY 16-17 with a promise of a better year. **Our immediate priority now is on execution - to address the top concerns of supply constraints, to advance the launch time of some of our new products.** In full alignment with the board, we have finalised a business turnaround plan through which we take upon ourselves to deliver a robust bottom-line improvement in FY 17-18.

In conclusion, I would say that we have immense opportunities, and we are optimistic about the outlook for Tata Motors. We will keep you posted on our progress along the journey in this crucial year.

Looking forward to your continued support, as we put in our best to meet your expectations!

Best Regards,
Guenter Butschek
Mumbai, May 23, 2017

JLR CEO'S MESSAGE

Dear Shareholders,

Our customers are at the heart of everything we do. Our passion and our purpose is to meet and exceed their aspirations; to delight them with experiences they will love for life.

We do not do ordinary.
We do create spectacular, outstanding products.

Jaguar Land Rover is an innovative technology company. We are shaping the mobility revolution as we move from 'ICE to ACE' – from the internal combustion engine to autonomous, connected and electrified vehicles.

SUSTAINABLE, PROFITABLE GROWTH
Our vehicles are in high demand. This fiscal year marks our seventh successive year of growth. We reported retails of 604,009 units, a 16 per cent increase year-on-year with revenues of GBP 24.3 billion and profit before tax of GBP 1.6 billion.

PRODUCT PORTFOLIO
The compelling character of our products with the best British design and engineering integrity has won 213 awards this year. The Jaguar F-PACE won both the World Car of the Year and the World Car Design of the Year award while Jaguar XF won the Golden Steering Wheel award in Germany.

In FY 16-17 we introduced the Jaguar F-PACE and launched the Jaguar XE in the US and the all-new long wheelbase Jaguar XFL for China. In November 2016 we revealed the Jaguar I-PACE, our Battery Electric Vehicle (BEV) which will be available from next year.

Land Rover Discovery went on sale in February 2017 - the world's most capable and most versatile SUV. In March 2017, we launched the Range Rover Velar, the fourth Range Rover model, which defines design excellence, modernity and elegance combined with innovative inner values like the "Blade" system.

BUSINESS = PEOPLE
It is the passion, imagination and engagement of our people that drives our future. At the end of the fiscal year Jaguar Land Rover employed 40,265 people.

We encourage our people to advance their skills. More than 30 per cent take advantage of what is already the best range of lifelong education schemes offered by the Jaguar Land Rover Academy and supported by Warwick Manufacturing Group and other renowned universities.

I want to take the opportunity to thank all our employees, dealers and business partners for their contribution and commitment.

My special thanks go to Mr Ratan Tata for the confidence he has placed in us and the supervisory board, chaired by Mr Natarajan Chandrasekaran.

BREXIT AND GEOPOLITICAL LANDSCAPE
We are a British company with global reach. We can continue to be the beating heart of British manufacturing, the epicentre of premium car production.

To deliver maximum efficiency and effectiveness, the UK needs competitive political and economic conditions. It is free and fair trade, access to the best talents globally and removing red tape that lead to greater national prosperity. The EU is a business opportunity. There is no credible alternative.

THE FUTURE
With significant global economic growth forecasts for the coming years, we are cautiously optimistic that we can exploit the growing premium demand.

At Jaguar Land Rover, we are committed to growing our business responsibly and in ways that benefit broader society. Creating our own future in the world we want to live in.

The pace of change has never been greater. Our aim is to set it. This is a time of great change.

Time for Jaguar Land Rover.

Best Regards,
Ralf Speth
Mumbai, May 23, 2017

BOARD OF DIRECTORS

Mr Natarajan Chandrasekaran
Non-Executive Director and Chairman

Mr Natarajan Chandrasekaran, is the Chairman of the Board of Tata Sons, the holding company and/or promoter of more than 100 Tata operating companies with aggregate annual revenues of more than US $100 billion.

Mr Chandrasekaran also chairs the Boards of several group operating companies, including Tata Steel, Tata Power, Indian Hotels, and Tata Consultancy Services (TCS) – of which he was Chief Executive from 2009-17. His appointment as Chairman followed a 30-year stint at TCS, where he was responsible for consolidating TCS as the largest private sector employer in India and the country's most valuable company.

He was awarded several honorary doctorates by leading universities in India and internationally. Mr Chandrasekaran attended the Regional Engineering College, Trichy, Tamil Nadu, where he completed a Master's degree in Computer Applications.

Mr Chandrasekaran was appointed as an Additional Director and Chairman of the Board of Directors of the Company w.e.f. January 17, 2017.

Dr Raghunath Mashelkar
Non-Executive, Independent Director

Dr Raghunath Mashelkar is an eminent chemical engineering scientist, and an ex-Director General of the Council of Scientific and Industrial Research. He is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance. Honoured by the President of India with the Padma Shri (1991), the Padma Bhushan (2000) and the Padma Vibhushan (2014), Dr Mashelkar holds a Ph.D in Chemical Engineering from the Bombay University.

He was appointed as an Independent Director of the Company w.e.f. August 28, 2007.

STATUTORY COMMITTEES OF THE BOARD

1 AUDIT COMMITTEE

2 NOMINATION & REMUNERATION COMMITTEE

3 CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

4 RISK MANAGEMENT COMMITTEE

5 STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr Nasser Munjee
Non-Executive, Independent Director

Mr Nasser Munjee served with HDFC for over 20 years at various positions including as its Executive Director. He was the Managing Director of Infrastructure Development Finance Co. Ltd. (IDFC) up to March 2004. Presently he is the Chairman of Development Credit Bank (DCB) since June 2005 and is also on the Board of various Multinational Companies and Trusts.

Mr Munjee is a Technical Advisor on the World Bank-Public Private Partnership Infrastructure and Advisory Fund.
Mr Munjee holds a Bachelor's degree and a Master's degree from the London School of Economics, UK.

He was appointed as an Independent Director of the Company w.e.f. June 27, 2008.

Mr Vinesh Jairath
Non-Executive, Independent Director

Mr Vinesh Jairath served as the Principal Secretary (Industries), Government of Maharashtra and has over 25 years of experience in public administration, rural development, poverty alleviation, infrastructure, finance, industry, urban development, environmental management and a touch of the private sector occupying various important positions in the Government of India and the State Government of Maharashtra.

Mr Jairath holds a Bachelor of Arts Degree in Public Administration and a Bachelor of Law Degree, both from the Punjab University . A Masters in Economics from the University of Manchester, UK, he joined the Indian Administrative Service in 1982.

He was appointed as an Independent Director of the Company w.e.f. March 31, 2009.

NON-STATUTORY COMMITTEES OF THE BOARD

6 SAFETY, HEALTH & ENVIRONMENT COMMITTEE

7 EXECUTIVE COMMITTEE OF THE BOARD

CHAIRMAN

MEMBER

Ms Falguni Nayar
Non-Executive, Independent Director

Ms Falguni Nayar has spent over 19 years with the Kotak Mahindra Bank of which she spent the last 6 years as Managing Director and CEO of Kotak Investment Bank. She is currently the founder and CEO of Nykaa.com, an online shopping website for beauty and wellness products and also offers an online magazine, expert advice and virtual makeover tools.

She was recognised as the 'Top Business Woman' by Business Today in 2009 and 2011 and has received the FICCI Ladies Organisation award for 'Top Woman Achiever' in the field of banking in 2008. She holds a B.Com degree from the Mumbai University and a PGDM from IIM, Ahmedabad.

She was appointed as an Independent Director of the Company w.e.f. May 29, 2013.

Mr Om Prakash Bhatt
Non-Executive, Independent Director

Mr Om Prakash Bhatt is a banker, having served as Chairman, State Bank Group in his last assignment till 2011, which includes State Bank of India (SBI), India's largest commercial bank, among other Indian and overseas banks and subsidiaries. Under his leadership, SBI rose on the global list of Fortune 500.

Among other business forums, Mr Bhatt has served as the Chairman of Indian Banks' Association, the apex body of Indian. He serves as an Independent Director on several Boards including Standard Chartered Bank plc, Tata Consultancy Services, Tata Steel and Hindustan Unilever. Mr Bhatt is a graduate in Science and a post graduate in English Literature (Gold Medallist).

He was appointed as Additional and Independent Director of the Company w.e.f. May 9, 2017.

Dr Ralf Speth
Non-Executive Director

Dr Ralf Speth has been serving as the Chief Executive Officer at Jaguar Land Rover since February 18, 2010 and is on the Board of Jaguar Land Rover Automobile PLC, UK. Having served BMW for 20 years, Dr Speth joined Ford Motor Company's Premier Automotive Group as Director of Production, Quality and Product Planning. Dr Speth earned a degree in Engineering from Rosenheim University, Germany and is a Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University.

He was appointed as a Director of the Company w.e.f. November 10, 2010.

STATUTORY COMMITTEES OF THE BOARD

1	2	3	4	5
AUDIT COMMITTEE	NOMINATION & REMUNERATION COMMITTEE	CORPORATE SOCIAL RESPONSIBILITY COMMITTEE	RISK MANAGEMENT COMMITTEE	STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr Guenter Butschek
CEO and Managing Director

Mr Guenter Butschek is the Chief Executive Officer & Managing Director of the Company.

Mr Butschek's last assignment was with Airbus Group where he served as Chief Operating Officer and Member of the Group Executive Committee. Prior to Airbus, Mr Butschek worked at Daimler AG, where he gained more than 25 years of experience in international automotive management, holding functions like production, industrialisation and procurement. He has a rich global experience of growing organisations and developing new markets. Mr Butschek is a graduate in Business Administration and Economics with a diploma from the University of Cooperative Education Stuttgart, Germany.

He was appointed as Chief Executive Officer and Managing Director of the Company w.e.f. February 15, 2016.

Mr Satish Borwankar
Executive Director and Chief Operating Officer

Mr Satish Borwankar started his career with Tata Motors in 1974, as a Graduate Engineer Trainee and is the Executive Director since, 2012. On May 31, 2017, he was re-appointed as Executive Director and designated as Chief Operating Officer. He has worked in various executive positions, for overseeing and implementing product development, manufacturing operations and quality control initiatives of the Commercial Vehicles Business Unit. He has played a significant role in setting up Greenfield projects of the Company. Mr Borwankar is a Mechanical Engineer from IIT, Kanpur.

Mr Ravindra Pisharody
Executive Director (Commercial Vehicles)

Mr Ravindra Pisharody is the Executive Director (Commercial Vehicles) since 2012 having joined Tata Motors as Vice President Commercial Vehicles (Sales & Marketing), in 2007. He is also on the board of various Tata Motors Group Companies. Before joining Tata Motors, he worked with Castrol Ltd., a subsidiary of BP, and with Philips India, a subsidiary of the Dutch company in various roles. Mr Pisharody is an alumnus of IIT, Kharagpur and IIM, Kolkata.

Mr Pisharody has submitted his resignation to the Board of Directors of the Company on June 5, 2017.

NON-STATUTORY COMMITTEES OF THE BOARD

6 SAFETY, HEALTH & ENVIRONMENT COMMITTEE

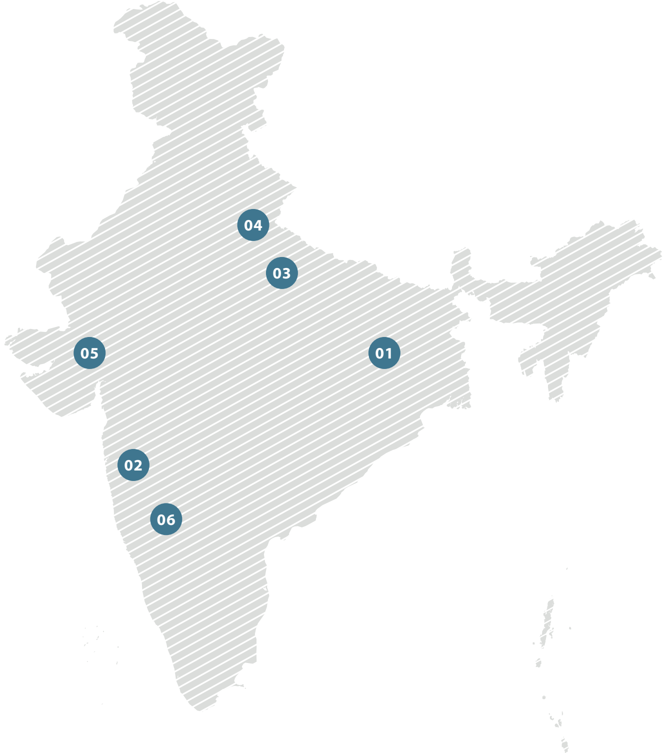
7 EXECUTIVE COMMITTEE OF THE BOARD

CHAIRMAN

MEMBER

GLOBAL FOOTPRINT

Tata Motors Group is present in over 170 countries, with a worldwide network comprising of over 6,600 touch points of Tata Motors and 2,726 retailers of JLR.



Tata Motors operates six principal automotive manufacturing facilities in India

01 *Jamshedpur, Jharkhand*

02 *Pune, Maharashtra*

03 *Lucknow, Uttar Pradesh*

04 *Pantnagar, Uttarakhand*

05 *Sanand, Gujarat*

06 *Dharwad, Karnataka*

JLR has four principal automotive manufacturing facilities in the United Kingdom

01 *Solihull*

02 *Castle Bromwich*

03 *Halewood*

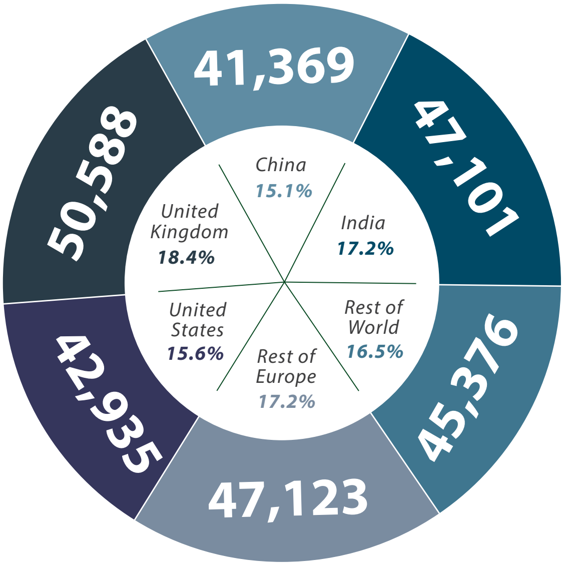
04 *The Engine Manufacturing Centre at Wolverhampton*

Jaguar Land Rover global manufacturing plants

- 01 *Changshu, China (JV)*
- 02 *Rio de Janeiro, Brazil*
- 03 *Nitra (under construction), Slovakia*
- 04 *Graz (operational 2018)), Austria**

**Contract Manufacturing*

GEOGRAPHY-WISE REVENUES FY16-17
(₹ IN CRORES)



SEGMENT-WISE REVENUES FY16-17
(₹ IN CRORES)

Automotive operations	272,692.41
Others	3,184.06
Total*	274,492.12

**After inter-segment elimination*

REVENUES – AUTOMOTIVE OPERATIONS FY16-17
(₹ IN CRORES)

Tata and other brand vehicles	56,448.78
Jaguar Land Rover	216,388.82
Total*	272,692.41

**After intra-segment elimination*

TOTAL GROUP SALES IN THE COMMERCIAL VEHICLES SEGMENT

LIGHT COMMERCIAL VEHICLES	MEDIUM AND HEAVY COMMERCIAL VEHICLES
2,16,222	1,79,875

TOTAL GROUP SALES IN THE PASSENGER VEHICLES SEGMENT

PASSENGER CARS*	UTILITY VEHICLES*
3,19,638	4,42,073

** Includes JLR Vehicles*

PRODUCT PORTFOLIO

Our commercial vehicles portfolio comprises trucks from sub 1-tonne to 49-tonne mass movers, and passenger transporters that range from 5-seater mini vans to 81-seater buses.

Our passenger vehicles portfolio includes compact cars, mid-sized sedans, SUVs, utility vehicles, hatchbacks and crossover cars.

TATA AND OTHER BRANDS

CARGO TRUCKS

Ace Zip

Super Ace

Prima range of trucks

SIGNA range of new M&HCV trucks

PEOPLE CARRIERS

Magic Iris

Magic

Tata Marcopolo School Bus

Starbus Ultra

SPECIAL APPLICATIONS

Xenon

Prima Tipper

Cement Mixer

LPT 1618 Refuse Compactor

PASSENGER VEHICLES

Nano

Hexa

Indica

Indigo

Bolt

Zest

Tiago

Tigor

Sumo

Safari Storme

DEFENCE & HOMELAND SECURITY

Tata GS800 4x4 Hard Top

Combat Support 6x6

Tata Kestrel/WHAP

Tata Light Armoured Troop Carrier

JAGUAR LAND ROVER

JAGUAR: THE ART OF PERFORMANCE

PREMIUM

XJ

XF

XE

XFL

SPORTS

F-TYPE Coupe

F-TYPE Convertible

LIFESTYLE

F-PACE

LAND ROVER: ABOVE AND BEYOND

PREMIUM

Range Rover

Range Rover Evoque

Range Rover Evoque Convertible

Range Rover Sport

LEISURE

Land Rover Discovery

Land Rover Discovery Sport

DUAL-PURPOSE

Land Rover Defender

BUSINESS MODEL

Financial Capital

The funds and monetary resources needed to establish and operate the business. The business raises funds through a mix of debt and equity and optimises its debt based on market conditions

Manufactured Capital

The production facilities and equipment for designing, prototyping and manufacturing vehicles

Intellectual Capital

R&D, innovation, design and engineering which form the basis of our product development efforts

Human Capital

The collective skills, experience and expertise of our people, which drive our production process.

Social & Relationship Capital

Stable and sustainable relationships with value-chain partners and customers are indispensable for business continuity. Our relations with communities ensure Social License to Operate

Natural Capital

The automotive business is dependent on multiple natural resource based raw materials. At the same time, there are several impacts of the business activities on the natural environment

INPUTS

Capital Expenditure (2016-17)
₹ 31,750.74 crores

Consumption of Raw Materials and Components (Consolidated)
₹ 160,147.12 crores

Tata Motors Works India

Jamshedpur
Pune
Lucknow
Pantnagar
Sanand
Dharwad

JLR Manufacturing Plants
UK :
- Halewood
- Solihull
- Castle Bromwich
- Wolverhampton (Engine Manufacturing Center)
- CHINA (JV), Changshu
- BRAZIL, Rio de Janeiro
- INDIA, Pune (Vehicle Assembly)

Spend on R&D
TML: ₹ 2,100 crores
JLR: GBP 1,794 million

Patent Applications - TML: 80
Patent Applications - JLR: 528
Design Applications - TML: 52
Design Applications - JLR: 367

Number of employees (Consolidated)**:** 79558

Employee Benefits & Wages (Consolidated)**:**
₹ 28,332.89 crores

TML:
- Training on safety, diversity Human Rights Policies and concerns, over and above functional training
- Conducting Sessions like SAFE20

JLR's spend on training: More than GBP 100 million a year into training, education and skills

CSR spend
TML: ₹ 25.94 crores
JLR: GBP 10.23 million

Employee Volunteering
(number of hours):
TML: ~70000 Man Hours
JLR: 10000 Man Hours

TML:
- Engagement with dealers through periodic dealer conferences at national and regional levels
- In 2016-17, around 105 suppliers engaged for Environmental, Social and Governance related data and 52 suppliers assessed onsite

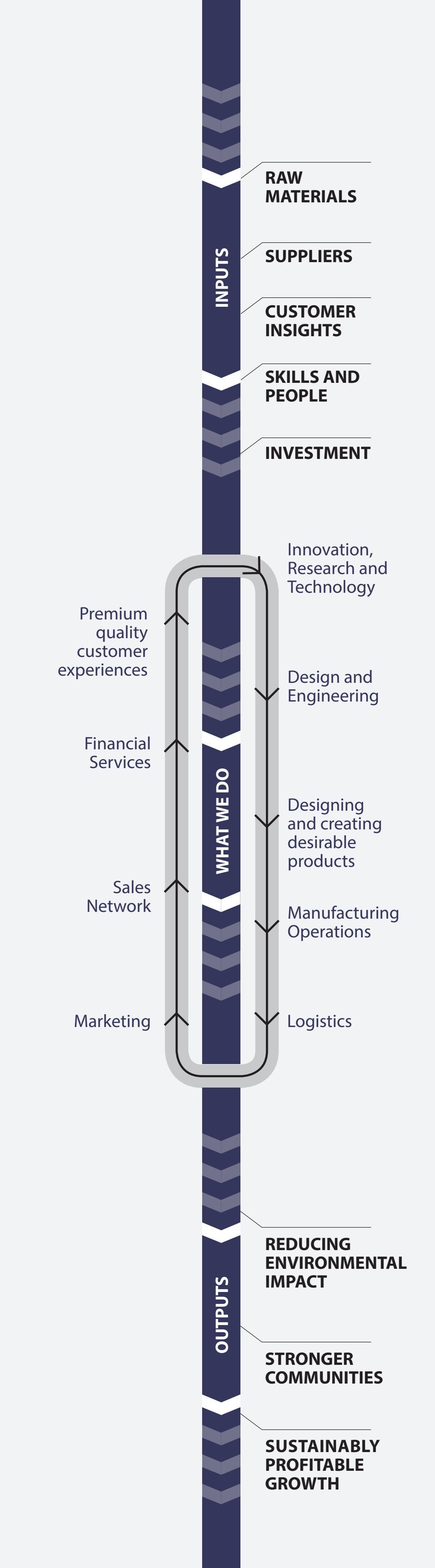
JLR:
- Personalised Learning and Development to support all retailers
- Participation in Carbon Disclosure Project (CDP) Supply Chain programme - a global platform for engaging with suppliers to help businesses decarbonise
- Customer Experience Insight Programme in 124 countries and 53 languages

Energy Usage:
TML (2017): 5.2 GJ/vehicle (including acetylene use)
JLR (2015-16): 2.30 MWh/ vehicle

Energy Conservation:
TML:
- Investment of ₹ 9.24 crores in energy conservation
- Tata Motors is one of the signatories of RE100 (a global collaborative initiative of influencing business committed to 100% renewable electricity by 2030)

JLR :
- Transition to cleaner, sustainable sources of energy
- Sourcing 100% of the electricity to power the facilities from renewables

Resource Management :
JLR & TML : Focus on Life Cycle Assessment of the products
TML: Specific water consumption per vehicle in TML is 11.3m^3



OUTPUTS

Total Income (Consolidated Net of Excise Duty)
₹ 269,850 crores

EBITDA (Consolidated)
₹ 36,912 crores

Net Profit (Consolidated)
₹ 7,557 crores

Number of vehicles sold (Consolidated): 11,57,808

New Products Developed - TML:
- Commercial Vehicles - 9
- Passenger Vehicles - 3

JLR: 11

Key R&D Highlights

TML : Tata Starbus Hybrid, Tata Ultra Electric, Fuel cell bus and India's first LNG bus

JLR: Jaguar I-pace – first 5-seater battery electric crossover, on sale in 2018. Plug-in hybrids on Range Rover and Range Rover Sports to debut shortly

Patents Granted - TML: 22
Patents Granted - JLR: 292
Designs Registered - TML: 26
Designs Registered - JLR: 412

TML: Lost Time Injury Frequency Rate (LTIFR) 0.17, reduction of 11.8 % from 2015-16

JLR: Lost Time Case performance in an improving trend of around 6% Y-o-Y, against increased volumes and headcount. Zero lost time accidents at many sites

TML:
- 67% of employees trained on Human Rights
- 950 women employees trained on Women's Safety Awareness
- 1000+ employees engaged in Safe20 programme

JLR:
- Female graduate and apprentice intake : up by 30%
- Women joining graduate programme make up 29% of total hires
- 10000 employees have undergone further education and talent development

TML has CSR projects in 4 areas:
1. Arogya (Health)
2. Vidyadhanam (Education)
3. Kaushalya (Employability)
4. Vasundhara (Environment)

TML: Social Return on Investment
For every rupee invested by TML in the Skill Development Programme at RKM, ₹ 3.1 of social value attributable to TML is created as on 2014. Will increase to ₹ 4.1 by 2024

JLR: Lives impacted
Almost 6 million in over 25 countries

TML:
- Ranked second in the J.D. Power Asia Pacific 2016 India Customer Service Index
- No incidents of labour and human rights violations and non-compliance with environmental and social regulations among TML suppliers

JLR:
- Trained an audience of ~55000 retailer staff, with training that is developed in 13 core languages
- Participation rate of suppliers in the CDP Supply Chain survey 2015-16 at 72% compared with average of 51%
- Implemented advisory boards to provide "always on" feedback- Customers' Insights inform product planning team

GHG emissions

TML: 0.741 tCO_2e/vehicle

JLR:
- 32% reduction in its European fleet's average tailpipe CO_2 emissions in eight years
- 38% improvement in its operational CO_2 emissions
- Tail Pipe Emissions of European Fleet to reduce further by 25% by 2020

Resource Management

TML: Total Hazardous waste generation - 5361.76 MT

JLR: Through REALCAR (Recycled Aluminium Car) project, in one year (to April 2016) alone, JLR was able to reclaim and recycle more than 50000 tonnes of aluminium waste

JLR: Achieved a 39% reduction in water use per vehicle since 2007

STRATEGIC PRIORITIES

PROGRESS MADE

FOCUS ON NEW PRODUCT DEVELOPMENT

COMMERCIAL VEHICLES

Several product launches (CV); capture higher payload and better TCO (total cost to ownership) requirements.

2017-18 launches:

- 10 product launches in medium, heavy and intermediate commercial vehicles
- XL family in SCV, Yodha Range in 4*4 pickups
- Wide range of transport solutions

PASSENGER VEHICLES

- With the launch of Nexon SUV in the compact SUV segment, addressable market grows from 60% to 75%
- Launch of products from Advance Modular Platform
- Reduction in platforms (from 6 to 2)

JLR

- To launch Range Rover Velar, XF Sportbrake, and major facelifts on Range Rover and Range Rover Sports; Jaguar E-Pace, Jaguar I-Pace (Battery Electric SUV) among others
- By 2020, half of JLR's models will have the option of electrification

Planned ₹ 400 billion in capacity expansion, new products launches and technology adoptions for FY 2017-18

INVESTMENT IN TECHNOLOGY AND INNOVATION

- Extensive in-house research and development activities, which is further supported by research and development facilities at subsidiaries, such as TMETC, TDCV, TTL, and Trilix, together with the two advanced engineering and design centres
- The Company runs several innovation projects in the domains of light weighting, xEVs and Hybrids, Connected vehicles and ADAS features
- Company is gearing up to be ready with the upcoming Bharat Stage VI regulations in India
- Jaguar Land Rover is committed to investments in new technologies to develop products that meet the challenges and opportunities of the premium market, including developing sustainable technologies
- Jaguar Land Rover currently offers hybrid technology on some of its models such as the Range Rover and Range Rover Sports
- Jaguar Land Rover is also developing more efficient powertrains and other alternative propulsion technologies. This includes smaller and more efficient 2.0-litre diesel and gasoline engines (now available across the majority of model range), stop start, mild and plug-in hybrids as well as battery electric vehicles

CUSTOMER FOCUS

- TML monitors quality performance and implements corrections to improve product performance, thereby improving customer satisfaction
- Focused initiatives at both sales and service touch points to enhance best-in-class customer experience
- Moved to the second ranking in J.D. Power Asia Pacific 2016 India Customer Service Index (CSI) Study score
- Rolling out JLR Corporate Identity Programme to almost 900 of its retailers in the next 12 months
- Presenting a consistent image and premium customer experience in existing stores, the Company will also be opening new Jaguar Land Rover Boutiques
- JLR's customers across 1500 retailers in 85 countries can use 'virtual reality' to see new products before their arrival
- JLR online customer advisory board allow it to interact directly with the customers on the improvements in products and services

On the way to achieving our vision, we have identified our strategic priorities. We have already made significant progress on several aspects and our action plan will be aimed at further strengthening our future readiness.

MITIGATING CYCLICALITY

- The Company plans to further strengthen its market share and increase its scale across diverse segments which are less cyclical
- TML continues to strengthen its other business operations (vehicle financing, spare part sales, service and maintenance contracts, sales of aggregates for non-vehicle businesses, among others) to reduce the impact of industry cyclicality

ORGANISATION EFFICIENCY AND COST MANAGEMENT

ORGANISATIONAL EFFECTIVENESS

- TML has undertaken a structure change exercise with key guiding principles of Empowerment to the Business Units with clear accountability for business results
- Delayered the organisation to 5 managerial levels
- Identified transactional roles for transition to shared services, and thereby focusing on core activities

COST MANAGEMENT INITIATIVES

- TML focuses on technology sharing among different businesses. Indica's diesel engines were modified for use in the Ace platform to reduce project cost
- Platform sharing for the manufacture of pickup trucks and UVs, reducing capital investment
- Reduction of labour costs and rationalisation of other fixed costs
- JLR is streamlining purchasing processes and building on its strong relationships with suppliers, while increasing employee deployment and flexibility across sites
- JLR continues to increase its use of new modular aluminium architecture across vehicle platforms

EXPANDING INTERNATIONAL BUSINESS

- TML is growing market share across Kenya, Nigeria, Tanzania, Saudi Arabia, United Arab Emirates and Qatar
- Dominant market position across Bangladesh, Nepal and Sri Lanka
- Focused on Australia and ASEAN countries; in the preceding two years the Company entered Indonesia, Malaysia and the Philippines
- Primarily with operations in the UK, JLR is also expanding its global footprint in Brazil, China and India
- A new facility is coming up in Slovakia
- Tied up with Magna Steyr for contract manufacturing in Austria

RISKS

The table below enumerates the key risks, their impact on our capitals and the mitigation measures that we have adopted. For details of all risks, please refer to the Risk Factors in the Management Discussion & Analysis section.

	Business Strategy and Operating Efficiencies	Volatile Global Economic and Geopolitical Environment	Environmental Regulations and Compliances
CONTEXT	The Company (including JLR) has initiated several programmes to optimise its operating efficiencies and implements its strategic roadmap. These programmes may not deliver projected efficiencies and anticipated benefits may not accrue as expected.	JLR's expanding global presence increases its exposure to multiple geopolitical challenges which may impact its business. India's automotive industry may be affected by the general economic conditions nationally and internationally.	The Company (including JLR) is subject to a rapidly evolving regulatory landscape around environmental issues such as, CO_2 emissions and fuel economy. These developments impact all our products as well as the manufacturing facilities. The Company has to migrate to BS VI in India from April 1, 2020. This entails challenges in the adaptation of technologies, innovations relating to manufacturing, testing and validation to the new standards.
CAPITALS IMPACTED			
MITIGATION	The Company (including JLR) has launched certain initiatives to reduce product and business complexity and to benefit from economies of scale. Its robust project management processes ensure set targets are met.	JLR continues to expand its international footprint and maintains a balanced retail sales profile across key sales regions. The Company (including JLR) continues to closely monitor global geopolitical and macroeconomic developments.	JLR has invested substantially in the development of lightweight architecture, its in-house four-cylinder engines and electrification technologies, including mild and plug-in hybrid as well as battery electric vehicles. The Company is making technological and other investments along with its partners such as Cummins to get itself ready with appropriate BS VI solutions across its products.

Intensifying Competition and Brand Positioning

The global automotive industry (including India) is highly competitive and competition is likely to further intensify following the continuing globalisation and consolidation.

Brand positioning is becoming increasingly challenging as the dynamics of the automotive market (i.e. automated driving, electrification, digital connectivity) and the competitive pressures from existing automotive manufacturers and new disruptive entrants evolve.

Recent successful model launches at JLR has broadened its product range to existing and new customers in established and emerging segments.

The Company has also laid down a clear strategic roadmap for its future product and business strategy in India to mitigate the effect of increased competition.

Besides, the Company (including JLR) regularly monitors the perception of its brands to quickly identify and address emerging risks and opportunities.

Technological Disruption

The fast pace of technological development together with scarcity of specialist resources could result in a significant change in the automotive industry and increase the risk of delivering superior products demanded by current and future customers.

The Company (including JLR) continues to invest substantially in R&D and also continues its strategic focus on key technology areas including autonomy, connectivity and electrification to outsmart competition.

Information and Cyber Security

New and emerging technologies bring unprecedented threats to internet connected devices including vehicles and recent global hacking incidents impacting the geopolitical environment indicate an increase in the motivation to instigate cyber attacks.

The Company (including JLR) strives to implement consistent security policies and procedures as well as educating staff, vendors and suppliers to embed best practices by implementing internal tools to detect and mitigate the current and emerging cyber security threats.

	Exchange Rate Volatility	Product Liability, Warranties and Recalls	Unethical and Prohibited Business Practices
CONTEXT	The Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which it operates. The Company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, its revenues and costs have significant exposure to the relative movements of currencies of those countries. Also, the Company has an outstanding foreign currency denominated debt and is sensitive to fluctuations in foreign currency exchange rates.	The Company (including JLR) is subjected to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety-related issues affecting the Company's products which may, in turn, cause the Company's customers to question the safety or reliability of its vehicles and thus result in a materially adverse effect on its business.	International expansion exposes the Company and its subsidiaries to increased diversity and complexity of legal and other frameworks in a variety of jurisdictions. Therefore, the Company and its subsidiaries become subject to maintaining legal and ethical standards globally.
CAPITALS IMPACTED			
MITIGATION	Currency transaction risk is managed with financial derivatives in line with the hedging policy approved by the Company's and its respective subsidiaries' Board. Also, JLR aims to align its sourcing base with its global sales profile and the revaluation of some of its US Dollar debt provides a natural offset to its US Dollar receivables. Further, the Company hedges its foreign currency debt as per its hedging policy.	The Company (including JLR) regularly monitor the service data of its vehicles to proactively manage recalls and minimise warranty claims. Jaguar Land Rover also issues technical updates to its dealer network to manage identified faults and defects.	The Company's code of conduct sets out the behaviours that the Company expects of its staff, including conforming to the highest moral and ethical standards and complying with applicable laws, including anti-bribery, corruption and competition laws, sanctions and export controls.

Inability to Protect or Preserve the Company's Patents and Intellectual Property(IP)

The Company's and its subsidiaries' substantial R&D investment generates IP and the protection of this IP is necessary to prevent its unauthorised third-party use.

Conversely, the Company and its subsidiaries need to ensure that it does not infringe the IP of third parties.

TML and its subsidiaries have in-house specialists, who manage matters relating to IP and ensure that robust processes are followed by means of patents, registered designs, trademarks and copyrights.

OPPORTUNITIES

TML

Expansion in the Commercial Vehicles space

Huge opportunities lie in front of us to significantly expand our commercial vehicles market share by leveraging our leadership position in CVs, addressing the product gaps in white spaces, further strengthening our dealership and distribution network and expanding our international footprint with the new-generation products in commercial vehicles. Regulations on Bus Body code, focus on fully built vehicles, government thrust on road infrastructure, 'Swachh Bharat' campaign and the big advantage through improved logistics/ supply chain efficiencies under the new GST regime are some of the enablers to new opportunities. The Concept of 'Smart Cities' and programmes like NEMMP will ease the implementation of AMP vision and support mass electrification of public transport.

Defence Solutions

With the Government's push for 'Make in India' initiative, TAFP (Technology Acquisition Fund Programme), enhanced focus on import substitution for Defence equipment and the opening of the defence sector for private sector participation, there is a huge opportunity to tap in the Defence sector. The Company aims to establish itself as a full range Defence solutions provider.

Expansion of the volumes and market share in the Passenger Vehicle segment

Considering the strong outlook for the Indian economy and resulting increase in the private consumption and per capita income, with the low penetration levels (~30 Cars per 1000 people), Indian passenger vehicle industry has a potential to show a significant jump in volumes in the medium to long-term. Given this background, there is a huge opportunity to increase market share on the back of new product launches and meeting regulations at par with global standards. Moreover, a large customer base will become addressable due to the changing trends and segmental shifts.

JLR

Technological Disruptions

Substantial market changes (e.g. automation, connectivity and electrification) enable us to focus on launching industry-leading products ahead of competition. We are also strengthening partnerships with global technological organisations and leading academic research teams.

Brand Positioning

We strengthen our brands by creating greater brand association through innovation and technological advancement into our expanding product portfolio and services.

Growth Avenues

Global economic growth in developed and emerging markets present opportunities to extend sales. Opportunities both in new and existing geographical markets as well as in new and existing segments.

What Makes TML Future Ready?

The crafting of our mission, vision and values marked the beginning of our transformation journey.

HEXA

With HEXA we have reached out to today's dynamic next-gen customers with an emphasis on design, premium comfort and drivability, personifying Tata Motors passenger vehicle business unit's newly defined IMPACT design language and enhanced digital capabilities.

TIGOR

Another remarkable product, the Tata TIGOR with its break-free design dynamics is India's first 'Styleback' car.

XENON YODHA

This smart pick-up is available in multiple variants – 4×2 & 4×4 and in single and double cab options. Powered by a common rail diesel engine, it delivers high power and torque, for varied business requirements.

MAGIC MANTRA

A four-wheeler last mile public transport vehicle, this features a powerful 30 kW (40 hp) engine, a torque of 100 Nm for better pickup with a higher fuel efficiency of 21.4 km/l, powered by a BS IV compliant state-of-the-art 800 cc DiCOR engine.

The year 2016-17 has been a landmark year when we launched several commercial and passenger vehicles, which exemplified our product innovation, advanced design and technology excellence.

Similarly, our subsidiary JLR is leading the transformation from Internal Combustion Engine (ICE) to Automated Connected and Electrified (ACE) vehicles.

JAGUAR F-PACE

Officially the world's best and most beautiful car after double success at the 2017 World Car Awards, has received the prestigious World Car of Year and World Car Design of the Year titles.

JAGUAR XFL

The Jaguar XFL is designed exclusively for China and built at the state-of-the-art Chery Jaguar Land Rover plant in Changshu, the car is fitted with region-specific technology such as the air ionisation function that makes the air inside the car cleaner and more comfortable.

RANGE ROVER VELAR

With Touch Pro Duo, a dual Touchscreen system, lighter, more fuel efficient and powerful Ingenium engine, light weight aluminium body designed for safety and dynamic stability control, Velar leads the way in progressive design, and innovative technology.

LAND ROVER DISCOVERY

The Land Rover Discovery earned a five-star safety rating from Euro NCAP among many awards; recognised for its refreshing design, increased versatility and cutting-edge technology.

Our product launches demonstrate our relentless efforts towards taking a great leap in our transformation journey. Our efforts of being Future Ready have some key building blocks, some of which we have already started laying the foundations for.

EXPLORING OPPORTUNITIES IN MOBILITY

We introduced our sub brand – 'TAMO', as a core element of our transformation journey 'FutuReady'. TAMO showcased RaceMo, our new connected sports coupe, at the Geneva Motor Show 2017. With 'Impact Design', the tech-enabled heart of the car is getting contemporary styling.

JLR's ambition is to be a global leader in Connected Autonomous Vehicles. Its Advanced Driver Assistance Systems, including autonomous emergency braking and park assist, are already stepping stones to full autonomy. JLR envisages the development of an intelligent vehicle in another 10 years, which will be cleaner and safer, with greater car-to-car and car-to-infrastructure connectivity.

JLR's mobility services arm, InMotion Ventures invests in high-growth companies in the mobility and smart transportation sector. Through this arm, JLR offers new digital solutions and on demand services that meet modern travel and transport challenges.

ENRICHING OFFERINGS IN LINE WITH CUSTOMER ASPIRATIONS

Taking an outside-in approach to observe how aspirations of consumers are getting shaped, we evaluated how India's different customer segments are getting influenced by global advancements in technology, design and environmental issues.

In FY 2017, the focus was on strengthening our product portfolio to address key gaps in existing markets by embracing new technologies, fostering higher platform efficiency and offering solutions that connect with customer aspirations.

For passenger vehicles, the focus is on differentiated design, great driving experience and remarkable features. For commercial vehicles, in addition to design, the focus areas are enhancing occupant comfort, reducing ownership cost, leading in fuel efficiency and delivering high performance and reliable products.

Accessing real-time data from vehicles is one of JLR's pioneering initiatives. With the Connected Car diagnostics and technologies like CloudCar, valuable insights can be gained, which not only enable enhanced product development and more efficient processes, but also deliver services before customers even know they need them.

BUILDING A NEW ROADMAP IN THE CV SPACE

A comprehensive strategy has been developed in CVs to build on the leadership position. This involves :

- Investments planned across product segments leading to regular and class-leading product interventions.
- Accelerate front line sales efforts to gain market share.
- Customer-centric, judicial mix of EGR (Exhaust Gas Recirculation) & SCR (Selective Catalytic Reduction) technology offerings.
- Structural initiatives to improve capacity utilisation and productivity.
- Establishing TML as a full-range defence solutions provider.
- Working on the road map prepared for 20% topline contribution from exports.

REVAMPING THE MANUFACTURING PROCESS

The change in the manufacturing approach primarily concerns two aspects - achieving commonality in the bill of materials across PVs and shifting to an advanced modular platform where the same line can be used to make multiple products. The cost-structure analysis is being driven internally by ImpACT projects.

At JLR, the first phase of transformation is complete, with costs reduced across the business through process excellence and architecture efficiencies.

Now, the Company is working to lead in electrification, to achieve the scale required to remain competitive globally. The driving force of this transformation is the organisation's culture of innovation.

JLR is introducing its standardised framework to overseas sites as a way of directing cross-functional collaboration and ensuring the deployment of the right capabilities needed to manufacture our products.

SPEARHEADING INDIGENOUS DEFENCE TECHNOLOGY

Tata Motors' Defence Solutions offers its customers a wide range of vehicles in the light, medium and heavy category. These include Logistics, Tactical, Armoured and Specialist vehicles, with lowest life-cycle maintenance cost, supported by the Company's vast pan-India service network, ensuring maximum operational readiness.

At TML, we are leading a consortium that is bidding for the 'future infantry combat vehicle' (FICV) project worth $10-billion. Tata Motors, Bharat Forge and General Dynamics Land Systems have come together for this initiative.

Future-focused Products

The future is always evolving. Therefore, it demands time-critical innovation, backed by deep understanding of industry dynamics and changing customer aspirations.

COMMERCIAL VEHICLES

- Sustainability fuels our innovation programme. Intensive work is continuing on alternate fuels. At TML, we have developed hydrogen fuel cell technology that powers both passenger and commercial vehicles to reduce dependence on fossil fuels. This technology was developed with support from the Government of India's Department of Scientific and Industrial Research.
- We have developed next-gen clean, green fuel based commercial vehicles, such as the Magic Iris Electric, a zero-emission commercial passenger vehicle, which uses solar energy for supplementary charging.
- Our efforts to reform our manufacturing approach will enable the delivery of smarter products.

PASSENGER VEHICLES

- Product portfolio will include brand-enhancing products and products aligned to rising aspirations of customer segments.
- Our architectural approach will be to reduce complexity, adopt emerging technologies and ensure global relevance.
- We have mapped technology solutions in key areas, such as powertrain systems, ADAS and enhanced connectivity to our future product portfolio and have defined the application framework.

SMART BUSES

TATA MOTORS' RANGE OF SMART BUSES INCLUDES – STARBUS LNG, STARBUS, BRTS, FUEL CELL BUS, STARBUS HYBRID AND STARBUS ELECTRIC (9M AND 12M). THE SMART BUSES AIM AT MAKING THE CITY CLEAN AND GREEN.

STARBUS FUEL CELL IS INDIA'S FIRST ZERO EMISSION HYDROGEN CELL POWERED BUS, DEVELOPED IN PARTNERSHIP WITH ISRO (INDIAN SPACE RESEARCH ORGANISATION)

With focus on decarbonisation, digitisation, connectivity and automation, our subsidiary Jaguar Land Rover (JLR) continued innovating new products and launched 11 major model innovations. It offered new levels new levels of digital connectivity, with the InControl Touch Pro information system, which can be tailored to drivers' preferences.

JAGUAR I-PACE

With the I-PACE Concept, unveiled this year, JLR has created a vehicle with supercar inspired aesthetics, sports car performance and SUV space, in one electric package. Going on sale in 2018, I-PACE is far more than a concept. It is a preview of JLR's first production battery-powered car, and demonstrates the Company's on-going commitment to create exciting and desirable electric vehicles.

UNIQUE & POWERFUL SOLUTIONS

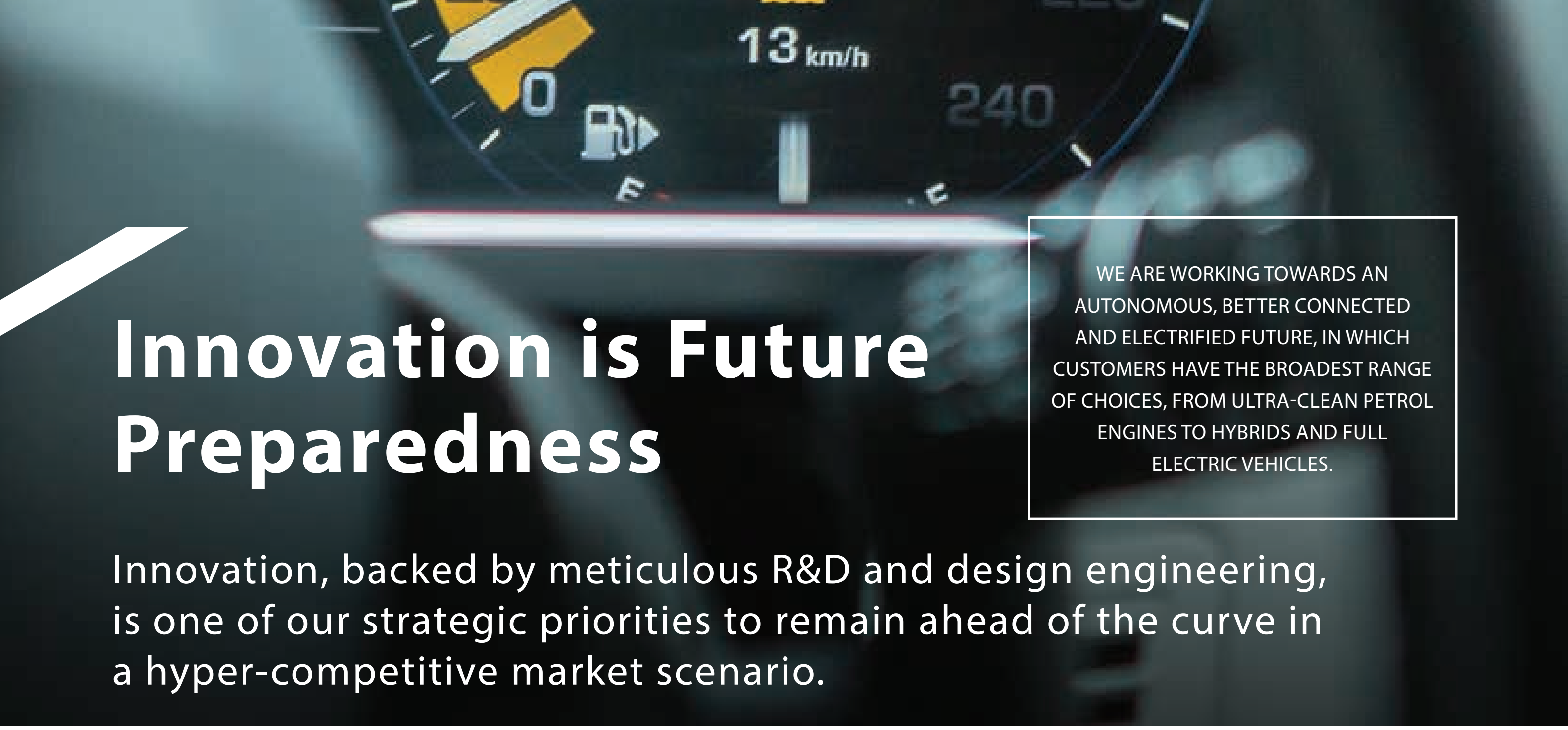
To support the growing demand for cleaner, safer and smarter vehicles, and build a globally competitive business in the changing automotive landscape, JLR will continue to increase the number of manufacturing operations. Each of JLR's manufacturing sites is catering to specific customer requirements across geographies:

- China's first all-aluminium body shop has been established to support production of the Jaguar XFL.
- In Brazil, a new manufacturing plant has been launched.
- In Austria, as part of the manufacturing partnership with Magna Steyr, JLR's first electric vehicle Jaguar I-PACE is being built.
- The Company has also pledged that by 2020, half of its models will have the option of electrification.

FUTURE OF MANUFACTURING
JLR'S NEW FACILITY AT SLOVAKIA

JLR began constructing the new GBP 1 billion facility in Nitra, Slovakia, in 2016. Some of its key features include:

- The factory will be at the forefront of aluminium manufacturing and engineering expertise.
- Designed with the flexibility to enable smart and connected technologies that ensure improved process efficiency and delivery.
- Europe's first plant to use Kuka's Pulse carrier system, 30% faster than conventional conveyance systems.
- The paint shop will also feature highly automated processes to deliver quality and minimise environmental impact.
- Land Rover Discovery will be the first vehicle to be manufactured in Slovakia, complementing existing production in Solihull, England.



Innovation is Future Preparedness

WE ARE WORKING TOWARDS AN AUTONOMOUS, BETTER CONNECTED AND ELECTRIFIED FUTURE, IN WHICH CUSTOMERS HAVE THE BROADEST RANGE OF CHOICES, FROM ULTRA-CLEAN PETROL ENGINES TO HYBRIDS AND FULL ELECTRIC VEHICLES.

Innovation, backed by meticulous R&D and design engineering, is one of our strategic priorities to remain ahead of the curve in a hyper-competitive market scenario.

We believe, to gain market share and strengthen our financial position, we need to drive our innovation efforts more aggressively.

We have around 4500 engineers, scientists and technicians, who are driving innovation at Tata Motors. Aiming to be a global leader in the technology domain, our R&D centres span multiple geographies, including Pune (India), UK and South Korea. Under the TAMO brand, we are instituting Innovation Hubs in Europe and the US. We are also collaborating with international partners such as Vibracoustic, Bosch, Goodyear, Randle Engineering Services and ILJIN, among many others, for forward-looking technologies.

In India, we are investing significantly towards technology upgrades for meeting the upcoming BS VI requirements for all our products over the next two to three years.

FUTURISTIC TECHNOLOGY

Some of TML's futuristic technology programmes comprise:

- M-Flex MMS Technology for modular car platform
- Internet of Things (IoT) and associated technologies on connectivity such as apps, telematics, diagnostics, analytics, among many others
- Adaptive Ride Control with Advanced Suspension Dual Stage Damper Technology with Electronics Switches for City and Power modes
- Next generation infotainment system with 6.5" TFT touch screen with advanced features like Google Android Auto, Apple Car Play, in-car voice alerts, premium acoustic experience with 8 speakers has been delivered for the Osprey platform
- Focusing on technology to combine automotive and consumer grade products. Wearable vehicle authentication key with health monitoring is an example
- Selective ADAS technologies for market specific implementation like Forward Collision Warning with Camera - Pedestrian, 2-Wheeler, 4-Wheeler detection (day and night detection), seat belt reminder using ODS (occupant detection sensor) sensor, among others
- Focus on vehicle level noise reduction to enhance customer comfort
- Development of electro-viscous fan control on M&HCV trucks, which improve fuel economy by reduced fan duty cycle
- Development of indigenous Li-Ion battery packs for hybrid and electric buses
- Enhancing the effectiveness of regenerative braking by optimally blending it with conventional brake systems
- Indigenous development of fuel cell systems and accessories

OUR CONCEPT CARS AND AWARD-WINNING ENGINES BEAR TESTIMONY TO OUR R&D EFFORTS.

JAGUAR LAND ROVER

A sharp focus on design, technology, research and engineering are key to JLR's product development. It also incorporates the evolving customer expectations.

JLR's innovation and research are targeted towards making cars:

Smarter
With the introduction of the InControl Touch Pro infotainment system, JLR is offering new levels of digital connectivity, which can be tailored to drivers' preferences; and is revolutionising the way in which customers interact with their vehicles. The Company is focusing on next-gen technologies, based on machine-learning techniques, thereby learning drivers' preferences and developing vehicle intelligence, as cars become part of the connected digital ecosystems.

Safer
Keeping customer safety at the forefront, the cars transmit location and vehicle diagnostic data to accelerate recovery services at the time of break-downs. In case of serious incidents, the cars have in-built SOS systems, which transmit messages to emergency services. In the external environment too, drivers can use tablets or phones to check fuel levels, record journeys and remotely ensure doors and windows are locked. The InControl Touch Pro system is also aiding the in-car control systems, ensuring customer safety.

With its advanced Driver Assistance Systems, including autonomous emergency braking and park assist, the Company is aiming to be a global leader in Complete Autonomous Systems.

Cleaner
To reduce environmental impact at every possible stage of a vehicle's life cycle, the Company is focusing on both, its operations and the fleet average tailpipe CO_2 emissions.

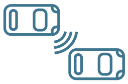
Through a series of initiatives including the Real Car project and the innovative closed loop process, the Company aims to make its manufacturing operations carbon neutral by 2020 and reduce its European fleet average tailpipe CO_2 emissions by a further 25% by 2020.

Stylish
Focusing on futuristic designs, the Company has been collaborating with students from the Royal College of Art, since 2000, to get insights into Generation Y's preference for future cars.

JLR is opening the National Automotive Innovation Centre (NAIC) in Spring 2018.

A sum of GBP 150 million is being invested in building the NAIC capital and its research initiatives.

SOME OF OUR RESEARCH PROJECTS



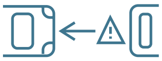
Cooperative Adaptive Cruise Control
JLR is using the latest vehicle-to-vehicle communications technology to develop ways for future connected cars to work together autonomously to make lane changing and crossing junctions easier and safer.

Mind Sense
A research project to see if a car could effectively read the brainwaves that indicate a driver is beginning to daydream, or feeling sleepy, while driving.

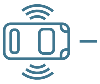
Driver Wellness Monitoring
JLR is assessing how a vehicle could monitor the well-being of the driver using a medical-grade sensor embedded in the seat of a Jaguar XJ.

Predictive Infotainment Screen Prototype
Cameras embedded in the car are used to track the driver's hand movements, enabling the system to predict which button the driver intends to press, allowing button selection in mid-air and less time with eyes off the road.

Haptic Accelerator Pedal
JLR is exploring the use of haptics (applying touch sensation to interactions with computer applications) to help the driver increase the speed of their response and take the correct action.



Over the Horizon Warning
This is part of a research project testing in-vehicle communication devices that can transmit data from vehicle in order to warn drivers of hazards and obstacles over the horizon or around blind bends.

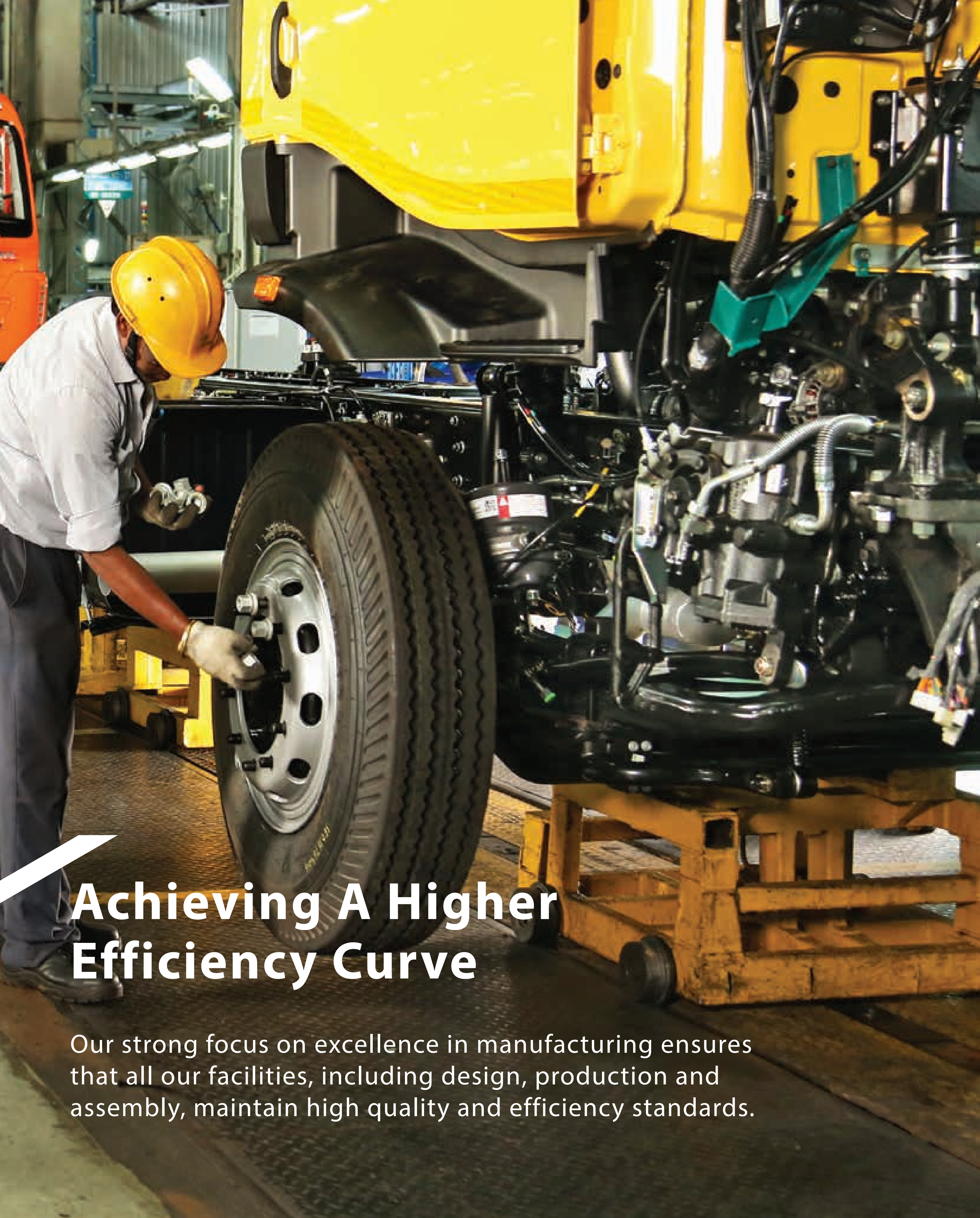


Roadwork Assist
Currently investigating advanced driver assistance to guide the vehicle to the centre of narrow roadwork lanes, reducing driver workload and stress.

Safe Pullaway
The use of stereo camera technology to scan the area immediately in front of the vehicle. If objects such as vehicles or walls are detected, the brakes are automatically applied and the driver receives an audible warning.

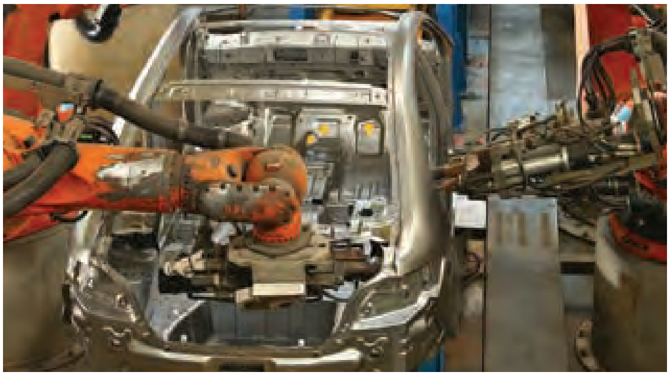
TATA MOTORS (FY 2017)				JAGUAR LAND ROVER (FY 2017)			
PATENT APPLICATIONS	PATENTS GRANTED	DESIGN APPLICATIONS	DESIGNS REGISTERED	PATENT APPLICATIONS	PATENTS GRANTED	DESIGN APPLICATIONS	DESIGNS REGISTERED
80	22	52	26	528	292	367	412

FILING AND GRANT DETAILS INCLUDE NATIONAL AND INTERNATIONAL JURISDICTIONS



Achieving A Higher Efficiency Curve

Our strong focus on excellence in manufacturing ensures that all our facilities, including design, production and assembly, maintain high quality and efficiency standards.



Our plants are certified for world-class manufacturing and quality standards, with high-end automation and technology.

Transformation Journey

As part of our transformation journey, we are focused on implementing next-generation advanced modular platform for all our Future Passenger Vehicles , enabling a faster time-to-market approach. With this transformation, we aim to roll out more nameplates per platform and reduce complexities of our production process. Our strategy is to deliver 7-8 product variants from two platforms for greater coverage and sizable economies of scale.

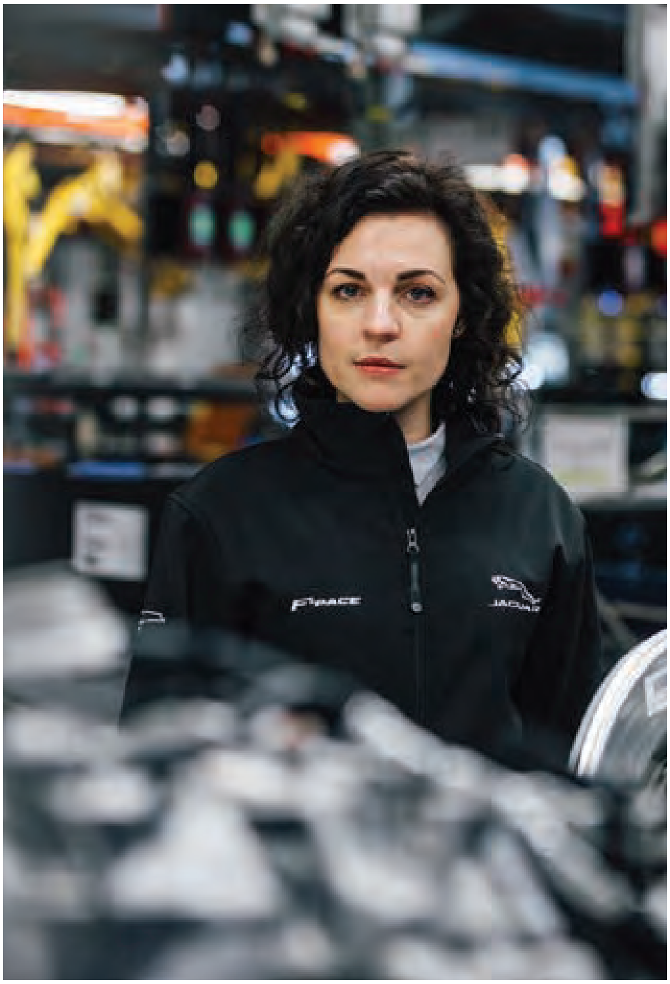
We have several initiatives for technology upgrades, including ERP, CRM and Data Analytics for Supplier Relationship Management, IT interventions on the shop floor e.g. Project Tantra for Poka-Yoke and implementation of Theory of Constraints in Spare Parts.

Moreover, as part of the Future Ready transformation journey, we have identified 27 ImpACT projects, which will pivot our Strategic Game Plan. There will be a dedicated team led by ExCom members working for these mission-critical projects.

Similarly, Jaguar Land Rover aims to achieve the 'operational excellence' goals and optimise business efficiency through a major business transformation. To improve our efficiency and quality, our manufacturing strategy focuses on:

- Building flexibility across lines
- Integrating sales and production plan to better demand management
- Productivity Improvement/ DIFTR
- World-class Quality
- Control on manufacturing cost
- Team competence and capability building

While implementing state-of-the-art facilities and new technologies for increasing efficiency and effectiveness across the Company, JLR builds process excellence using 'The Jaguar Land Rover Way' and the 'Tata Business Excellence Model' (TBEM).



JLR'S APPROACH TOWARDS TRANSFORMED COST STRUCTURES

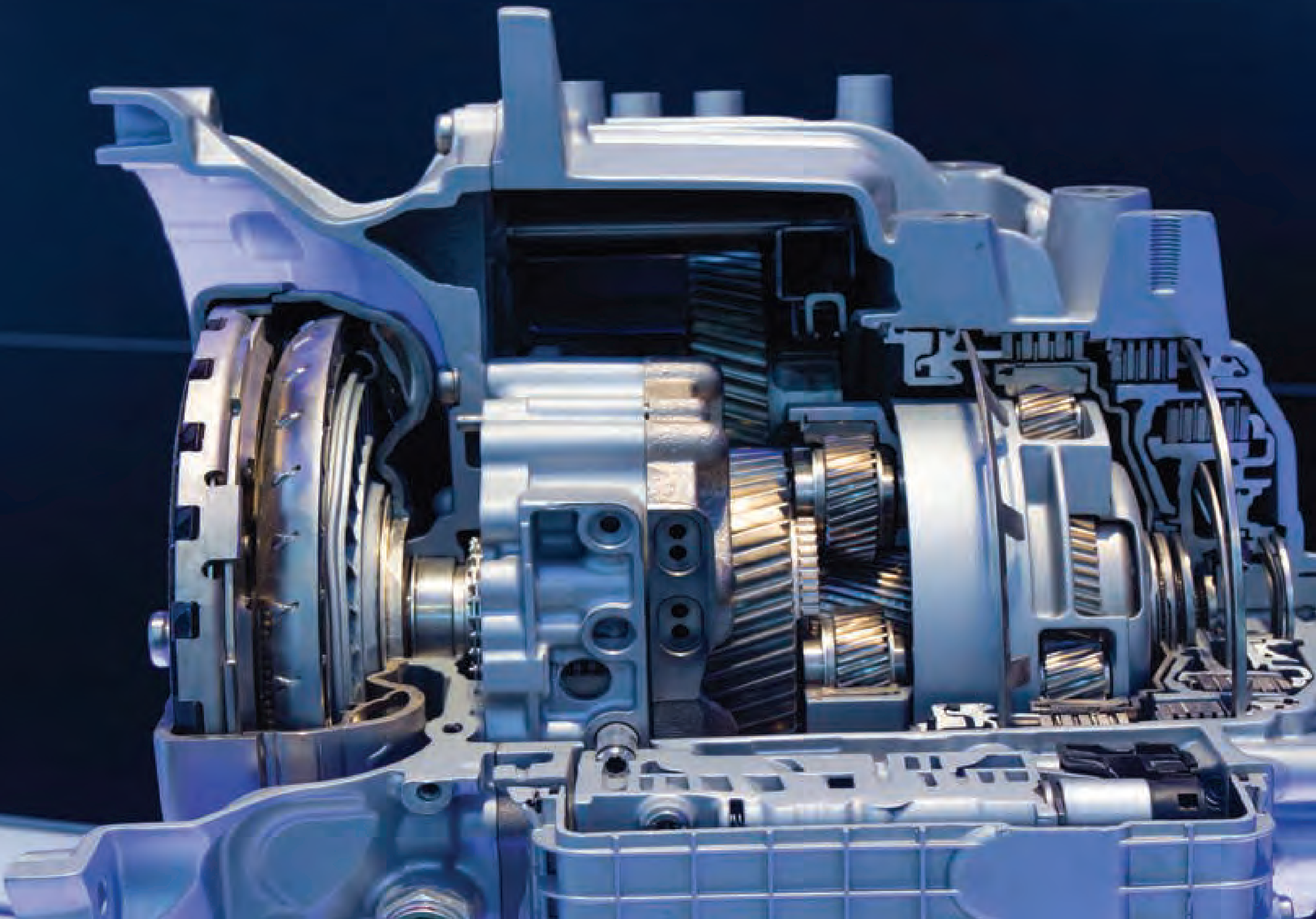
To implement improvements in processes and procedures, JLR encourages the 'go-look-see' approach, based on cross-functional involvement of its employees and a centralised governance system to experiment with innovative solutions. For driving cost-savings further, the Company is adopting big data analytics which will enable it to be agile and adapt quickly to challenges and business drivers.

Thrust on Innovation

THE COMPANY ENCOURAGES ITS EMPLOYEES TO SHARE IDEAS ON RESOURCE EFFICIENCY, WASTE MINIMISATION AND STREAMLINING PROCESSES. THE RESULTS OF IMPLEMENTING IDEAS GENERATED BY EMPLOYEE 'INNOVATION CIRCLES' HAVE RESULTED IN GBP 5.3 MILLION IN SAVINGS.

Engine Enhancements and Green Technologies

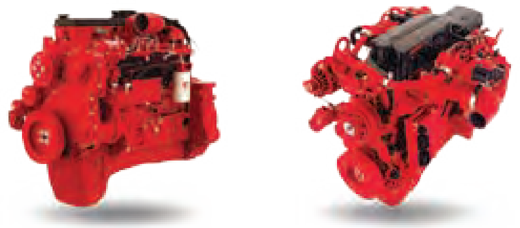
We believe the key to staying competitive in the automotive industry will be a faster integration of eco-friendly technologies and enhancing preparedness for upcoming environmental regulations.



TATA MOTORS' MAJOR INNOVATIONS IN ENGINE TECHNOLOGIES

Next Gen DICR Engines

These engines, available in 3L and 5L capacities, offer best-in-class fuel economy, excellent performance lower total cost of ownership, better reliability and durability. These engines are BS IV compliant and are design protected to meet future emission requirements (BS VI).



Tata Cummins Engines

As a part of our collaboration with Cummins, we have manufactured a wide spectrum of best-in-class engines that deliver high value propositions like fuel economy, reliability and durability.

Revotron

This next-gen aluminium body, light-weight engine has a stiffened crank case with smart electronic control, which minimises noise and vibration and ensures precise control. With the unique multi-drive mode feature, this engine guarantees best economy and driving pleasure.

Revotorq

Tata Motors' Revotorq 1.05L diesel engine made its debut with the Tiago. The engine has been globally benchmarked on various parameters such as performance, economy and refinement.

With environmental innovation embedded in its product development strategy, Jaguar Land Rover is focusing on vehicle light-weighting, powertrain right-sizing and increasing the application of electrification in its propulsion systems.

Ingenium Engines

BY INCREASING THE USE OF ALUMINIUM ACROSS MODELS AND ENHANCING THE USE OF ITS OWN INGENIUM RANGE OF EFFICIENT ENGINES, JLR IS REDUCING THE EMISSIONS ASSOCIATED WITH ITS LIGHTWEIGHT VEHICLES.

ALREADY, THE 2.0-LITRE, FOUR-CYLINDER TURBODIESEL ENGINE HAS BEEN INTRODUCED TO JLR'S XF AND XE MODELS, AND WILL EVENTUALLY FEATURE IN MOST CURRENT AND NEW MODELS. THE INGENIUM ENGINES ACHIEVE JUST 99G/KM OF CO_2 IN THE JAGUAR XE AND 104G/KM OF CO_2 IN THE JAGUAR XF.

THE ENGINES, WILL NOT ONLY MINIMISE EMISSIONS BUT ALSO WILL BRING DOWN THE RUNNING COSTS OF THE CARS AND BE MORE EFFICIENT.

COMPLYING WITH EU LEGISLATION, THE STATE-OF-THE-ART ENGINE CAN BE ADAPTED TO INTEGRATE FUTURE TECHNOLOGY ADVANCES AND REGULATION CHANGES.

THE PRODUCTION OF 2.0-LITRE, FOUR-CYLINDER INGENIUM PETROL ENGINE HAS STARTED FROM APRIL 2017. THIS WILL DEBUT IN JLR VEHICLES IN THE SUMMER.

Along with these-next generation engine technologies, Tata Motors is working to create futuristic transmission solutions that offer best-in-class driving experiences, fuel efficiency, performance and value proposition to customers. Some of our evolved transmission technologies are:

Intelligent Gear Shift Indicator
This prompts the operator to select the gear, which ensures the best balance of fuel economy and driving performance.

6L50 Automatic Transmission
Launched in Hexa and Xenon, this transmission is six-speed, electronically controlled with two overdrive ratio gears.

Easy Shift Technology on Passenger Cars
Compared to conventional ATS, it is designed to deliver an optimum combination of driving comfort, coupled with performance, fuel economy and better affordability.

G550 Automated Manual Transmission **('EasyShift' on CVs)**
This AMT solution has been developed on New Gen 6-speed. It has been launched on Ultra bus with New Gen 3 litre engine. Its full potential can be leveraged with the advent of Hybrid.

JLR also continues to invest significantly in the development of new powertrain technologies with plans to introduce Mild Hybrids (MHEVs), Plug-in Hybrids (PHEVs) and Battery Electric Vehicles (BEVs) into its product range. It currently offers diesel hybrid variants of the Range Rover and Range Rover Sport.

Partly funded by the British Government, **JLR's TRANSCEND** programme aims to rebuild the UK's transmission production through investment in processes to develop lighter components as well as more energy-efficient manufacturing production. This is an advanced research project that aims to create lightweight, eight-speed transmission with an ultra-wide ratio spread of 20, which is more than double that of a conventional eight-speed automatic. Weighing around 20 kgs less than existing eight-speed automatics, TRANSCEND could be used in longitudinal rear-wheel drive and all-wheel drive vehicles.

Since 2008, the Company is investing heavily in the development of ultra-clean petrol and diesel engines. It has been constantly reducing NOx emissions with every new model year vehicle. The Company's latest EU6 diesel engines are among the cleanest in the world, comparable with petrol engines, but with up to 20% lower CO_2 emissions.

JLR is also introducing a range of alternative powertrains from 2018 and beyond. This includes full electric, hybrid and mild hybrid solutions. It aims that by 2020, half of its range will be available with an alternative power option, suiting different customer needs.

Tata Motors is also introducing zero-emission, clean drivelines into its mainstream product line. Continuing with our commitment towards the development of low-emission technologies, we introduced our fuel-cell bus for zero-emission sustainable urban transport for future cities. The bus is developed on the same platform as the series of hybrid bus.

Some of our key initiatives in this direction are:

Fully Electric
Fully electric vehicles ranging from small commercial vehicle to 12m buses, driven by a powerful, high efficiency permanent magnet motor and high energy lithium-ion battery packs.

Fuel Control
Fuel efficiency improvement in diesel small commercial vehicles by the implementation of fuel control unit based FIE system on twin-cylinder turbo diesel engine.

Hybrid Bus
Series hybrid bus with New Gen 5L BS IV diesel engine developed and serialised; the vehicle has substantially superior fuel economy over baseline diesel vehicle.

Build and Testing
Fleet of fuel cell bus under build and testing.

Engine Downsizing
Fuel efficiency improvement in diesel passenger car by engine downsizing (30% engine displacement reduction), friction reduction in piston ring pack and implementing multiple drive modes.

Motorised EGR System
Better emission control by motorised EGR system for small commercial vehicles employing two-cylinder NA common rail BS IV engine.

Better Fuel Economy
Multi operation mode (economy and normal torque mode) for better fuel economy and drive ability on commercial vehicles fuelled with CNG.

Pushing the Boundaries of Electrification

WITH RETURN TO RACING IN AUTUMN 2016 SEASON OF THE FIA FORMULA E CHAMPIONSHIP, WHICH PROVIDES A REAL-WORLD, FAST-TRACK TEST-BED FOR FUTURE JAGUAR LAND ROVER ELECTRIFICATION TECHNOLOGY, TRANSFERRING INNOVATION FROM TRACK TO ROAD.

JAGUAR I-PACE IS A PREVIEW OF JLR'S FIRST PRODUCTION BATTERY-POWERED CAR, AND DEMONSTRATES ITS COMMITMENT TO CREATE EXCITING AND DESIRABLE ELECTRIC VEHICLES.

The Range Rover Hybrid

COMBINING ENVIRONMENTAL CREDENTIALS WITH A GREAT DRIVE EXPERIENCE

THIS IS THE FIRST DIESEL HYBRID SUV OF ITS KIND IN THE WORLD WHICH COMBINES THE BENEFITS OF BOTH AN ELECTRIC MOTOR AND CONVENTIONAL POWERTRAIN. WITH THIS INNOVATIVE TECHNOLOGY, ENERGY FLOWS SEAMLESSLY BETWEEN BATTERY AND ENGINE. THE 3.0L SDV6 DIESEL ENGINE WITH A 35KW ELECTRIC MOTOR DELIVERS 14% LOWER (27G/ KM LESS) CO_2 EMISSIONS COMPARED TO THE TDV6 ENGINE AT 169G/KM.

NURTURING HOLISTIC RELATIONSHIPS

Building sustainable relationships with all our stakeholders and creating shared value are key to our corporate philosophy.

We create value for our communities through multiple initiatives as part of our CSR programmes; and by partnering with other stakeholders like suppliers and dealers. They are critically linked to our manufacturing business.

CORPORATE SOCIAL RESPONSIBILITY

The guiding philosophy for our CSR initiatives is 'More from Less for More People'. It implies achieving greater impacts, outcomes and outputs with strategic CSR investments, and the efficient deployment of financial and human resources.

Our CSR initiatives envisage meeting the existing and emerging needs of the community through the development of customised programmes and adopt an entire life-cycle approach.

Through our Affirmative Action programme, we reach out to the historically marginalised groups and 40% of our CSR budget is earmarked for programmes towards their upliftment. This is done through education, employability, employment and entrepreneurship.

KEY CSR PROGRAMMES FOCUS AREAS - TML

HEALTH

This programme focuses on malnutrition treatment and prevention by enhancing health of infants, adolescent girls, pregnant women and lactating mothers. Moreover, through Sumant Moolgaokar Development Foundation (a Company promoted trust) we facilitate sustainable drinking water solutions across our manufacturing locations.

Outreach through the Health Programme

362,000 people

Outcome

88% of severely and moderately malnourished children are now under normal category

VOLUNTEERING

In FY 2017, 11130 TML employees participated as volunteers.

EDUCATION

This programme aims to improve the accessibility and quality of secondary school education. We also provide financial assistance and scholarships to deserving students. Special coaching classes are also conducted to help students excel in competitive examinations.

Outreach through education Programme

86,900 students

Outcome

Improving pass percentage of Mumbai Municipal School students who appeared in Class X board exams from 71% to 79% in two years

EMPLOYMENT / SKILL DEVELOPMENT

This programme seeks to enhance the employability of youth by training them in automotive (driver and motor mechanic courses) and non-automotive (community members are offered agriculture and allied training) trades.

Number of youth trained in different marketable vocational skills

87,750

Outcome

Over 80% youth who underwent a year-long motor vehicle mechanic course found ready employment within one month of completion of their training

ENVIRONMENT

Community members, school students and employees are engaged in plantation and cleanliness drive – raising environmental consciousness. Community members are also encouraged to use renewable energy products, which reduce carbon emissions.

People participating in environmental awareness programme

43,500

Number of saplings planted

100,000

Outcome

Ensured survival of 70% saplings after a year of plantation

JAGUAR LAND ROVER – USING TECHNOLOGY FOR GOOD

Jaguar Land Rover uses its technology expertise to benefit local communities. It has undertaken several initiatives in the health and well-being space, using specific technologies in its vehicles, as well as, in promoting education and developing talent.

JLR's Global CSR programme applies its design and technology expertise for social good and has supported almost six million disadvantaged people in over 25 countries. The company was awarded the 'Best International Sustainability Programme' in the UK at the National CSR Awards.

EMPLOYEE VOLUNTEERING

JLR's volunteering programmes are designed to leverage the skills of its employees to find solutions for the society. More employees volunteered to work in local communities and support education programmes during work hours, this year. It rose from 7774 in 2015-16 to nearly 10000 in 2016-17.

In 2016, JLR's volunteering initiatives included:

1. **Collaboration with Remap**, a charity that matches skilled volunteers, including engineers and technicians, with individuals affected by disability.
2. **Working for Countrymen's Club**, a charity that supports people suffering from dementia, Parkinson's and depression, among other diseases.
3. **JLR's apprentice engineers** used their expertise to develop a tractor simulator that enables retired farmers to once again experience something they loved.

Jaguar Land Rover (in partnership with ClimateCare) designed an activity that used smart technology to deliver safe water to schools. The programme is bringing award-winning LifeStraw water purification technology to 375 schools across western Kenya – giving over 220,000 school children access to safe water at school and the chance of a better education and future.

JLR's apprentice engineers helped equestrian rider and MS sufferer Julie Payne by designing a set of lightweight folding steps that allow her to mount her horse unaided.

RELATIONSHIP WITH SUPPLY CHAIN PARTNERS

Initiatives on building sustainable relationships with our supply chain partners

Automobile companies have a complex supply chain. The automobile supply chains can be broadly classified into - Direct Material Suppliers (auto components fitted on vehicle) and Indirect Material Suppliers (consumables such as paint, pre-treatment chemicals gases, etc. used in the manufacturing process as well as other materials required for supporting processes).

The other key component of the automobile value chain includes sales & marketing and after sales service to ensure a superior customer experience through dealers and service touch points.

We engage with our channel partners as well as suppliers very closely. We believe partnering with our suppliers and dealers for sharing knowledge and developing capacity, will add to our cost efficiency and ensure an enhanced customer experience.

Our 'Project Sankalp' benefits bottom-of-the-pyramid supplier partners in the areas of quality, productivity and profitability through capability building, elimination of waste (rework, rejections, transit damages, etc.) conservation of resources and a better work environment thereby ensuring business continuity.

Jaguar Land Rover's supply chain is complex and growing in line with our international expansion

Around 72% of JLR's suppliers participated in the CDP Supply Chain survey in 2015-16, which compares well with the CDP average of 51%. The Carbon Disclosure Project (CDP) Supply Chain programme is an important global platform for engaging with suppliers to help businesses decarbonise and strengthen their own resilience.

JLR's UK supply chain has grown strongly, matching its growth story. UK-sourced components have increased to 50%, creating GBP 3.5 billion per annum of additional UK contracts, supporting 200,000 jobs and taking its total annual manufacturing spend with UK suppliers to more than GBP 6.5 billion. In the last five years, JLR's investment has generated more than 60,000 new jobs in the UK supply chain.

In FY 2017, TML has engaged with 105 top suppliers who have reported on their environmental, social and governance performance. In addition, we conducted site assessment of 52 suppliers and the combined performance is given below:

27
ISO 14001 compliant

23
OHSAS 18001 compliant

8
ISO 14001- In process

5
OHSAS 18001 - In process

540322.54 GJ
Total energy consumption

95315.82 tCO_2e
Scope 1 & Scope 2 emission

12
Lost Time Injury (LTI)

0
Fatalities

3
Suppliers using renewable energy

288980.26 m^3
Water consumption

83086.31 MT
Waste

7.5% female workers
Gender diversity

2
Incidents of non-compliance (Legal compliance)

7
Employee unions at suppliers

25 suppliers
with near-miss monitoring

A COMMITMENT TO SUSTAINABILITY

Conservation of natural resources has always been a priority for Tata Motors. We strive to minimise the impact of our operations on the natural environment.

Depending upon stakeholder engagement outcomes and materiality assessment, we formulate our Sustainability Strategy and prioritise actions towards addressing the Material Environmental Issues. Our efforts on environmental conservation are governed by the Board-level Safety, Health and Environment (SHE) Committee, which monitors and reviews our environmental performance.

The key environmental issues which we prioritise and act upon are:

RESOURCE CONSERVATION

Resource optimisation is of prime importance. There are multiple financial and non-financial benefits, which are associated with resource optimisation. Not only does it lead to reduction in vehicular weight, fuel efficiency and generated waste, it leads to significant cost savings.

At TML, we achieved a significant reduction in steel and ferrous alloy consumption in FY 2016-17, compared to FY 2015-16, even though there has been an increase in production by 0.28%. We are continuously seeking to optimise material usage and recycling to avoid virgin material consumption through initiatives, such as using high-strength steel and alternate engineering plastic.

CIRCULAR ECONOMY

While we are complying with waste management laws in our respective geographies, we are actively working towards adopting the principles of 'Circular Economy'. This initiative will help us transform our approach towards waste management. It will build synergies among different functions such as design, materials sciences, engine technologies; and also present opportunities from new business streams.

Through Tata OK and Tata Assured initiative and our reconditioning business, Prolife, we are extending the life of our products, while ensuring optimum operational performance and minimising the usage of virgin materials.

14,058

Number of vehicles refurbished and sold

44,069

Total volume of product recycled/reused in take-back programme

JAGUAR LAND ROVER

Closed Loop Process

Continuing its efforts of building closed-loop systems, JLR has changed the way it works by collecting the surplus aluminium from its body-stamping process and reusing it to make new vehicles. This has helped in achieving Zero Waste to Landfill by 2016.

In one year alone, JLR reclaimed 50,000+ tonnes of press shop aluminium waste which was enough to make around 200,000 Jaguar XE body shells. The company is now applying this process to other materials.

Natural or sustainable materials

As a member of the Lightweight And Sound consortium (LANDS), JLR has been involved in a three-year project to find material replacements that use recycled content and that are suitable for current production methods. The work JLR is doing with its LANDS partners has confirmed that natural or sustainable materials can meet current automotive standards and be manufactured successfully – an important step towards further environmental improvements across the vehicle life cycle.

WATER CONSERVATION

Water consumption has been identified as one of our key sustainability issues. The water demand at nearly all our operational locations is significant owing to several water intensive processes. Besides, large quantity of water is used for non-industrial activities owing to our large workforce. Water productivity is also one of the key criteria for selecting any new technology.

Some of our key conservation initiatives comprise:

- Maximising the use of treated effluent through filtration, Ultra Filtration, Reverse Osmosis
- Variable frequency drive for optimisation of pump operation
- To reduce our fresh water intake, we have taken up rainwater harvesting across all our manufacturing plants
- Use of low-flow faucets to reduce water consumption

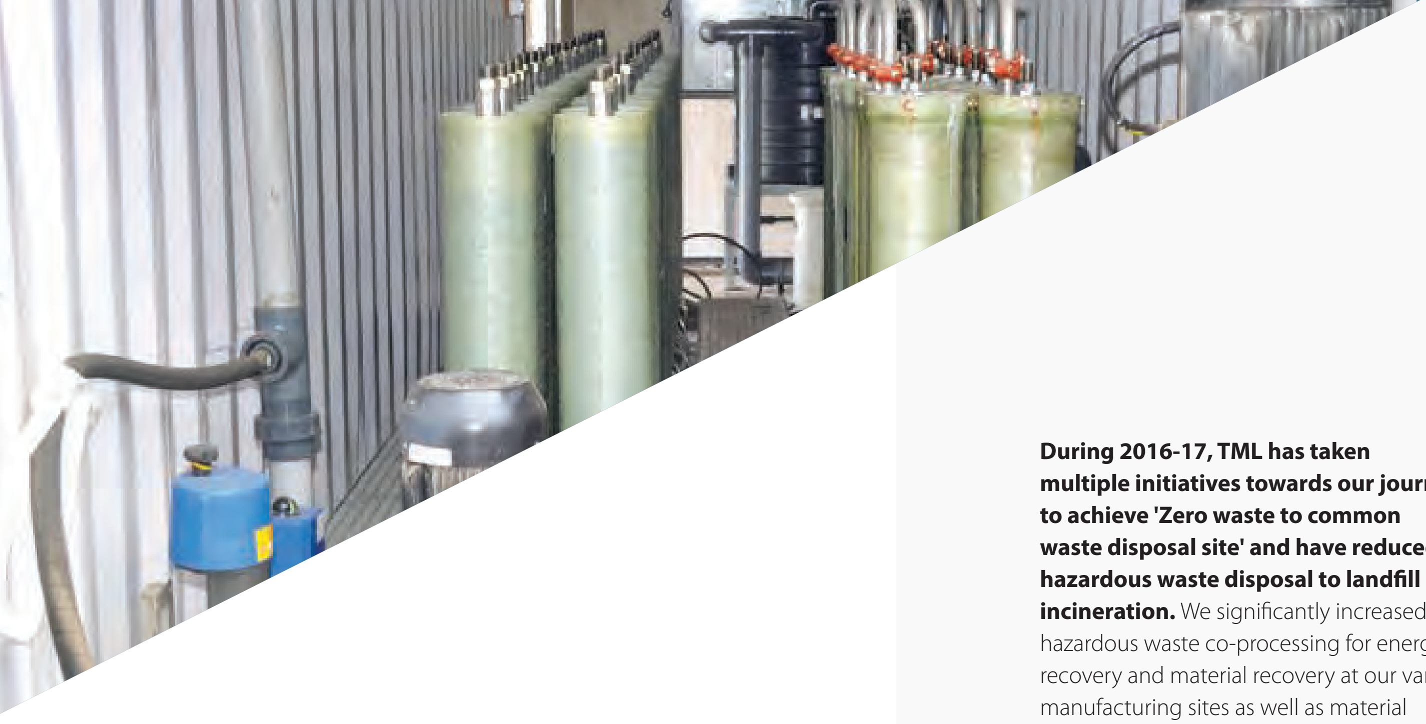
Specific water consumption per vehicle produced (m^3/vehicle)

Year	
2014-15	11.76
2015-16	10.01
2016-17	11.31

Currently, all TML manufacturing sites and subsidiaries, have achieved Zero Liquid Discharge status, except TML Jamshedpur where treated wastewater is partly reused.

The Jaguar Land Rover operations, too, are focused on reducing water use per vehicle. Since 2007, the Company has reduced water use per vehicle by 39%, through the 'water switch-off' initiative between vehicles on the production line.

We have achieved a significant reduction in surface water withdrawal due to rainwater harvesting and storage.



WASTE MANAGEMENT

With a flurry of in-house manufacturing activities such as pressing / stamping, fabrication, painting, machining, assembly and testing of aggregates to final assembly of vehicles, the waste-burden generated is huge. However, we are committed to diverting hazardous wastes away from destructive disposal practices and hence we are exploring multiple recycling options.

Some initiatives comprise energy recovery from high calorific value wastes through co-processing route with cement industries, solidification / stabilisation of ETP sludge as pavers and conversion of paint sludge into industrial primer.

During 2016-17, TML has taken multiple initiatives towards our journey to achieve 'Zero waste to common waste disposal site' and have reduced hazardous waste disposal to landfill and incineration. We significantly increased hazardous waste co-processing for energy recovery and material recovery at our various manufacturing sites as well as material recovery through recycling.

Progressing with 'Zero Waste' target by 2020, Jaguar Land Rover has set the interim target of zero waste to landfill from its manufacturing and product creation sites. Some of the key milestones for achieving the target include:

- No waste sent direct to landfill from vehicle operations
- 95% avoidance of landfill at second tier

The Company decided against sending the waste to off-site facilities for processing, which may already have an ongoing contribution to landfill.

BIODIVERSITY

Although our Indian manufacturing facilities are not located within the vicinity of any identified or notified bio-diversity hotspots or protected water bodies, the extended positive impacts of our water conservation efforts are evident with the variety of avian fauna seen at our water harvesting ponds.

ENERGY AND GHG EMISSIONS

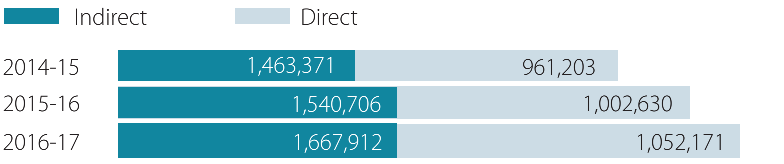
In line with the Tata Group Policy on Climate Change, Tata Motors has articulated its Climate Change Policy, which articulates a three-pronged approach to our carbon emissions mitigation strategy:

Product Development
Minimising tail-pipe emissions, creating products dependent on alternative energy sources

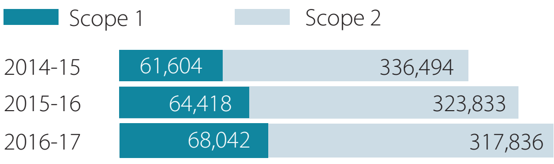
Manufacturing Process
Improving energy efficiency and maximising use of renewable energy sources, thereby minimising emissions

Supply Chain
Minimising emissions with the life-cycle approach

Energy Consumption in GJ within TML



Scope 1 and Scope 2 emission (tCO_2e)



There are numerous energy conservation initiatives undertaken by TML at its manufacturing facilities. Some of these include:

- Using infrared sensors and timers for on-off control of industrial equipment like fans/ pumps/ motors, among others.
- Installing Waste Heat Recovery System to recover waste heat from exhaust flue gases.
- Installing LED lighting in all offices and other common areas.
- Installing variable frequency drives.

TML is the second Indian company which is committed to RE100, a global collaborative initiative of the world's most influential companies aspiring to source 100% renewable power.

Currently, TML has obtained around 9% of electricity from renewables and has its own captive wind power project of 21.95 MW capacity.

JLR achieved a 32% reduction in its European fleet's average tailpipe CO_2 emissions in just eight years. In the same period, it has driven a 38% improvement in its operational CO_2 emissions. Through a combination of low-emission technologies and electrification, JLR's target is to reduce its European fleet's average tailpipe CO_2 emissions by a further 25% by 2020.

Through REALCAR (Recycled Aluminium Car) project, in one year alone, JLR reclaimed and recycled 50,000+ tonnes of aluminium waste, feeding it back into its manufacturing process; and preventing the associated CO_2 from being released into the atmosphere.

SETTING NEW BENCHMARKS

JLR continues to set new benchmarks for the sector. Targeting emissions reduction, both for the manufacturing process and during the vehicles' operations, JLR has undertaken multiple initiatives:

- UK manufacturing facilities, product creation sites and most of the satellite sites **purchase 100% renewable electricity from electricity providers.**
- Installing solar panels, LED lighting, combined heat and power, building management systems, voltage optimisation, insulation and energy mapping are all initiatives taken to **ensure carbon neutrality by 2020.**
- With an investment of GBP 23 million, the Company has implemented over 60 energy-saving projects over past few years, which has led to the **savings of 57,000 tonnes of CO_2 equivalent.** With this accomplishment, JLR's specific emissions per vehicle has reduced by almost 38%, compared to what it was a decade ago.

PEOPLE DRIVE US

At TML, our strategies are fuelled by our people. Employee welfare, health and happiness are the key focus areas of our business. We believe that nurturing a high-performance culture is an imperative.

Our priority is worker safety and we follow globally recognised standards to ensure safe working conditions for our employees and contract workers.

ORGANISATIONAL EFFECTIVENESS

After embarking on our transformation journey and coining our Mission, Vision and Values, we prepared our corporate Balanced Score Card (BSC), which was translated into an Annual Business Plan. Based on this our Company's Key Performance Indicators (KPIs) have been subsequently cascaded to BU/ Functions and eventually to employees' Goal Sheet.

At TML, we initiated an organisation effectiveness (OE) project as a companywide major transformation exercise, aiming to create a leaner organisation and enhance efficiency.

We employed Accenture to study the current structure, strategy and people, and benchmark against the world's most competitive companies.

The most significant change in the structure was the creation of a new vertical called Product Line function within the CV and PV business, aiming to have an end-to-end P&L responsibility with an entire value chain of business.

NEW PERFORMANCE MANAGEMENT SYSTEM

For embracing a high-performance culture and achieving the vision we have set, our new leadership and performance management system, LOOP was institutionalised.

LOOP is the foundation of a transformation journey and comprises three primary pillars: a) Objective setting based on corporate and business unit and balanced score card; b) Integrated performance and leadership behaviour appraisal wherein performance is measured vis-à-vis target achievement and leadership behaviour; c) Performance based reward system, which takes into account TML's and the individual's performance.

RECRUITMENT

TML has put in place a structured recruitment process to hire workforce in both white and blue-collar categories. Operational initiatives for pre-recruitment and post-recruitment are outsourced to a Recruitment Process Outsourcing (RPO) Partner. We ensure that Tata Motors brand is built as an employer at campuses through systematic periodic interventions.

CAPACITY BUILDING

As part of this restructuring, the upgraded product and technology roadmaps have been used to arrive at future capability requirement and accordingly competency gaps have been identified. A Product Leadership Academy framework has been put in place to address the competency needs across divisions. The training models encompass knowledge and capability enhancement, management development programmes and Fundamental Skills Training, catering to training needs across levels.

Average training person hours at TML

Category of employment	Training person hours			
	Males	Females	Total	Average
Senior management	47010	1341	48351	46.81
Middle management	399812	26690	426502	53.87
Junior management	121405	10888	132293	43.53
Non-management (permanent blue-collar workforce)	88327	941	89267	6.36

At JLR, the guiding philosophy is 'Engaged, passionate people delivering experiences the customers love, for life'.

DIVERSITY

As a part of the Tata Group, we uphold the Group's core values and provide equal growth opportunities to people from different social segments. To enhance workplace diversity, we increased the intake of blue-collared women workers on the shop floor across the company in FY 2016-17. We also focused our campus hiring efforts to target women graduates.

For JLR:

- Female graduate and apprentice intake : up by 30%
- Women joining graduate programme make up 29 per cent of total hires

LEADERSHIP COMMUNICATION

Town halls are conducted every quarter by the ExCom at different locations to update on business and OE exercise. After the town halls, group discussions are held by each ExCom with employees at that location.

OCCUPATIONAL HEALTH AND SAFETY

Providing our employees, a safe and healthy work environment is a key priority of our people's policy. A companywide Occupational Health and Safety policy is the guiding mantra for our safety initiatives. The Board-level SHE (Safety, Health and Environment) committee oversees and directs our safety initiatives. We have institutionalised Safety Committee across our CV and PV businesses.

There are multiple initiatives like safety drills and trainings which are undertaken. We also focus on contractor safety management and evaluation prior to awarding contract. Besides, audits, reward and recognition are conducted on field safety.

We have significantly increased our scope of Safety Awareness Building Campaigns (like road safety week, national safety month, among others) for engaging our channel partners and supplier fraternity as well. We engage in continuous communication and awareness on lifestyle/ wellness, health promotional activities for our white-collared employees as well.

At TML, Lost Time Injury Frequency rate (LTI-FR) has reduced from 0.17 to 0.15 - an overall reduction of 11.8%, compared to our 2015-16 safety performance. Similarly, Total Recordable Case Frequency rate (TCR-FR) has reduced from 1.49 to 1.41 - an improvement in performance by 5.36%.

Our subsidiary, JLR's goal is 'Zero Harm'. Destination Zero is the campaign which gets everyone at JLR to understand their safety responsibilities.

JLR's Lost Time Case performance had an improving trend of ~6% Y-o-Y.

FULFILLING THE SKILLS SHORTAGE

To fulfil the skills shortage faced by the UK's automotive industry, the Company has established its Jaguar Land Rover Academy and spends over GBP 100 million each year. With this, the Company wants to develop the present workforce and inspire future engineers.

JLR is continuing its efforts by reaching out to untapped talent through multiple education schemes. Many of its employees who have been through these programmes have gone on to be award-winning engineers.

Further efforts in this direction include programmes supporting award-winning STEM (science, technology, engineering and mathematics) education schemes for young children. The Company wants to increase these inspirational outreach programmes to align with the future skill needs.

Some of the areas in which JLR wants to attract future talent are:

- Virtual Modelling
- Data Analysis
- Hardware Design
- Software Design
- Programme Delivery for highest-calibre project management

To help address industry shortages, in the last four years Jaguar Land Rover has reached out to over 2.5 million young people to inspire them to consider an automotive career.

AWARDS AND RECOGNITION

2016-17

PRODUCT EXCELLENCE

TATA TIAGO WON
'Compact Car of the Year'
AT THE 17th CNBC TV18 OVERDRIVE AWARDS 2016
IN ADDITION TO 17 OTHER AWARDS

TATA MOTORS ALSO WON SEVERAL AWARDS
AT THE APOLLO CV AWARDS IN FEBRUARY 2017:

TATA ARMORED PERSONAL CARRIER WON
Special CV Application of the Year

PRIMA 2528.K WON
MCV Tipper of the Year

SIGNA 4923.S TRACTOR WON
HCV Tractor Cargo Carrier of the Year

TATA DOUBLE DECK TRACTOR TRAILER WON
CV Application Builder of the Year

JAGUAR LAND ROVER HAS RECEIVED APPROXIMATELY
213 Awards

MAJOR AWARDS RECEIVED

JAGUAR XF NAMED
Best Saloon Car
AT THE GOLDEN STEERING WHEEL AWARDS, GERMANY

THE RANGE ROVER VOGUE SE TOOK
Whatcar's 2017 Best Luxury SUV
AWARD

JAGUAR F-TYPE WON
Auto Motor & Sport Auto
AWARDS, GERMANY

THE NEW DISCOVERY TOOK THE
SUV of the Year
TITLE AT THE ORIENT AUTO AWARDS

ALL-NEW JAGUAR F-PACE WON THE
World Car of the Year
World Car Design of the Year &
Women's Car of the Year
AWARDS

THE RANGE ROVER EVOQUE WAS NAMED
Industry Pioneer
AT THE MIDDLE EAST CAR OF THE YEAR AWARDS

HUMAN RESOURCES

TATA MOTORS WON
Business Today 'Best Companies to Work For' Award, 2017

MANUFACTURING EXCELLENCE

TATA MOTORS DHARWAD
COMMERCIAL VEHICLE PLANT ACHIEVED
WCQ Level 3

TATA MOTORS LUCKNOW, JAMSHEDPUR
AND PANTNAGAR PLANTS ACHIEVED
WCQ Level 2

TML DRIVELINES PLANT
A SUBSIDIARY OF TATA MOTORS ACHIEVED
WCQ Level 3

TATA MOTORS LIMITED
(INDIA OPERATIONS) WON
Golden Peacock
NATIONAL QUALITY AWARDS

ENVIRONMENTAL PERFORMANCE

UPKEEPING THE HIGHEST STANDARDS OF
ENVIRONMENTAL PERFORMANCE
TATA MARCOPOLO MOTORS LIMITED WON
17th Annual Greentech Environment Award

JAGUAR LAND ROVER NAMED AS THE
'Largest Automobile Manufacturer in Britain'
FOR THE SECOND TIME IN JANUARY 2017

JLR'S HALEWOOD PLANT WON
13 awards in 5 years
MAKING IT JLR'S MOST AWARDED PLANT

JLR'S ENGINE MANUFACTURING CENTRE RECEIVED ITS FIRST AWARD
'The Manufacturing Champion'
AT THE EXPRESS AND STAR BUSINESS AWARDS

CORPORATE INFORMATION

CHAIRMAN EMERITUS

Mr Ratan N Tata

BOARD OF DIRECTORS

Mr N Chandrasekaran
Non Executive Director and Chairman

Dr R A Mashelkar
Non Executive, Independent Director

Mr N Munjee
Non Executive, Independent Director

Mr V K Jairath
Non Executive, Independent Director

Ms Falguni Nayar
Non Executive, Independent Director

Mr O P Bhatt
Non Executive, Independent Director

Dr Ralf Speth
Non Executive Director

Mr Guenter Butschek
CEO and Managing Director

Mr Satish Borwankar
Executive Director and
Chief Operating Officer

Mr Ravindra Pisharody
Executive Director
(Commercial Vehicles)

ExCOM

Mr Guenter Butschek
CEO and Managing Director

Mr Satish Borwankar
Executive Director and
Chief Operating Officer

Mr C Ramakrishnan
Group Chief Financial Officer

Mr Girish Wagh
Head - Commercial Vehicles Business Unit

Mr Mayank Pareek
Head - Passenger Vehicles Business Unit

Dr Timothy Leverton
Chief Technology Officer

Mr Gajendra Chandel
Chief Human Resource Officer

Mr Shailesh Chandra
Head - Corporate Strategy and
Business Transformation

Mr Thomas Flack
Chief Purchasing Officer

COMPANY SECRETARY

Mr H K Sethna

AUDITORS

Deloitte Haskins & Sells LLP
(Registration No. 117366W/W-100018)

SHARE REGISTRARS

TSR Darashaw Limited
6-10, Haji Moosa Patrawala Industrial Estate,
20 Dr E Moses Road, Mahalaxmi,
Mumbai - 400 011
Tel: +91-22-66568484
Fax: +91-22-66568494
Email: csg-unit@tsrdarashaw.com
Website: www.tsrdarashaw.com

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES (CONSOLIDATED)

(₹ in crores)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
WHAT THE COMPANY OWNED				
(1)	Property, plant and equipment and Other intangible assets	128,969.60	132,390.90	116,180.99
(2)	Goodwill	673.32	759.80	731.95
(3)	Non-current Investments	5,296.77	4,533.98	3,942.51
(4)	Non-current Finance receivables	10,753.13	9,671.55	9,606.60
(5)	Deferred tax assets (net)	4,717.54	5,222.84	4,996.86
(6)	Other non-current assets	6,512.14	4,638.41	3,127.95
(7)	Current assets	116,831.86	109,923.67	99,556.86
	TOTAL ASSETS	**273,754.36**	**267,141.15**	**238,143.72**

(₹ in crores)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
WHAT THE COMPANY OWED				
(1)	Net worth			
	Equity share capital	679.22	679.18	643.78
	Other equity	57,382.67	78,273.23	54,628.80
(2)	Non-controlling interests	453.17	432.84	429.75
(3)	Non-current borrowings	60,629.18	50,510.39	54,607.14
(4)	Non-current provisions	9,004.46	7,891.01	6,938.27
(5)	Deferred tax liabilities (net)	1,174.00	4,474.78	2,559.49
(6)	Other non-current liabilities	28,802.14	17,830.29	18,942.85
(7)	Current liabilities	115,629.52	107,049.43	99,393.64
	TOTAL LIABILITIES	**273,754.36**	**267,141.15**	**238,143.72**

SUMMARISED STATEMENT OF PROFIT AND LOSS (CONSOLIDATED)

(₹ in crores)

		2016-2017	2015-2016
1	**INCOME**		
	Income from operations	274,492.12	277,660.59
	Other income	754.54	885.35
	Total	**275,246.66**	**278,545.94**
2	**EXPENDITURE**		
	Cost of materials consumed	159,369.55	153,292.49
	Purchase of products for sale	13,924.53	12,841.52
	Changes in inventories of finished goods, work-in-progress and products for sale	(7,399.92)	(2,750.99)
	Excise duty	4,799.61	4,614.99
	Employee benefits expense	28,332.89	28,880.89
	Finance costs	4,238.01	4,889.08
	Foreign exchange (gain)/loss (net)	3,910.10	1,616.88
	Depreciation and amortisation expense	17,904.99	16,710.78
	Product development/Engineering expenses	3,413.57	3,468.77
	Other expenses	55,430.06	55,683.75
	Amount capitalised	(16,876.96)	(16,678.34)
	Total Expenses	267,046.43	262,569.82
	Profit/(loss) before exceptional items and tax	8,200.23	15,976.12
	Employee separation cost	67.61	32.72
	Others	(1,182.17)	1,817.63
3	**PROFIT BEFORE TAX FROM CONTINUING OPERATIONS**	9,314.79	14,125.77
4	Tax expense (net)	3,251.23	3,025.05
5	**PROFIT AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	6,063.56	11,100.72
6	Share of profit of joint ventures and associates (net)	1,493.00	577.47
7	**PROFIT FOR THE YEAR**	7,556.56	11,678.19
8	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	(27,494.57)	3,157.46
9	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	(19,938.01)	14,835.65

SUMMARISED STATEMENT OF ASSETS AND LIABILITIES (STANDALONE)

(₹ in crores)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
WHAT THE COMPANY OWNED				
(1)	Property, plant and equipment and Other intangible assets	27,375.42	26,663.25	25,969.26
(2)	Goodwill	99.09	99.09	99.09
(3)	Non-current Investments	15,307.24	15,217.48	15,208.16
(4)	Deferred tax assets (net)	724.58	799.63	647.24
(5)	Other non-current assets	2,442.21	2,034.86	2,082.09
(6)	Current assets	12,588.06	11,861.69	9,474.06
	TOTAL ASSETS	**58,536.60**	**56,676.00**	**53,479.90**

(₹ in crores)

		As at 31 March 2017	As at 31 March 2016	As at 1 April 2015
WHAT THE COMPANY OWED				
(1)	Net worth			
	Equity share capital	679.22	679.18	643.78
	Other equity	20,129.93	22,582.93	14,505.58
(2)	Non-current borrowings	13,686.09	10,599.96	12,234.88
(3)	Non-current provisions	850.71	750.89	711.54
(4)	Deferred tax liabilities (net)	97.95	71.39	66.34
(5)	Other non-current liabilities	1,444.90	3,289.91	4,130.62
(6)	Current liabilities	21,647.80	18,701.74	21,187.16
	TOTAL LIABILITIES	**58,536.60**	**56,676.00**	**53,479.90**

SUMMARISED STATEMENT OF PROFIT AND LOSS (STANDALONE)

(₹ in crores)

		2016-2017	2015-2016
1	**INCOME**		
	Income from operations	49,100.41	47,383.61
	Other income	978.84	1,402.31
	Total	**50,079.25**	**48,785.92**
2	**EXPENDITURE**		
	Cost of materials consumed	27,654.40	24,997.40
	Purchase of products for sale	3,945.97	4,101.97
	Changes in inventories of finished goods, work-in-progress and products for sale	(251.43)	10.05
	Excise duty	4,736.41	4,538.14
	Employee benefits expense	3,558.52	3,188.97
	Finance costs	1,590.15	1,592.00
	Foreign exchange (gain)/loss (net)	(252.45)	222.91
	Depreciation and amortisation expense	2,969.39	2,329.22
	Product development/Engineering expenses	454.48	418.27
	Other expenses	8,697.42	8,216.65
	Amount capitalised	(941.55)	(1,034.40)
	Total Expenses	52,161.31	48,581.18
	Profit/(loss) before exceptional items and tax	(2,082.06)	204.74
	Employee separation cost	67.61	10.04
	Others	271.10	261.80
3	**PROFIT BEFORE TAX FROM CONTINUING OPERATIONS**	(2,420.77)	(67.10)
4	Tax expense (net)	59.22	(4.80)
5	**PROFIT AFTER TAX FROM CONTINUING OPERATIONS (3-4)**	(2,479.99)	(62.30)
6	**TOTAL OTHER COMPREHENSIVE INCOME/(LOSS)**	95.48	85.47
7	**TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR**	(2,384.51)	23.17

FINANCIAL STATISTICS COMPANY (STANDALONE)

	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)						RATIOS					
Year	Capital	Reserves and Surplus	Borrowings	Gross Block (including CWIP)	Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax	PAT to Sales	Earnings Per Share (Basic)* (₹)		Dividend Per Share*(#)		Net Worth Per Share* (₹)
														Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	
1945-46	100	1	-	31	2	29	12	2	1	-	1	-	8.3%	0.07	-	-	-	10
1949-50	200	11	94	233	44	189	167	15	11	5	6	-	3.6%	0.03	-	-	-	10
1953-54	500	27	412	731	270	461	321	97	3	-	3	-	0.9%	0.11	-	-	-	11
1954-55	627	27	481	792	303	489	445	35	-	-	-	-	0.0%	0.00	-	-	-	11
1955-56	658	120	812	1,010	407	603	1,198	105	125	32	93	59	7.8%	1.32	-	0.60	-	12
1956-57	700	149	1,382	1,352	474	878	2,145	70	116	27	89	44	4.1%	1.64	-	0.80	-	13
1957-58	700	117	1,551	1,675	668	1,007	2,694	129	99	6	93	52	3.5%	1.72	-	0.90	-	12
1958-59	1,000	206	1,245	2,050	780	1,270	2,645	113	155	13	142	56	5.4%	1.68	-	0.90	-	12
1959-60	1,000	282	1,014	2,201	940	1,261	2,825	161	222	93	129	108	4.6%	1.50	-	1.25	-	13
1960-61	1,000	367	1,263	2,593	1,118	1,475	3,735	180	313	122	191	126	5.1%	2.26	-	1.45	-	14
1961-62	1,000	432	1,471	2,954	1,336	1,618	4,164	220	378	188	190	124	4.6%	2.28	-	1.45	-	15
1962-63	1,000	450	1,758	3,281	1,550	1,731	4,364	223	327	185	142	124	3.3%	1.68	-	1.45	-	15
1963-64	1,198	630	2,470	3,920	1,802	2,118	5,151	260	404	200	204	144	4.0%	1.97	-	1.45	-	16
1964-65	1,297	787	3,275	4,789	2,144	2,645	6,613	345	479	208	271	157	4.1%	2.39	-	1.45	-	17
1965-66	1,640	995	3,541	5,432	2,540	2,892	7,938	398	477	189	288	191	3.6%	2.20	-	1.45	-	18
1966-67	1,845	1,027	4,299	6,841	3,039	3,802	9,065	505	620	192	428	235	4.7%	2.80	-	1.45+	-	17
1967-68	1,845	1,121	5,350	7,697	3,608	4,089	9,499	572	395	66	329	235	3.5%	2.10	-	1.45	-	18
1968-69	1,845	1,295	5,856	8,584	4,236	4,348	10,590	630	582	173	409	235	3.9%	2.66	-	1.45	-	19
1969-70	1,845	1,333	6,543	9,242	4,886	4,356	9,935	662	274	-	274	221	2.8%	1.72	-	1.35	-	19
1970-71	1,845	1,516	6,048	10,060	5,620	4,440	13,624	749	673	270	403	251	3.0%	2.49	-	1.45	-	20
1971-72	1,949	2,020	6,019	10,931	6,487	4,444	15,849	758	885	379	506	273	3.2%	3.04	-	1.50	-	23
1972-73	1,949	2,194	5,324	12,227	7,491	4,736	15,653	820	832	360	472	266	3.0%	2.87	-	1.50	-	24
1973-74	1,949	2,394	6,434	13,497	8,471	5,026	16,290	902	1,007	450	557	180	3.4%	3.43	-	0.93	-	26
1974-75	1,949	2,827	9,196	15,838	9,593	6,245	22,510	1,134	677	136	541	266	2.4%	3.32	-	1.50	-	28
1975-76	2,013	3,691	9,399	18,642	10,625	8,017	27,003	1,054	855	91	764	276	2.8%	4.60	-	1.50	-	33
1976-77	2,328	3,833	11,816	20,709	11,685	9,024	28,250	1,145	1,056	-	1,056	323	3.7%	5.38	-	1.50+	-	30
1977-78	2,118	4,721	11,986	22,430	12,723	9,707	28,105	1,101	1,044	-	1,044	313	3.7%	5.37	-	1.50	-	35
1978-79	3,151	5,106	11,033	24,900	13,895	11,005	37,486	1,200	1,514	-	1,514	467	4.0%	5.36	-	1.60+	-	27
1979-80	3,151	6,263	17,739	28,405	15,099	13,306	44,827	1,300	1,762	-	1,762	605	3.9%	5.96	-	2.00	-	31
1980-81	3,151	8,095	15,773	33,055	16,496	16,559	60,965	1,616	2,437	-	2,437	605	4.0%	8.27	-	2.00	-	38
1981-82	4,320	10,275	25,476	38,819	18,244	20,575	79,244	1,993	4,188	-	4,188	839	5.3%	10.18	-	2.00+	-	35@
1982-83	4,226	12,458	23,361	43,191	20,219	22,972	86,522	2,187	3,481	460	3,021	827	3.5%	7.34	-	2.00	-	40
1983-84	5,421	14,103	25,473	46,838	23,078	23,760	85,624	2,923	2,163	235	1,928	923	2.3%	3.61	-	2.00	-	37@
1984-85	5,442	15,188	30,226	52,819	26,826	25,993	93,353	3,895	2,703	390	2,313	1,241	2.5%	4.32	-	2.30	-	39
1985-86	5,452	16,551	44,651	61,943	29,030	32,913	102,597	3,399	1,832	215	1,617	1,243	1.6%	3.00	-	2.30	-	41
1986-87	5,452	15,886	53,476	68,352	30,914	37,438	119,689	2,157	293	-	293	552	0.2%	0.51	-	1.00	-	40
1987-88	6,431	17,491	44,406	75,712	34,620	41,092	140,255	3,822	3,205	510	2,695	1,356	1.9%	4.25	-	2.30	-	38@
1988-89	10,501	30,740	32,396	83,455	38,460	44,995	167,642	4,315	8,513	1,510	7,003	2,444	4.2%	6.74	-	2.50	-	40@

FINANCIAL STATISTICS COMPANY (STANDALONE)

Year	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)						RATIOS					
	Capital	Reserves and Surplus	Borrowings	Gross Block	Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax	PAT to Sales	Earnings Per Share (Basic)* (₹)		Dividend Per Share*(#)		Net Worth Per Share* (₹)
														Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	
1989-90	10,444	37,870	48,883	91,488	43,070	48,418	196,910	4,891	14,829	4,575	10,254	3,126	5.2%	9.87	-	3.00	-	47
1990-91	10,387	47,921	48,323	100,894	48,219	52,675	259,599	5,426	23,455	9,250	14,205	4,154	5.5%	13.69	-	4.00	-	56
1991-92	11,765	61,863	105,168	123,100	54,609	68,491	317,965	6,475	20,884	7,800	13,084	4,389	4.1%	12.45	-	4.00	-	67@
1992-93	12,510	64,207	144,145	153,612	61,710	91,902	309,156	7,456	3,030	26	3,004	3,642	1.0%	2.47	-	3.00	-	63
1993-94	12,867	70,745	141,320	177,824	70,285	107,539	374,786	9,410	10,195	20	10,175	5,020	2.7%	7.91	-	4.00	-	65
1994-95	13,694	128,338	115,569	217,084	81,595	135,489	568,312	11,967	45,141	13,246	31,895	8,068	5.6%	23.29	-	6.00	-	104
1995-96	24,182	217,400	128,097	294,239	96,980	197,259	790,967	16,444	76,072	23,070	53,002	14,300	6.7%	21.92	-	6.00	-	100
1996-97	25,588	339,169	253,717	385,116	117,009	268,107	1,012,843	20,924	100,046	23,810	76,236	22,067	7.5%	30.40	-	8.00	-	143
1997-98	25,588	349,930	330,874	487,073	141,899	345,174	736,279	25,924	32,880	3,414	29,466	15,484	4.0%	11.51	-	5.50	-	147
1998-99	25,590	350,505	344,523	569,865	165,334	404,531	659,395	28,132	10,716	970	9,746	8,520	1.5%	3.81	-	3.00	-	147
1999-00	25,590	349,822	300,426	581,233	182,818	398,415	896,114	34,261	7,520	400	7,120	7,803	0.8%	2.78	-	2.50	-	147
2000-01	25,590	299,788	299,888	591,427	209,067	382,360	816,422	34,737	(50,034)	-	(50,034)	-	-	(18.45)	-	-	-	127
2001-02	31,982	214,524	230,772	591,006	243,172	347,834	891,806	35,468	(10,921)	(5,548)	(5,373)	-	-	(1.98)	-	-	-	77@
2002-03	31,983	227,733	145,831	608,114	271,307	336,807	1,085,874	36,213	51,037	21,026	30,011	14,430	2.8%	9.38	-	4.00	-	81
2003-04	35,683	323,677	125,977	627,149	302,369	324,780	1,555,242	38,260	129,234	48,200	81,034	31,825	5.2%	24.68	-	8.00	-	102@
2004-05	36,179	374,960	249,542	715,079	345,428	369,651	2,064,866	45,016	165,190	41,495	123,695	51,715	6.0%	34.38	-	12.50!	-	114@
2005-06	38,287	515,420	293,684	892,274	440,151	452,123	2,429,052	52,094	205,338	52,450	152,888	56,778	6.3%	40.57	-	13.00	-	145@
2006-07	38,541	648,434	400,914	1,128,912	489,454	639,458	3,206,467	58,629	257,318	65,972	191,346	67,639	6.0%	49.76	-	15.00	-	178 @
2007-08	38,554	745,396	628,052	1,589,579	544,352	1,045,227	3,357,711	65,231	257,647	54,755	202,892	65,968	6.0%	52.64	-	15.00	-	203 @
2008-09	51,405	1,171,610	1,316,556	2,085,206	625,990	1,459,216	2,949,418	87,454	101,376	1,250	100,126	34,570	3.4%	22.70	23.20	6.00	6.50	238++
2009-10	57,060	1,439,487	1,659,454	2,364,896	721,292	1,643,604	4,021,755	103,387	282,954	58,946	224,008	99,194	5.6%	42.37	42.87	15.00	15.50	262^
2010-11	63,771	1,937,559	1,591,543	2,568,235	846,625	1,721,610	5,160,692	136,077	219,652	38,470	181,182	146,703	3.5%	30.28	30.78	20.00	20.50	315^^
2011-12	63,475	1,899,126	1,588,057	2,902,206	996,587	1,905,619	5,979,502	160,674	134,103	9,880	124,223	146,372	2.5%	3.90**	4.00**	4.00**	4.10**	62
2012-13	63,807	1,849,677	1,679,895	3,181,998	1,161,144	2,020,854	5,140,793	181,762	17,493	(12,688)	30,181	72,423	0.6%	0.93	1.03	2.00	2.10	60@
2013-14	64,378	1,853,287	1,505,280	3,514,652	1,355,088	2,159,564	4,159,103	207,030	(102,580)	(136,032)	33,452	66,627##	0.8%	1.03	1.13	2.00	2.10	60@
2014-15	64,378	1,421,881	2,113,441	3,785,500	1,603,098	2,182,402	4,141,264	260,322	(397,472)	76,423	(473,895)	(9,340)##	-	(14.72)	(14.72)	-	-	46
2015-16	67,918	2,168,890	1,588,725	4,077,235	1,852,749	2,224,486	4,877,959	245,375	15,039	(8,384)	23,423	7,300	0.5%	0.68	0.78	0.20	0.30	66+++
2016-17	67,922	2,012,993	1,957,398	4,591,464	1,853,922	2,737,542	5,007,925	296,939	(242,077)	5,922	(247,999)	-	-5.0%	(7.30)	(7.30)	-	-	61^^^

Notes :

@ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.

$ On increased capital base due to issue of Bonus Shares. Net Worth excludes ordinary dividends.

* To a face value of ₹10/- per share upto 2011-12.

Includes Interim Dividend where applicable.

+ Including on Bonus Shares issued during the year.

! Includes a special dividend of ₹2.50 per share for the Diamond Jubilee Year.

++ On increased capital base due to Rights issue and conversion of FCCN into shares.

^ On increased capital base due to GDS issue and conversion of FCCN into shares.

^^ On increased capital base due to QIP issue and conversion of FCCN into shares.

** Consequent to sub-division of shares, figures for previous years are not comparable.

Includes reversal of dividend distribution tax of earlier year.

+++ On increased capital base due to Rights issue.

^^^ The figures of FY 2016-17 is as per Ind AS with Joint operation

FINANCIAL STATISTICS
COMPANY (CONSOLIDATED)

	CAPITAL ACCOUNTS (₹ in lakhs)						REVENUE ACCOUNTS (₹ in lakhs)						RATIOS					
Year	Capital	Reserves and Surplus	Borrowings	Gross Block (including CWIP)	Accumulated Depreciation	Net Block	Turnover	Depreciation	Profit/ (Loss) Before Taxes	Taxes	Profit/ (Loss) After Taxes	Dividend including tax (including group's share of Subsidiaries dividend tax)	PAT to Sales	Earnings Per Share (Basic)* (₹)		Dividend Per Share*# (₹)		Net Worth Per Share* (₹)
														Ordinary Share	'A' Ordinary Share	Ordinary Share	'A' Ordinary Share	
2001-02	31,982	183,617	282,031	634,984	252,475	382,509	932,220	39,222	(18,015)	(6,740)	(10,719)	45	-1.1%	(3.95)	-	-	-	66@
2002-03	31,983	190,018	178,965	648,959	284,038	364,921	1,144,801	40,190	54,350	22,640	29,712	14,497	2.6%	9.29	-	4.00	-	66
2003-04	35,683	329,884	169,842	728,468	323,749	404,719	1,634,104	42,556	144,487	53,077	91,529	32,099	5.6%	27.88	-	8.00	-	104@
2004-05	36,179	403,537	271,420	834,162	375,933	458,229	2,284,217	53,101	184,809	49,062	138,534	52,346	6.1%	38.50	-	12.50!	-	121@
2005-06	38,287	574,860	337,914	1,027,949	484,356	543,593	2,750,725	62,331	234,898	64,000	172,809	58,439	6.3%	45.86	-	13.00	-	160@
2006-07	38,541	733,626	730,190	1,294,083	542,665	751,418	3,707,579	68,809	308,800	88,321	216,999	68,822	5.9%	56.43	-	15.00	-	200@
2007-08	38,554	831,198	1,158,487	1,892,393	606,049	1,286,344	4,060,827	78,207	308,629	85,154	216,770	67,674	5.3%	56.24	-	15.00	-	225@
2008-09	51,405	542,659	3,497,385	6,900,238	3,326,905	3,573,333	7,489,227	250,677	(212,925)	33,575	(250,525)	36,458	-3.3%	(56.88)	(56.88)	6.00	6.50	114++
2009-10	57,060	763,588	3,519,236	7,291,985	3,441,352	3,850,633	9,736,054	388,713	352,264	100,575	257,106	100,185	2.6%	48.64	49.14	15.00	15.50	144^
2010-11	63,771	1,853,376	3,281,055	8,291,975	3,969,870	4,322,105	12,684,370	465,551	1,043,717	121,638	927,362	148,130	7.3%	155.25	155.75	20.00	20.50	302^^
2011-12	63,475	3,206,375	4,714,896	10,572,497	4,951,247	5,621,250	17,133,935	562,538	1,353,387	(4,004)	1,351,650	148,862	7.9%	42.58**	42.68**	4.00**	4.10**	103
2012-13	63,807	3,699,923	53,71,571	121,58,556	5,172,265	6,986,291	19,451,406	760,128	1,364,733	377,666	989,261	75,614	5.1%	31.02	31.12	2.00	2.10	118@
2013-14	64,378	6,495,967	6,064,228	16,619,078	6,881,538	9,737,540	23,745,502	1,107,816	1,886,897	476,479	1,399,102	69,008##	5.9%	43.51	43.61	2.00	2.10	204@
2014-15	64,378	5,561,814	7,361,039	18,684,665	7,442,406	11,242,259	26,760,664	1,338,863	2,170,256	764,291	1,398,629	(3,319)##	5.2%	43.44	43.54	-	-	175
2015-16	67,918	8,010,349	7,046,849	21,639,756	8,754,689	12,885,067	28,107,844	1,701,418	1,398,087	287,260	1,102,375	11,052	3.9%	32.61	32.71	0.20	0.30	238+++
2016-17	67,922	5,738,267	7,860,398	19,653,773	6,756,813	12,896,960	27,524,666	1,790,499	931,479	325,123	745,436	-	2.7%	21.94	22.04	-	-	171

Notes :

@ On increased capital base due to conversion of Bonds / Convertible Debentures / Warrants / FCCN into shares.

* To a face value of ₹10/- per share upto 2011-12.

Includes Interim Dividend where applicable.

! Includes a special dividend of ₹2.50 per share for the Diamond Jubilee Year.

++ On increased capital base due to Rights issue and conversion of FCCN into shares.

^ On increased capital base due to GDS issue and conversion of FCCN into shares.

^^ On increased capital base due to QIP issue and conversion of FCCN into shares.

** Consequent to sub-division of shares, figures for previous years are not comparable.

Includes reversal of dividend distribution tax of earlier year.

+++ On increased capital base due to Rights issue.

^^^ The figures of FY 2016-17 is as per Ind AS

NOTICE

(PURSUANT TO SECTION 101 OF THE COMPANIES ACT, 2013)

Dear Member,

NOTICE IS HEREBY GIVEN THAT THE SEVENTY SECOND ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Tuesday, August 22, 2017, at 3.00 p.m. at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt
   (a) the Audited Financial Statement of the Company for the Financial Year ended March 31, 2017 together with the Board's Report and the Auditors' Report thereon; and
   (b) the Audited Consolidated Financial Statement of the Company for the Financial Year ended March 31, 2017 together with the Auditors' Report thereon.
2. To appoint a Director in place of Dr Ralf Speth (DIN: 03318908), who retires by rotation and being eligible, offers himself for re-appointment.

3. Appointment of Auditors

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Sections 139, 142, 143 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, B S R & Co. LLP, Chartered Accountants (Firm Registration No.101248W/W – 100022) be and is hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting ("AGM") till the conclusion of Seventy-Seventh AGM of the Company to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

SPECIAL BUSINESS

4. Appointment of Mr Natarajan Chandrasekaran as a Director

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that Mr Natarajan Chandrasekaran (DIN: 00121863), who was appointed by the Board of Directors as an Additional Director of the Company with effect from January 17, 2017 and who holds office upto the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 ("the Act") and Article 132 of the Articles of Association of the Company, but who is eligible for appointment and in respect of whom the Company has received a notice in writing from a Member under Section 160(1) of the Act read with the Companies (Appointment and Qualifications of Directors) Rules, 2014, proposing his candidature for the office of Director of the Company, be and is hereby appointed as a Director of the Company and is liable to retire by rotation."

5. Appointment of Mr Om Prakash Bhatt as an Independent Director

To consider and if thought fit, to pass, the following resolution as an Ordinary Resolution:

"RESOLVED that Mr Om Prakash Bhatt (DIN: 00548091) who was appointed by the Board of Directors as an Additional Director of the Company with effect from May 9, 2017 and who holds office upto the date of this Annual General Meeting of the Company in terms of Section 161 of the Companies Act, 2013 ("the Act") and Article 132 of Articles of Association of the Company but who is eligible for appointment and has consented to act as a Director of the Company and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director of the Company, be and is hereby appointed a Director of the Company."

"RESOLVED FURTHER that pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Act, and the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV of the Act, as amended from time to time, the appointment of Mr Om Prakash Bhatt who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment as an Independent Director of the Company, not liable to retire by rotation, for a term of five years commencing with effect from May 9, 2017 to May 8, 2022, be and is hereby approved."

6. Re-appointment of Mr Satish Borwankar as Executive Director and Chief Operating Officer and payment of remuneration

To consider and if thought fit, to pass, the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, read along with Schedule V of the Companies Act, 2013 ("the Act"), and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time, the Company do hereby accord their approval for the re-appointment and terms of remuneration of Mr Satish Borwankar (DIN: 01793948) as the Executive Director and Chief Operating Officer of the Company with effect from July 16, 2017 to July 15, 2019 upon the following terms and conditions, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his said tenure, with liberty to the Board of Directors [which term shall include the Nomination and Remuneration Committee ("NRC")] to alter and vary the terms and conditions of the said re-appointment as it may deem fit.

I. NATURE OF DUTIES: The Executive Director shall, devote his whole time and attention to the business and operations of the Company and carry out such duties as may be entrusted to him by the Managing Director and the Board from time to time and separately communicated to him and exercise such powers as may be assigned to him, subject to superintendence, control and directions of the Board in connection with and in the best interests of the business of the Company and the business of any one or more of its subsidiaries and/or associated companies, including performing duties as assigned by the Board from time to time by serving on the boards of such companies or any other executive body or any committee of such a company.

II. REMUNERATION:

a. Basic Salary: ₹5,06,000/- per month, upto a maximum of ₹8,00,000/- per month.

The annual increment which will be effective from 1st April each year, will be decided by the Board based on the recommendation of the NRC in consonance with the individual performance and the performance of the Company, within the aforementioned maximum Basic Salary limit. The said annual increment, would be limited upto an amount not exceeding 20% of the Basic Salary as may be decided by the Board in the above manner.

b. Benefits, Perquisites and Allowances:

Details of Benefits, Perquisites and Allowances are as follows:

i. Rent-free residential accommodation (furnished or otherwise) with the Company bearing the cost of repairs, maintenance, society charges and utilities (e.g. gas, electricity and water charges) for the said accommodation.

OR

House Rent and Maintenance Allowance (in case residential accommodation is not provided by the Company) of 85% of Basic Salary.

ii. Reimbursement of hospitalization and major medical expenses incurred as per rules of the Company (this includes mediclaim insurance premium).

iii. Car facility as per rules of the Company.

iv. Telecommunication facility as per rules of the Company, including broadband, internet and fax.

v. Other perquisites and allowance given below subject to a maximum of 55% of Basic Salary, which includes:

- Medical allowance
- Leave Travel Concession/Allowance
- Other Allowances
- Personal Accident Insurance Premium
- Annual Club Membership fees

vi. Retirement benefits: Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per rules of the Company. Provision of Special Retirement Benefits viz. Pension and Medical Benefits upon his superannuation, only if he continues with the Company or any Tata Company till that time. The Special Retirement Benefits are discretionary and can be withdrawn by the Board in case of conviction by the judicial authorities for any offences and include clauses on non-compete after superannuation.

vii. Leave and encashment of unavailed leave as per rules of the Company.

c. Commission:

Such remuneration by way of profit linked commission, in addition to the salary, perquisites and allowances payable, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board of the Company at the end of each financial year, subject to the overall ceilings stipulated in Section 197 of the Act, but in any case will not exceed 400% of the Basic Salary.

d. Incentive Remuneration:

In case where the net profits of the Company are inadequate for payment of profit-linked commission in any financial year, an incentive remuneration may be paid upto an amount not exceeding 200% of Basic Salary paid at the discretion of the Board. This incentive remuneration would be payable subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board.

An indicative list of factors that may be considered for determining the extent of commission/incentive remuneration, by the Board which will be payable annually after the Annual Accounts have been approved, are:

- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time.
- Industry benchmarks of remuneration.
- Performance of the individual.

III. MINIMUM REMUNERATION:

Notwithstanding anything to the contrary herein contained, wherein any financial year during the currency of the tenure of the Executive Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Basic Salary, benefits, perquisites and allowances, incentive remuneration and retirement benefits as specified above.

IV. OTHER TERMS OF APPOINTMENT:

i. The terms and conditions of the said re-appointment may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V of the Act or any amendments made hereafter in this regard, in such manner as may be agreed to between the Board and the Executive Director, subject to such approvals as may be required.

ii. The Executive Director shall not become interested or otherwise concerned, directly or through his spouse and/ or children, in any selling agency of the Company.

iii. This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the notice.

iv. The employment of the Executive Director may be terminated by the Company without notice or payment in lieu of notice:

- if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associate company to which he is required by the Agreement to render services; or
- in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or
- in the event the Board expresses its loss of confidence in the Executive Director.

v. In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

vi. Upon the termination by whatever means of employment of the Executive Director:

- the Executive Director shall immediately cease to hold office held by him in any subsidiaries or associate companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and shall resign as trustee of any trust connected with the Company.
- the Executive Director shall not without the consent of the Company at any time thereafter represent himself as connected with the Company or any of its subsidiaries or associate companies.

vii. All Personnel Policies of the Company and the related rules which are applicable to other employees of the Company shall also be applicable to the Executive Director, unless specifically provided otherwise.

viii. If and when the Agreement expires or is terminated for any reason whatsoever, the appointee will cease to be the Chief Operating Officer and Executive Director and also cease to be a Director. If at any time, the appointee ceases to be a Director of the Company for any reason whatsoever, he shall cease to be the Chief Operating Officer and Executive Director and the Agreement shall forthwith terminate. If at any time, the appointee ceases to be in the employment of the Company for any reason whatsoever, he shall cease to be a Director, Chief Operating Officer and Executive Director of the Company.

ix The terms and conditions of re-appointment with the Executive Director also include clauses pertaining to adherence with the Tata Code of Conduct, no conflict of interest with the Company, protection and use of Intellectual Properties, non-solicitation post termination of agreement and maintenance of confidentiality."

"RESOLVED FURTHER that the Board of Directors, be and is hereby authorized to take such steps as may be necessary for obtaining necessary approvals - statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution."

7. Payment of Remuneration to the Cost Auditor

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution:

"RESOLVED that pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the remuneration of ₹5,00,000/- (Rupees Five Lakhs), as recommended by the Audit Committee and approved by the Board of Directors payable to M/s Mani & Co., Cost Accountants (Firm Registration No. 000004) as Cost Auditors to conduct the audit of the relevant Cost records of the Company as prescribed under the Companies (Cost Records and Audit) Rules, 2014 as amended from time to time, for the financial year ending March 31, 2018 be and is hereby ratified and confirmed."

"RESOLVED FURTHER that the Board of Directors of the Company be and is hereby authorised to do all acts, deeds and things and take all such steps as may be necessary, proper or expedient to give effect to this Resolution."

8. Offer or invite for Subscription of Non-Convertible Debentures on private placement basis

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

"RESOLVED that pursuant to the provisions of Sections 23, 42, 71 and such other applicable provisions, if any, of the Companies

Act, 2013 ("the Act") read together with the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the Companies (Share Capital and Debentures) Rules, 2014, the Securities Exchange Board of India ("SEBI") (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and such other regulations prescribed by SEBI ("SEBI Regulations"), guidelines, notifications and circulars issued by the Reserve Bank of India, as may be amended from time to time, such other applicable laws, the Memorandum of Association and the Articles of Association of the Company, and subject to such approvals, consents and permissions as may be required by any authority or stock exchanges and subject to such conditions and/or modifications as may be prescribed or imposed by them while granting the same, which may be agreed to by the Board of Directors of the Company, subject to total borrowings of the Company not exceeding the borrowing powers approved by the Members from time to time under Section 180(1)(c) of the Act, consent of the members be and is hereby accorded to the Company to offer, invite for subscription, issue and allot from time to time, in one or more tranches and/or series, whether secured or unsecured, cumulative or non cumulative, listed or unlisted, redeemable Non-Convertible Debentures, including but not limited to bonds and/or other debt securities, denominated in Indian Rupees or any foreign currency ("NCDs") on a private placement basis, such that the aggregate amount does not exceed ₹3,000 crores (Rupees Three Thousand Crores) or its equivalent."

"RESOLVED FURTHER that the Board of Directors be and is hereby on behalf of the Company be authorized to determine the terms of issue including, time, the number of NCDs, tranches, issue price, tenor, interest rate, premium/ discount, class of investors, listing (in India or overseas) and for the purpose to delegate all or any other powers conferred herein to any committee, directors or executives of the Company and to do all such acts, deeds, matters and things, take all such steps as may be necessary and to sign and execute any deeds/ documents/ undertakings/ agreements/ papers/ writings for the purpose of giving effect to this Resolution and to resolve and settle all questions and difficulties that may arise from time to time."

By Order of the Board of Directors
H K SETHNA
Company Secretary
FCS No.: 3507

Mumbai
June 5, 2017

Registered Office:
Bombay House, 24, Homi Mody Street, Mumbai 400 001
Tel: +91 22 6665 8282; Fax: +91 22 6665 7799
Email: inv_rel@tatamotors.com; Website: www.tatamotors.com
CIN - L28920MH1945PLC004520

NOTES:

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act") in respect of the business under Item Nos. 3 to 8 set out above and details as required under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") in respect of Directors seeking appointment and re-appointment at this Annual General Meeting ("AGM" "the meeting") are annexed hereto.
2. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the AGM. A Proxy Form is annexed to this notice. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the Member organization.

   A person can act as a proxy on behalf of Members (not exceeding 50 Members) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A Member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or Member.
3. Corporate Members intending to send their authorised representatives to attend the AGM are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the AGM.
4. Only registered Members (including the holders of 'A' Ordinary Shares) of the Company may attend and vote at the AGM. The holders of the American Depositary Receipts (the "ADRs") of the Company shall not be entitled to attend the said AGM. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said Meeting through the Depositary, to give or withhold such consent, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such ADR. A brief statement as to the manner in which such voting instructions may be given is being sent to the ADR holders by the Depositary.
5. In case of joint holders attending the AGM, only such joint holder who is senior by the order in which the names stands in the register of members will be entitled to vote.
6. Relevant documents referred to in the Notice and the accompanying statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.

7. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
8. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately of:
   a) Change in their residential status on return to India for permanent settlement.
   b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
9. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/ name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members. In case of Members holding shares in physical form, such information is required to be provided to the Company's Registrars and Transfer Agents.
10. Members attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends and Shares pertaining thereto.
11. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
12. As an austerity measure, copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.
13. To support the 'Green Initiative', the Members who have not registered their email addresses are requested to register the same with Company's Registrars and Transfer Agents/Depositories. In other cases, an Abridged Annual Report is being sent to the members. The members who are desirous of receiving the full Annual Report may write to the Company's Registrar for a copy of the same.

14. VOTING BY MEMBERS:

A. In compliance with provisions of Section 108 the Act and the rules framed thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is pleased to provide Members the facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means either by (a) remote e-voting (by using an electronic voting system provided by NSDL as explained in the Remote e-voting at 'para F' herein below) or (b) Electronic Ballot at the AGM venue, (as provided in Voting at AGM for electronic ballot voting at 'para F(d)' herein below for) below. Resolution(s) passed by Members through e-voting is/are deemed to have been passed as if they have been passed at the AGM.

B. The voting rights of the Ordinary Shareholders shall be in the same proportion to the paid up Ordinary share capital and in case of voting rights on the 'A' Ordinary shares, the holder shall be entitled to one vote for every ten 'A' Ordinary shares held as on the cut-off date. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting through electronic ballot at the meeting.

C. In this regard, the member's demat account/folio number as on August 15, 2017 i.e. cut-off date has been enrolled by the Company for participation in voting on resolutions placed by the Company on the voting system.

D. The members can opt for only one mode of voting, i.e., either by remote e-voting or electronic ballot at the meeting. The members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting through electronic ballot. The Members who have cast their vote by remote e-voting are eligible to attend the meeting but shall not be entitled to cast their vote again.

E. The Board of Directors have appointed Mr P N Parikh of M/s Parikh & Associates, Practicing Company Secretaries (Membership No. FCS327) as the Scrutinizer to scrutinize the remote e-voting and electronic ballot process at the venue, in a fair and transparent manner.

F. INSTRUCTIONS FOR REMOTE E-VOTING:

Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date, may obtain his/her login ID and password by sending a request at www.evoting@nsdl.co.in. However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you have forgotten your "User details/password", you can reset it by using "Forgot User Details/ Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com or contact NSDL at the following Toll Free No.: 1800-222-990 or email at: evoting@nsdl.co.in

The period for remote e-voting starts on Saturday, August 19, 2017 (9.00 a.m.) and ends on Monday, August 21, 2017 (5.00 p.m). Remote e-voting shall be disabled by NSDL at 5:00 p.m. on August 21, 2017 and members shall not be allowed to vote through remote e-voting thereafter. Any person who is not a member as on the cut-off date i.e. August 15, 2017 should treat this Notice for information purposes only.

a. In case the Member receives an e-mail from NSDL (for members whose email IDs are registered with the Company/ Depository Participants):

(i) Open e- mail and open PDF file viz; "TML e-voting.pdf" with your Client ID or Folio no. as password. The said pdf file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password.

(ii) Launch internet browser by typing the following URL: https://www.evoting.nsdl.com/

(iii) Click on "shareholders- Login".

(iv) Enter your User ID and password as initial password noted in step (a) (i) above and Click "Login".

(v) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(vi) Home page of "e-voting" opens. Click on "e-voting: Active E-voting Cycles."

(vii) Select "EVEN" (Electronic Voting Event Number) of Tata Motors Limited. Kindly note that there are separate EVEN for Ordinary Shares (ISIN - INE155A01022) and for "A" Ordinary Shares (ISIN - IN9155A01020). In case you are holding both classes of shares, please complete your voting for one EVEN and then cast your vote for another EVEN.

(viii) Now you are ready for e-Voting as "Cast Vote" page opens.

(ix) Cast your vote by selecting appropriate option and click on "Submit" and also click on "Confirm" when prompted.

(x) Upon confirmation, the message "Vote cast successfully" will be displayed.

(xi) Once you have voted on the resolution, you will not be allowed to modify your vote.

(xii) For the votes to be considered valid, the corporate and institutional shareholders (companies, trusts, societies, etc.) are required to send a scanned copy (PDF/JPG format) of the relevant Board Resolution/ Appropriate Authorization etc. together with attested specimen signature of the duly authorized signatory (ies), to the Scrutinizer through e-mail at tml.scrutinizer@gmail.com with a copy marked to www.evoting@nsdl.co.in.

b. If you are already registered with NSDL for e-voting then you can use your existing user ID and password for Login to cast your vote.

NOTE : Shareholders who forgot the User Details/ Password can use "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com.

In case shareholders are holding shares in demat mode, USER-ID is the combination of DPID +Client ID.

In case shareholders are holding shares in physical mode, USER-ID is the combination of EVEN No + Folio No.

c. In case you have any queries, you may refer to the 'Frequently Asked Questions' (FAQs) for Shareholders and e-voting user manual for Shareholders available at the downloads section of NSDL's E-Voting website: www.evoting.nsdl.com. You can also send your queries / grievances relating to e-voting at:-

Name and Designation: Mr Rajiv Ranjan, Asst. Manager
Address: Trade World, A wing, 4th & 5th Floors,
Kamala Mills Compound, Lower Parel, Mumbai - 400013
Email Id and Phone Number(s): rajivr@nsdl.co.in;
7506682280/ 022-24994738; Toll free no: 1800222990

d. VOTING AT AGM:

The Chairman at the AGM, shall at the end of the discussion on the resolution, on which voting is to be held, allow voting with the assistance of Scrutinizer, by the use of electronic ballot system for all the Members who are present at the AGM but have not cast their vote by availing the remote e-voting facility.

15. DECLARATION OF RESULTS ON THE RESOLUTIONS:

- The scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and make, not later than 48 hours from conclusion of the meeting, a consolidated Scrutinizer's report of the total votes cast in favour or against the resolution, invalid votes, if any and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing who shall countersign the same.
- The results declared along with the Scrutinizer's Report shall be placed on the Company's website www.tatamotors.com and on the website of NSDL immediately after the result is declared. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Ltd., where the securities of the Company are listed. The results shall also be displayed on the notice board at the registered office of the Company
- Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e. August 22, 2017.

EXPLANATORY STATEMENT
(PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013)

The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), given hereunder sets out all material facts relating to the special business mentioned at Item Nos. 4 to 8 of the accompanying Notice dated June 5, 2017. As additional information, the Explanatory Statement also contains material facts pertaining to ordinary business mentioned at Item No. 3 of the said Notice:

Item No.3

This explanatory statement is provided though statutorily not required as per Section 102 of the Act.

Deloitte Haskins & Sells, LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W-100018) ("DHS"), had been the Auditors of the Company since FY2006-07 and at the Sixty Ninth Annual General Meeting ("AGM") held on July 31, 2014 the Company appointed DHS as the Auditors of the Company to hold office from the conclusion of the Sixty Ninth AGM till the conclusion of the Seventy Second AGM of the Company to be held in the year 2017, subject to the ratification of their appointment at every AGM by the Members.

As per the provision of Section 139(2) of the Companies Act, 2013 ("the Act") read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 ("Rules"), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided the Companies a period of three years from the date of commencement of the Act i.e. April 1, 2014 to comply with this requirement.

In view of the above, it is proposed to appoint B S R & Co. LLP, Chartered Accountants, (Firm Registration No.101248W/W- 100022) ("BSR"), as the Auditors of the Company for a period of five years commencing from the conclusion of the Seventy Second AGM till the conclusion of the Seventy Seventh AGM to be held in the year 2022, subject to ratification of their appointment at each AGM to be held after the Seventy Second AGM, if so required under the Act.

As per the requirement of the Act, BSR have confirmed that the appointment if made would be within the limits specified under Section 141(3)(g) of the Act and they are not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Rules.

In view of the above and pursuant to the Rule 3 of the Companies (Audit and Auditors) Rules, 2014, BSR being eligible to act as Auditors of the Company and based on the recommendation of the Audit Committee at its Meeting held on April 18, 2017, the Board recommends the Resolution set forth at Item No. 3 for approval by the Members.

The Company has in place a Policy for pre-approval of services to be rendered by the Auditors across its subsidiaries by the Audit Committee to ensure that the Auditors function in an independent manner. Members' attention is drawn to the details on fees paid to the Auditors for services rendered by them in the Notes forming part of the Financial Statement.

None of the Directors, Key Managerial Personnel or their relatives are concerned or interested, financially or otherwise in the Resolution at Item No. 3 of the Notice.

Item No. 4

In accordance with the past practice of appointing the Tata Sons Limited Chairman as a Director and Chairman of the Company and based on the letter of Tata Sons Limited dated January 13, 2017, the Board of Directors ('the Board') has appointed Mr Natarajan Chandrasekaran as an Additional Director and Chairman of the Company on January 17, 2017. Pursuant to the provisions of Section 161 of the Act, and the rules framed thereunder and the Articles of Association of the Company, Mr Chandrasekaran would cease to hold office at the ensuing AGM but would be eligible for appointment as a Director. Notice under Section 160 of the Act has been received from a Member signifying his intention to propose Mr Chandrasekaran's appointment as a Director.

Mr. Chandrasekaran (aged 54 years) holds a Bachelors' Degree in Applied Science and Masters' degree in Computer Applications from Regional Engineering College, Tamil Nadu. He joined Tata Consultancy Services ("TCS") on January 27, 1987 and was Chief Executive Officer and Managing Director from 2009-17. He has over 30 years of experience in the software industry and business operations. Mr Chandrasekaran rose through the ranks at TCS to become CEO and Managing Director. Under his leadership, the TCS has maintained its industry leadership position and TCS generated total revenues of US$16.5 billion in 2015-16 and consolidated its position as the largest private sector employer in India and the country's most valuable Company. TCS has also been placed among the "Big 4" most valuable IT services brands worldwide, ranked as one of the World's Most Innovative Companies by Forbes and recognized as a Global Top Employer by the Top Employers Institute across 24 countries.

In addition to his professional career at Tata, Mr Chandrasekaran was also appointed as a Director on the Board of India's Central Bank, the Reserve Bank of India in 2016. He has also served as the Chairperson of the Information and Communication Technology Industry Governors at the World Economic Forum, Davos in 2015-16.

Mr Chandrasekaran is recipient of several awards and recognition in business and academics communities. He was awarded as "Business leader of the year" at the ET awards for Corporate Excellence in the year 2016. In 2014-15, he was voted as one of CNBC TV 18 - 'Indian Business Icons', awarded CNN- IBN Indian of the Year 2014 in business category and the "Best CEO for 2014" by Business Today for the second consecutive year. He was also voted as Best CEO 2010-15 by Institutional Investor's Annual All-Asia Executive Team rankings. He was conferred with the Honorary Doctorate by JNTU, Hyderabad, India (2014). He was also conferred with the Honorary Doctorate from Nyenrode Business University, Netherland's top private business school in 2013. Mr. Chandrasekaran has also been conferred honorary degrees by many Indian universities such as the Gitam University, Vishakapatnam, Andhra Pradesh (2013), KIIT University, Bhubaneswar, Odisha (2012) and the SRM University, Chennai, Tamil Nadu (2010).

He joined the Board of Tata Sons Limited in October 2016 and was appointed Chairman in January 2017. Mr Chandrasekaran also chairs the Board of several group operating companies, including Tata Steel, Tata Power, Indian Hotels, and Tata Consultancy Services (TCS). Mr Chandrasekaran is an active member of India's bilateral business forums including USA, UK, Australia and Japan. He also served as the Chairman of NASSCOM, the apex trade body for IT services firms in India in 2012-13. Brief Information of Mr Chandrasekaran is given in the Annexure attached to the Notice.

Mr Chandrasekaran is eligible to be appointed as a Director in terms of Section 164 of the Act. A declaration to this effect and his consent to act as Director has been received from Mr Chandrasekaran. Mr Chandrasekaran, once appointed, will be liable to retire by rotation and will be subject to Tata Group Policy on Retirement of Directors adopted by the Company. The Board considers it desirable that the Company should continue to avail of the services of Mr Chandrasekaran and accordingly commends the Resolution at Item No. 4 for approval by the Members.

Mr Chandrasekaran is not related to any other Director of the Company. Except for Mr Chandrasekaran no other Director, Key Managerial Personnel or their relatives are concerned or interested in Item No. 4 of the Notice.

Item No.5

The Board of Directors ("the Board"), based on recommendation of Nomination and Remuneration Committee ("NRC"), have appointed Mr Om Prakash Bhatt as an Additional Director as also an Independent Director of the Company on May 9, 2017.

Mr Bhatt has given his declaration to the Board that he meets the criteria of independence as provided under Section 149(6) of the Act and is eligible to be appointed as an Independent Director in terms of Section 164 of the Act. He has also given his consent to act as Director.

Mr Bhatt (aged 66 years) is a graduate in Science and a post graduate in English Literature. He has served as Chairman, State Bank Group, which includes State Bank of India (SBI), India's largest commercial bank; five associate banks in India; five overseas banks; SBI Life, the country's largest private life insurer; SBI Capital Markets, India's leading investment bank; SBI Fund Management; and other subsidiaries spanning diverse activities, from general insurance to custodial services. Mr. Bhatt led SBI during challenging times. Under his leadership, SBI rose on the global list rankings of Fortune 500. He was also Chairman of Indian Banks' Association, the apex body of Indian banks and has served as India's economic diplomacy as government's nominee on the India-US CEO Forum, Indo-French CEO Forum and Indo-Russia CEO Forum, forging links with a cross section of the world's business leaders. He was nominated Banker of the Year by Business Standard and Indian of the Year for Business in 2007 by CNN-IBN.

In the opinion of the Board, Mr Bhatt, fulfills the conditions specified in the Act and the Rules made thereunder for appointment as Independent Director and he is independent of the management.

The terms and conditions of appointment of Independent Director shall be open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays, during business hours upto the date of the Meeting.

The Board considers it desirable that the Company should continue to avail of the services of Mr Bhatt and accordingly commends the Resolution at Item No. 5 for approval by the Members.

Mr Bhatt is not related to any other Director of the Company. Except for Mr Bhatt not other Director, Key Managerial Personnel or their relatives are concerned or interested in Item No. 5 of the Notice.

Item No.6

The Members at the 71st Annual General Meeting held on Tuesday, August 9, 2016 had vide Special Resolution No. 8 approved the appointment of Mr Satish Borwankar, Executive Director (Quality) of the Company for a period commencing from July 1, 2016 to July 15, 2017, including the terms of remuneration payable to him.

Based on the recommendation of the NRC, the Board of Directors at its Meeting held on May 31, 2017 approved of the re-appointment of Mr Borwankar as Executive Director and designated him as Chief Operating Officer and extended his term of Executive Directorship for a period of two years i.e. from July 16, 2017 to July 15, 2019, subject to shareholders approval. In view of his past performance in his role as Executive Director (Quality) the Board of Directors have enhanced his role by designating him as the Executive Director and Chief Operating Officer and will now be accountable to ensure an end to end view on the entire operations of the Company, focusing on quality improvement, supply chain performance, cost reduction and management of new product launches. This would enable the Company to unleash its sales potential and successfully manage the turnaround plan which is so critical to the Company's growth and sustainability. The proposed remuneration payable to Mr Borwankar during his extended tenure of 2 years is similar in all respects to the approval by the shareholders as mentioned above, except for the increase in salary scale from ₹7,00,000/- per month to ₹8,00,000/- per month to enable the Company to increase salary annually with an increment limited to 20% of the Basic Salary as per the approved terms.

Considering the various business cycles wherein the Company may have a situation of inadequate profits as calculated under the provisions of Section 198 of the Act in any financial year during a period of 2 years w.e.f. July 16, 2017, the approval for the payment of remuneration being sought would include the payment of minimum remuneration as per the terms stated in the Resolution No. 6 of the Notice.

Pursuant to the provisions of Section 197 of the Act, the remuneration payable to any one managing director or whole time director shall not exceed 5% of its profits as calculated under Section 198 of the Act and if there is more than one such director then the remuneration to them shall not exceed 10% of such profits. In case of loss or inadequacy of profits as per Section 198 of the Act, a company may pay remuneration within the limits prescribed under Schedule V of the Act based on its effective capital, subject to shareholders' approval vide Special Resolution which would be valid for a period of 3 years. Further, any sums paid in excess of the statutory limits become refundable to the Company and is held in trust for the Company by the said director, unless the Company waives the recovery of the said amount by way of a Special Resolution passed by the members and such waiver is approved by the Central Government.

The Company recorded a net profit of ₹7,556.56 crores on a consolidated basis and recorded a loss of ₹2,479.99 crores on a standalone basis for the financial year ended March 31, 2017. Further, as per the provisions of Section 198 of the Act, the Company on a standalone basis, had a loss of ₹2,564.03 crores for the said financial year. Whilst the Company has taken several initiatives to turnaround and improve its performance in FY2017-18, it may be likely that the Company may have a scenario wherein there are inadequacy of profits under the said provisions of the Act in any of the financial years during the 2 years' period from the date of his re-appointment. As a matter of abundant caution Members' approval is being sought for payment of minimum remuneration as defined in the said Resolution. For details pertaining to the reasons for losses in its Standalone Financial statement for FY2016-17 and steps taken to improve the performance of the Company, please refer to Point Nos. 1 and 2 of Item III on 'Other Information' in the Statement containing Additional Information as required under Schedule V of the Act provided below.

Based on the Company's Effective Capital of ₹ 14,253.13 crores as at March 31, 2017, the Company is permitted to pay, on an individual basis, the Executive Director a maximum remuneration of ₹5.20 crores for FY 2017-18 in case if the Company has inadequate profits in the financial year. The Executive Directors' remuneration would be within the said limits in case of no/inadequacy of profits during their said tenure.

THE STATEMENT CONTAINING ADDITIONAL INFORMATION AS REQUIRED UNDER SCHEDULE V OF THE ACT

I. GENERAL INFORMATION

1. **Nature of Industry:**

   The Company is mainly engaged in the business of manufacture, assembly and sale of automobile products consisting of all types of commercial and passenger vehicles, including spare parts.

2. **Date or expected date of commencement of commercial production:**

   The Company was incorporated on September 1, 1945 and Commencement of Business Certificate was granted on November 20, 1945. The Company had since commenced its business.

3. **In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:**

   Not Applicable

4. **Financial Performance** based on given indicators:

(₹ in crores)

Particulars	FY 2016-17	FY 2015-16	FY 2014-15	FY 2013-14	FY 2012-13
Consolidated Revenue from Operations (Gross)	274,492.12	277,660.59	266,707.90	236,820.78	193,559.01
Standalone Revenue from Operations (Gross)	49,100.41	47,383.61	39,531.23	37,764.64	49,319.66
Consolidated Profit for the period	7,556.56	11,678.19	13,986.29	13,991.02	9,892.61
Standalone Profit/(Loss) for the period	(2,479.99)	(62.30)	(4,738.95)	334.52	301.81
Standalone Net Profit/(Loss) under Section 198 of the Act	(2,564.03)	(464.10)	(3,981.54)	(2,570.99)	449.31

Note: Previous year figures have been regrouped wherever necessary to correspond with the current year classification.
Financial statement of the Company for the financial year 2016 & 2017 are prepared in accordance with IND AS 110 issued by the Institute of Chartered Accountants of India.

5. **Foreign Investment or collaborations, if any:**

   The Company has not entered into any material foreign collaboration and no direct capital investment has been made in the Company. Foreign investors, mainly comprising FIIs and ADR holders, are investors in the Company on account of past issuances of securities and secondary market purchases.

II. INFORMATION ABOUT THE APPOINTEE - Mr Satish Borwankar, Executive Director and Chief Operating Officer:

1. **Background details:**

   Aged 64, Mr Borwankar is a B.Tech (Hons). Mech, with wide experience in automobile industry, particularly in manufacturing and quality functions. Mr Borwankar has been the Executive

Director of the Company since June 21, 2012 and prior to June 5, 2017 was responsible for the quality function of the Company for both commercial and passenger vehicles. Having started his career with the Company in 1974 as a Graduate Engineer Trainee, he has worked in various executive positions, for overseeing and implementing product development, manufacturing operations and quality control initiatives of the commercial vehicle business unit of the Company. He has played a significant role in setting up Greenfield projects of the Company.

2. Past remuneration:

(₹ in Lakhs)

	FY 2012-13 ($- 9 months)	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17
Basic Salary	33.13	45.12	49.20	52.68	57.00
Benefits, Perquisites and Allowances	47.02	@123.69*	71.36*	76.45*	82.27*
Commission/Incentive Remuneration	85.00	75.00	80.00	100.00	60.00
Retirement Benefits #	8.95	12.18	13.28	14.22	15.39
Total Remuneration	174.10	255.99	213.84	243.35	214.66
Less: Permissible Deductions under relevant Schedule XIII/ Schedule V	N.A	(6.41)	(6.90)	(7.32)	(7.84)
Total Remuneration under relevant Schedule XIII/ Schedule V	**174.10**	**249.58**	**206.94**	**236.03**	**206.82**

$ Appointed as Executive Director on June 21, 2012 and Remuneration paid is for the period upto March 31, 2013, approximately 9.5 months.
@ Includes long term cash award pertaining to performance for FY2010-11 which on vesting was paid in FY2013-14
** Includes leave encashment*
 # Excludes provision for special retirement benefits in view of his eligibility under the applicable guidelines, but is payable at the discretion of the Board for FY2012-13 - ₹497.32 lakhs; FY2013-14-₹26.79 lakhs; FY2014-15 - credit of ₹47.90 lakhs, FY2015-16 – ₹ 41.54 lakhs and FY2016-17 - ₹79.32 lakhs.

It may be noted that in view of the financial performance of the Company on a standalone basis for the past few years, the Company had significantly reduced the variable portion of the remuneration, viz. incentive remuneration. The salary increments were decided based on industry benchmarks, the Company's growth plans and with a view to retain talent. For further information, please refer to point No. 5 Pertaining to 'Comparative Remuneration Profile' of Item No. II on information about the appointee. The Company does not have an Employee Stock Option Scheme for any of its employees or directors.

3. Job profile and suitability:

In Mr Borwankar's role as Executive Director and Chief Operating Officer w.e.f June 5, 2017, he will be accountable to ensure an end-to-end view on the entire operations of the Company, focusing on quality improvement, supply chain performance, meet the S&OP plan, cost reduction and management, timely launch of flawless new products. This would enable the Company to unleash its sales potential and successfully manage the turnaround plan which is so critical to the Company's growth and sustainability.

He also shoulders responsibility for reviewing and overseeing the implementation of Safety, Health and Environment related practices of the Company and the Tata Business Excellence Model (TBEM) guidelines. As a Director, nominated on the Board of certain subsidiary companies, he provides valued direction and insight. Also "Sankalp" a sheet metal part suppliers' quality improvement project has been mentored by him and has transformed the Company's sheet metal suppliers' quality standards. It is worthy to note that, the Company or these subsidiaries do not additionally compensate him, in any manner, for these additional activities undertaken by him, except in certain subsidiaries in his capacity as a Non-Executive Director. Mr Borwankar, an engineer from IIT Kanpur, with several years of multi-functional experience spanning across the Company's value chain and has consistently delivered exceptional results throughout his career. Taking into consideration Mr Borwankar's background the Board believes that he is an ideal candidate to help fructify the vision of achieving par-excellence in his new role as an Executive Director and Chief Operating Officer, as envisioned by the Company.

Achievements and Performance Highlights during last two years:

- Initiated steps to achieve World Class Quality (WCQ). During FY 2016, Dharwad, Pantnagar, Lucknow & Jamshedpur plants achieved WCQ Level 2, whereas subsidiaries/ division like Prolife & TMLDL achieved WCQ Level 1. During FY 2017 TMLDL Jsr, PVBU Pune and Dharward operations achieved WCQ Level 3 in Q4 FY 2017. Prolife Lucknow operations achieved WCQ Level 2 in in Q4 FY 2017. New Sustenance Assessment Concept rolled out for reinforcing the WCQ journey.

- Introduced forward model quality and quality assessment processes for the first time in Tata Motors in 13-14, which has now matured. This approach has helped in launching defect free product launch like Bolt, Zest, Tiago, Hexa, Tigor in PVs and Ultra and Prima variants in CVs.
- Reduction in rework and inspection activities as a part of 'Cost of Quality' initiatives resulting in reduction of around 2,000 temporary workforce – an 80% reduction in rework manpower and 33% reduction in inspection manpower. Under the Impact initiative of cost reduction through lower 'Cost of Quality', Quality teams have achieved a cost reduction of ₹56 crores through appraisal cost, internal and external failure cost reduction. In FY 2016, Dealer PDI time for rework & rectification has been significantly reduced from 2 days to same day delivery within few hours.
- Perceived vehicle quality has taken a quantum leap of improvement after the introduction of CPA and Craftsmanship audits at all plants.
- The 3 MIS warranty failure incidences have significantly reduced - by 37% in CVBU and 41% in PVBU over last financial year resulting in substantial reduction of warranty expenses. In May 2017 Dealer Conference, the Company's products were appreciated for significant improvement in quality, reliability & durability including noteworthy reduction in warranty failures and expenses.
- Introduced initiative of 'Zero Aggregate failure' within 50,000 kms. Substantial reduction in replacement of critical components, such as engines, axles, transmissions both in commercial and passenger vehicle businesses.
- Gear shift quality improvements and gear shift effort reduction undertaken in M&HCV 6 speed gear box which are better than benchmarks.
- Significant improvement in accuracy of bill of materials for bulk and non bulk parts particularly for BS-IV vehicles.
- Concepts like 'Do It First Time Right' ("DIFTR") and 'No touch DRR' rolled out in all vehicle assembly lines, with concrete parameters. Implementation of process Pokayokes (around 5,000 Pokayokes identified and more than 4,500 installed) to support the DIFTR initiative.
- Introduced a new initiative to improve cabins for entire CV portfolio and PV portfolio. With all improvements in place, the shower testing has been discontinued in almost all models resulting in substantial cost savings.
- Made substantial progress on the Supplier Quality improvement through 'Project Sankalp' and 'Supplier Quality Improvement Initiative' ("SQIT") introduced in the previous year resulting in significant improvement of selected suppliers on safety, quality and cost front.
- Ipsos Survey initiated for commercial vehicles to improve product reliability and durability.
- IT enablement has strengthened various processes like FIFO dispatch system at RSOs and storage yards as also product quality through initiatives like Project Tantra & DDMS.
- Proactive field, customer and dealer visits by plant teams are continuing with rigor to understand the opportunities for improvement to improve the customer satisfaction.
- JDP IQS performance: TML PV products performance improved from 13th rank, (which was at the bottom of the chart till previous year) to move up to 8th rank in the 2015-16 IQS results. The TML performance improved by 37 PPH while the overall industry improved by 3 PPH in 2015, but in 2016 the IQS course have been deteriorated by 25 PPH over 2015 IQS course.
- Nano stood second rank in the entry compact segment at 91 PPH, the best performance by Nano so far in the JDP IQS in 2015. In 2016 Nano ranked 3rd with 103 PPH.
- Tata Motors Limited (India Operations) has been conferred the 'Golden Peacock National Quality Award' for the year 2016 for its significant improvement in product & process Quality.

Taking into consideration the qualifications, achievements and varied experience, the Board continues to bestow upon Mr Borwankar new role and responsibilities of Executive Director and Chief Operating Officer.

4. **Remuneration proposed:**

   Details on remuneration have been stated in the Resolution at Item No. 6 of the Notice.

5. **Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

   In view of the financial performance of the Company on a standalone basis for the past few years, the Company had significantly reduced the variable portion of the remuneration, viz. incentive remuneration. The salary increment to the Executive Director for FY2017-18 of 6.5% (previous year: 8%) was decided based on industry benchmarks, the Company's performance and growth plans, his enhanced roles and responsibilities as Chief Operating Officer and with a view to retain talent. The metrics used by the NRC while deciding the salary increase of 6.5% for FY2017-18 were *inter alia* based on a survey conducted by Aon Hewitt, an independent consultant, depicting an average salary increase in India averaging around 9.5% and the Indian automotive manufacturing industry the salary increment was around 10.3%.

   Remuneration paid/payable to Mr Borwankar, is commensurate with industry standards and Board level positions held in similar sized domestic companies, taking into consideration the responsibilities shouldered by him. The table below illustrates the requisite comparative data:

(₹ in Lakhs)

Percentile	10th	25th	Median	75th	90th
	289	372	410	553	681

(Data Source: Aon Hewitt – COO Compensation Benchmarking Study, July 2017 with Revenues in excess of ₹ 10,000 crores in FY 2016-17. The value represented above refers to Cost to Company, which includes basic salary, all allowances, benefits valuations, performance bonuses / commissions and Long term incentives.)

Note: A percentile is a measure used in statistics, indicating the value under which a given percentage of observations in a group of observations fall. For example, the 25th percentile is the value (or score) under which 25% of the observations may be found.

6. **Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:**

   Besides the remuneration paid/payable to Mr Borwankar, there is no other pecuniary relationship with the Company or with the managerial personnel of the Company.

7. **Recognition or Awards:**

   Some of the significant Awards and Recognitions received by the Company during the year are given below:

   Plants:

   Jamshedpur:

   - World Class Quality Level II.
   - Ranked 1st in the Industry category for environmental initiatives by Jharkhand State Pollution Control Board.
   - CII-GreenCo 'Gold Rating' Best Practices Award 2016 for its Innovative Project on water conservation.

   Pune:

   - Excellent Energy Efficient Unit Award in the Automobile Manufacturing category at the 17th National Awards for Excellence in Energy Management organised by CII.
   - First runner - up in the Automotive Sector, Mega Large Business category at the Frost & Sullivan - India Manufacturing Excellence Awards 2016.

   Lucknow:

   - The Srishti Good Green Governance Award 2016.
   - Social Return on Investment Award by KPMG.
   - Certification of GreenCo "Silver rating" during Green Co Summit 2016 by CII.
   - Apprentices' Training Excellence Award by Govt. of UP.

III. OTHER INFORMATION

1. **Reasons of loss or inadequate profits:**

   For Fiscal 2017 the Consolidated Revenue from operations and Profit After Tax was ₹2,74,492 crores and ₹6,064 crores respectively as against ₹2,77,661 crores and ₹11,101 crores respectively in the previous year. The Standalone Revenue from operations and Profit/Loss After Tax was ₹49,100 crores and (₹2,480) crores respectively as against ₹47,384 crores and (₹62) crores respectively for the previous year. The loss as calculated under Section 198 of the Act for FY 2016-17 was ₹2,564 crores (previous year: loss of ₹464 crores).

   The Indian economic in Fiscal 2017, on a macro – economic level stayed fairly robust and stable. Automotive Industry in India, grew in Fiscal 2017 by 8.3% over the previous year, as against the growth of 6.0% in the Company's vehicles sales resulting in the Company's market share decreasing to 12.8% in the Indian automotive industry from 13.1% in the previous year. The Company was more severely impacted in view of certain sectors performing more adversely, which impacted segments in which the Company had larger volumes and higher market shares. The volatile domestic demand for commercial vehicles throughout the year, was a result of Government and regulatory announcements - e.g. Goods and Service Tax (GST), Demonetization, emissions change from BS-III to BS-IV etc. Within the domestic market, the Company sold 324,175 commercial vehicles, a marginal fall of 0.8% from Fiscal 2016. The Company's passenger vehicles sales were higher by 23.5% at 157,020 vehicles, registering a 5.2% market share. The Company sold 137,175 cars (higher by 28.4%) and 19,845 utility vehicles and vans, (lower by 2.2%).

   Whilst the Company has significantly improved its income from operations of ₹49,100 crores in Fiscal 2017, which is 3.6% higher from ₹47,384 crores in the previous year, muted demand of M&HCV and LCV due to demonetization, weak replacement demand, subdued freight demand from industrial segment, and lower than expected pre-buying ahead of the implementation of BS-IV. This resulted in lower EBITDA margins of 3.5% as against 7.1% in the previous year.

2. **Steps taken or proposed to be taken for improvement:**

   The Company has taken various initiatives, to maintain its leadership, improve market share and financial performance. It has been aggressively pursuing and implementing its strategies to improve volumes and reduce costs through improving operational efficiencies, timely launch of new products, refreshing products, building brand strengths, improving dealer effectiveness and restructuring customer facing functions thereby enhancing sales and service experience and improved working capital management. The Company has also expanded its new look, stylish, tech savvy, best-in-class flagship passenger vehicle showrooms, for superior customer experience.

   Short term strategy: Based on the recommendation of the NRC, the Board at its recently held meetings held on May 23, 2017 and May 31, 2017 critically reviewed the performance for the financial year 2016-17 and have made major leadership and organisational changes as also set the tone for a turnaround plan with emphasis on the main business of the Company – the domestic commercial vehicle business, by bringing focus on sales and service, cost control, rigor in capital allocation with careful calibration and rebuilding the credibility with customers, dealers and investors.

Mr Borwankar is part of a core team (ExCom) and alongwith the MD & CEO is leading the Company in a major strategic and operational transformation for significant and sustained improvement in the overall business and financial performance. This transformation initiative under their leadership will comprehensively cover all areas of the Company's operations - Company strategy, platform and product strategy, manufacturing, supply chain, employee and managerial productivity, cost reduction & efficiency improvements, improved effectiveness in sales & marketing and customer satisfaction / relationships and breakthrough improvements in achieving world class quality standards.

The Board proposes to review the agreed actions pertaining to the turnaround plan on a monthly basis with the management monitoring the same at various levels on a daily basis. These are expected to result in substantially improving the Company's financial performance – both in terms of revenues and profitability as also, market share in various sub segments of the automotive industry. These steps are being seen by the management as only a beginning in a deeper and long term strategy for growth and a sustainable future.

Long term strategy: As has been reported in the previous year the Company has embarked upon a transformation journey which is expected to take another 1 or 2 years which will help the Company achieve significant growth, improve market share in all our segments, be amongst the top in India in terms of quality through cost efficient operations and a highly motivated and engaged team.

i. Enhancing the brand perception of Tata Motors- A comprehensive exercise is being initiated to develop the brand purpose and positioning of Tata Motors as a brand. This will be then executed seamlessly across the value chain to provide consistent and credible experience to the stakeholders aligned to the Company's brand promise.

ii. Providing unique and delightful customer experience- Multiple initiatives right from pre-sales stage to after sales have been identified to deliver high customer satisfaction performance.

iii. Excellence in delivery of new products- The initiatives under this imperative focus on benchmarking with world class new product development processes in order to ensure consistency and adherence to the planned time, cost and quality.

iv. Delivering reliable and high quality products with focus on world-class quality processes- There are several projects initiated to deliver high quality products by improving internal process capabilities and supplier processes.

v. World-class manufacturing – This stream's focus is to improve the productivity performance and delivery versus schedule. There are additional projects undertaken to reduce manufacturing related costs and yield improvement. The Company believes that this initiative will enable it to support and strengthen the 'Make in India Campaign', for encouraging India to become a key center for global manufacturing.

vi. Agile and Cost-effective Supply Chain- This stream's focus will be to improve the supply-chain processes like Material Requirement Planning, strengthen relationship with Strategic suppliers, rationalize the supplier base for agility, improve manufacturing and quality processes and information systems. Considering the size and scale of the Company's operations and the vast supply chain relationships, this will again strengthen and support the Government's aim under the 'Make in India Campaign'.

vii. Cost competitiveness – There are more than 50 initiatives, addressing each and every cost element for cost competitiveness, with clear targets in cost areas like Direct Material, Marketing, Fixed Cost, Variable Conversion Cost, Product Development Costs, etc. These projects will help in significantly reducing the Company's cost structure. It will be relevant to add that this cost reduction initiative will help not only the Company, but the entire value chain, including hundreds of vendors and other partners, providing further strength and support to the 'Make in India Campaign'.

viii. People processes and organization structure- In this initiative, projects have been undertaken to drive high-performance culture, improve functional competencies, improve employee engagement, achieve benchmark levels of employee productivity and build a pipeline of talented workforce.

It will be worthwhile to note that under the above eight pillars, the Company has over a 100 individual initiatives on which various cross functional teams of high performers across the organization have been identified and deployed. To support the Company in the pursuit of above initiatives, the leadership team is also drawing upon and will be drawing upon Mr Borwankar's vast experience and expertise in leading transformational programs.

3. Expected increase in productivity and profits in measurable terms:

With the various initiatives taken to improve performance, particularly on cost reduction and sales enhancement as under the Company is confident that with effective implementation of its turnaround strategy there would be substantial increase in productivity and profitability to turnaround the Company within the next 2 years:

- Cost reduction: Focused approached on reduced direct material cost, renegotiating commodity price increases, major cost reduction drive review of fixed marketing expenses with the view to drop avoidable events, review of engineering expenses, improve spares revenue and other cost tightening measures, such as crowdsourcing, travel expenses, etc.

- Sales enhancement: Improving market share particularly in all the sub segments of the commercial vehicle business, filling product gaps already identified, ensuring meeting the demand without any supply constraints, improving market intelligence with respect to competition, pricing and sales realization, better customer financing, offering customized solutions for various applications, product training to sales force and dealer network, timely product launches and interventions, strengthening the dealer network and viability, Incentivization of dealers, rigor on variable marketing expenses, bundling the value added services and increasing the revenues from spares and annual maintenance contracts.

With Mr Borwankar alongwith the Senior Leadership Team's broad functional, general management skills and wide international experience, they would provide Tata Motors with profound knowledge in complex restructuring/ turnaround programmes, provide inputs on robust world-class process know-how in operations and accelerate transformation to a high performance culture by onboarding employees and creating ownership in the organization. The Board is of the view, that this leadership creates international, multinational teams and fosters a culture of cross-functional teamwork, agility and accountability.

The NRC currently comprising of three independent directors [viz. Mr Nasser Munjee (as Chairman of the Committee), Dr Raghunath Mashelkar and Mr Om Prakash Bhatt] and Mr Natarajan Chandrasekaran, Non-Executive Chairman of the Board, reviews and recommends the changes in the remuneration on a yearly basis. This review is based on the Balance Score Card that includes the performances of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, cash flows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-à-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent HR agencies on comparative industry remuneration and practices. The decisions taken at the NRC and the Board are within the broad framework of remuneration as approved by the Members.

The Company remains committed to pursue the long term interest of all stakeholders, including the Company's Members and employees. It is necessary to balance this with recruiting and retaining industry proven management team through the long term. This involves ensuring that the Company's leadership and talent base is appropriately remunerated, notwithstanding cyclical phases. This is particularly important when the Company has ongoing significant turnaround and growth strategies under execution.

Taking into consideration the above and the terms of appointment (including payment of Minimum Remuneration) agreed with Mr Borwankar and based on the recommendation of the NRC, the Board of Directors have on May 31, 2017, accorded their approval to the said proposal of reappointment of Mr Borwankar and in the interest of the Company has recommended the aforesaid resolution set out at Item No. 6 in this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives is in any way concerned or interested in the said Resolution, except for Mr Borwankar in the Resolution at Item No. 6 of the Notice.

Item No. 7

Pursuant to Section 148 of the Companies Act, 2013 ("the Act") read along with the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company is required to have the audit of its cost records for specified products conducted by a Cost Accountant in Practice. Based on the recommendation of the Audit Committee, the Board had on May 23, 2017, approved the appointment and remuneration of M/s Mani & Co., the Cost Auditors (Firm Registration No. 000004) to conduct the audit of the Cost records maintained by the Company, pertaining to the relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014, for the Financial Year ending March 31, 2018 at a remuneration of ₹5,00,000/- (Rupees Five Lakhs).

It may be noted that the records of the activities under Cost Audit is no longer prescribed for "Motor Vehicles and certain parts and accessories thereof". However, based on the recommendations of the Audit Committee, the Board has also approved the appointment of M/s Mani & Co. for submission of reports to the Company on cost records pertaining to these activities for a remuneration of ₹15,00,000/- (Rupees Fifteen Lakhs) for the said financial year.

In accordance with the provisions of Section 148 of the Act read along with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, ratification for the remuneration payable to the Cost Auditors to audit the cost records of the Company for the said financial year by way of an Ordinary Resolution is being sought from the Members as set out at Item No. 7 of the Notice.

M/s Mani & Co. have furnished a certificate dated May 12, 2017 regarding their eligibility for appointment as Cost Auditors of the Company.

The Board commends the Ordinary Resolution set out at Item No. 7 of the Notice for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 7 of the Notice.

Item No. 8

The Non-Convertible Debentures ("NCDs") issued on private placement basis is one of the cost effective sources of long term borrowings raised by the Company. The Company had obtained the approval of the Members vide Postal Ballot on June 27, 2014 to borrow from time to time any sum(s) of monies which, together with monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company's Bankers in the ordinary course of business) upto an amount not exceeding ₹30,000 crores. The borrowings of the Company (on stand-alone basis excluding Joint operations) as at March 31, 2017 aggregate approximately ₹18,578 crores, of which outstanding NCDs aggregate to ₹ 7,050 crores. The Company's Net Debt-Equity ratio (on stand-alone basis excluding Joint operations) as at March 31, 2017 is 0.78:1 and the Company believes that the aggregate borrowings would be well within acceptable levels.

Further, the Company had obtained Members' approval for borrowing up to ₹3,000 crores by way of NCDs at the Annual General Meeting ("AGM") held on August 09, 2016, which is valid for a period of one year from date of the said approval. The Company has borrowed ₹1,300 crores by way of unsecured NCDs up to May 2017, in accordance with the aforesaid Members' approval.

As per provisions of Sections 23, 42, 71 of the Act read with rule 14 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, a company making a private placement of its securities is required to obtain the approval of the Members by way of a Special Resolution for each offer or invitation before making such offer. However, in case of offer for NCDs, it shall be sufficient if the Company passes a previous Special Resolution only once in a year for all the offers or invitation for such debentures during the year.

In continuation of its efforts to strengthen its capital structure, the Company intends to augment the resources through a mix of internal accruals and long term borrowings to insure that they are aligned in terms of quamtum, risk, maturity and cost with its earning profile. Accordingly, it is proposed to issue NCDs and / or Rupee Denominated Non-Convertible Foreign Currency Bonds on a private placement basis aggregating upto ₹3,000 crores, in one or more series/tranches during the 12-month period from the date of this AGM, with an intention to finance, *inter-alia* the repayment of certain NCDs / term loans from Banks, to fund part of the ongoing capital expenditure during the next 12 months and for general corporate purposes. The Company intends to raise NCDs for tenors ranging between 2 to 10 years and expects the borrowing cost of NCDs to be lower than 1 year MCLR rate of State Bank of India (prevailing at 8% p.a. as on June 1, 2017) plus a spread of 100 bps, considering the current credit rating of the Company of AA by ICRA and AA+ by CARE.

It is therefore proposed to pass an enabling Resolution authorizing the Board of Directors to make specific issuances based on the Company's requirements, market liquidity and appetite at the opportune time.

The above proposal as set out in Item No. 8 of the Notice is in the interest of the Company and your Directors commend the same for approval by the Members.

None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in the resolution set out at Item No. 8 of the Notice.

By Order of the Board of Directors

H K SETHNA

Company Secretary

FCS No.: 3507

Mumbai

June 5, 2017

Registered Office:

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CIN - L28920MH1945PLC004520

Details of Director seeking appointment and re-appointment at the Annual General Meeting Pursuant to SEBI Listing Regulations and Secretarial Standards – 2 on General Meetings

Particulars	Dr Ralf Speth	Mr Natarajan Chandrasekaran	Mr Om Prakash Bhatt	Mr Satish Borwankar
Director Identification Number	03318908	00121863	00548091	01793948
Date of Birth (Age)	September 9, 1955 (61 years)	June 2, 1963 (54 years)	March 7, 1951 (66 years)	July 15, 1952 (64 years)
Date of Appointment	November 10, 2010	January 17, 2017	May 9, 2017	June 21, 2012
Qualifications	Doctorate of Engineering in Mechanical Engineering and Business Administration	Bachelor's Degree in Applied Science, Master's Degree in Computer Application	Graduate degree in Science, Post Graduate degree in English Literature (Gold Medal)	B.E (Mech) – IIT, Kanpur
Expertise in specific functional areas	Wide experience in areas of production, quality and product planning.	Wide experience across various industries.	Wide experience in Banking and Financial Markets	Wide experience in Automobile Industry, manufacturing and quality functions
Directorships held in other companies	Tata Sons Limited Jaguar Land Rover Automotive Plc, UK Jaguar Land Rover Limited, UK Jaguar Land Rover Holding Limited, UK Spark44 (JV) Limited, UK ACEA- Brussels, Belgium Bladon Jets, UK Confederation of British Industry, UK The Society of Motor Manufacturers & Traders Limited, UK Jaguar Racing Limited, UK	*(As Chairman unless otherwise stated)* Tata Consultancy Services Limited Tata Sons Limited Tata Steel Limited The Indian Hotels Company Limited The Tata Power Company Limited TCS Foundation Jaguar Land Rover Automotive PLC, UK Reserve Bank of India - Director	Hindustan Unilever Limited Tata Steel Limited Tata Consultancy Services Limited Standard Chartered PLC, UK Greenko Energy Holdings Limited, Mauritius	TML Drivelines Limited - Chairman Tata Daewoo Commercial Vehicle Company Limited TAL Manufacturing Solutions Limited Tata Cummins Private Limited Tata Motors (Thailand) Limited - Chairman
Memberships/ Chairmanships of statutory committees across companies	Nil	**Nomination and Remuneration Committee** Tata Sons Limited Tata Consultancy Services Limited Tata Steel Limited Tata Motors Limited The Indian Hotels Company Limited The Tata Power Company Limited **Corporate Social Responsibility Committee** Tata Consultancy Services Limited – Chairman **Risk Management Committee** Tata Consultancy Services Limited	**Audit Committee** Hindustan Unilever Limited Tata Steel Limited- Chairman Tata Consultancy Services Limited **Stakeholders' Relationship Committee** Hindustan Unilever Limited - Chairman Tata Consultancy Services Limited **Nomination and Remuneration Committee** Hindustan Unilever Limited Tata Motors Limited Tata Steel Limited **Corporate Social Responsibility Committee** Hindustan Unilever Limited- Chairman Tata Consultancy Services Limited Tata Steel Limited **Risk Management Committee** Tata Consultancy Services Limited Standard Chartered PLC Tata Steel Limited-Chairman	**Audit Committee** TAL Manufacturing Solutions Limited **Corporate Social Responsibility Committee** Tata Cummins Private Limited Tata Motors Limited **Nomination and Remuneration Committee** TML Drivelines Limited
No. of shares held in the Company	Nil	Nil	Nil	500 Ordinary shares

For other details, such as number of meetings of the Board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of the above directors please refer to the Board's Report and the Corporate Governance Report.

BOARD'S REPORT

TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Seventy Second Annual Report along with the Audited Statement of Accounts for Fiscal 2017.

Pursuant to the notification issued by the Ministry of Corporate Affairs on February 16, 2015 and under the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, the Company has adopted Indian Accounting Standards on April 1, 2016, with the transition date as April 1, 2015. Fiscal 2016 Financial Statements have been prepared in accordance with the recognised and measurement principles stated therein.

FINANCIAL PERFORMANCE SUMMARY

(₹ in crores)

	Tata Motors (Standalone)*		Tata Motors Group (Consolidated)	
	Fiscal 2017	Fiscal 2016	Fiscal 2017	Fiscal 2016
FINANCIAL RESULTS				
Income from operations	**49,100.41**	47,383.61	**2,74,492.12**	2,77,660.59
Total expenditure	**47,399.74**	44,018.78	**2,37,579.76**	2,35,884.31
Operating profit	**1,700.67**	3,364.83	**36,912.36**	41,776.28
Other Income	**978.84**	1,402.31	**754.54**	885.35
Profit before interest, depreciation, amortization, exceptional item and tax	**2,679.51**	4,767.14	**37,666.90**	42,661.63
Finance costs	**1,590.15**	1,592.00	**4,238.01**	4,889.08
Cash profit	**1,089.36**	3,175.14	**33,428.89**	37,772.55
Depreciation, amortization and product development/ engineering expenses	**3,423.87**	2,747.49	**21,318.56**	20,179.55
Foreign exchange (gain)/loss (net)	**(252.45)**	222.91	**3,910.10**	1,616.88
Profit/(loss) for the year before exceptional items and tax	**(2,082.06)**	204.74	**8,200.23**	15,976.12
Exceptional Items - loss (net)	**338.71**	271.84	**(1,114.56)**	1,850.35
Profit/(loss) before tax	**(2,420.77)**	(67.10)	**9,314.79**	14,125.77
Tax expenses/(credit) (net)	**59.22**	(4.80)	**3,251.23**	3,025.05
Profit/(loss) after tax	**(2,479.99)**	(62.30)	**6,063.56**	11,100.72
Share of profit of joint ventures and associates (net)	**-**	-	**1,493.00**	577.47
Profit/(loss) for the year	**(2,479.99)**	(62.30)	**7,556.56**	11,678.19
Other comprehensive income/(loss)	**95.48**	85.47	**(27,494.57)**	3,157.46
Total Other comprehensive income/(loss) for the year	**(2,384.51)**	23.17	**(19,938.01)**	14,835.65
Attributable to:				
(a) Shareholders of the Company			**(20,005.94)**	14,724.64
(b) Non-controlling interest			**67.93**	111.01

* These include the Company's proportionate share of income and expenditure in its two Joint Operations, namely Tata Cummins Pvt Ltd and Fiat India Automobiles Pvt Ltd.

DIVIDEND

Considering the continued weak operating environment in the standalone business and in view of the losses for the year, no dividend is permitted to be paid to the Members for Fiscal 2017, as per the Companies Act, 2013 ("the Act") and the Rules framed thereunder.

TRANSFER TO RESERVES

In Fiscal 2016, an additional amount has been transferred from retained earnings to Debenture Redemption Reserve (DRR) on outstanding Non-Convertible Debentures (NCDs) and Senior Notes (including interest accrued where applicable) of ₹43.79 crores. Due to losses in Fiscal 2017, resulting in debit balance in retained earnings no amount has been transferred to DRR on the NCDs allotted in Fiscal 2017.

OPERATING RESULTS AND PROFITS

Fiscal 2017 has been marked by couple of 'Black Swan' events (like Brexit -UK decision to exit EU and Demonetization in India) having a large impact on the future course of developments. This year was marked by the way for the long awaited and transformational Goods and Service Tax (GST).

Growth of World GDP has been 3.1% in Fiscal 2016. A recovery in commodity prices has provided some relief to commodity exporters and helped in reducing the deflationary pressures. The Orgainisation of the Petroleum Exporting Countries (OPEC) ability to increase price by cutting down production has been curtailed by rising Shale gas output in US. Moreover, structural problems such as low productivity growth and high-income inequality persisted and are likely to be continued. Activity rebounded strongly in the United States in second half of calendar 2016 compared to weaker first half. However, output remained below potential in a number of other advanced economies, notable in the European area. The picture of emerging market and developing economies remained much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. Activity was weaker than expected in some Latin American countries such as Brazil, whereas, activity in Russia was slightly better than expected, in part reflecting firmer oil prices.

India's economy has grown at a strong pace in recent years owing to the implementation of critical structural reforms and lower external vulnerabilities. It has grown by 7.1% in Fiscal 2017, compared to 7.9% in Fiscal 2016 primarily because of the temporary consumption shock induced by cash shortages and payment disruptions from demonetisation. Private investment continues to remain weak due to over capacity. In order to propel the economy the government has been trying to give a thrust to the investment by allocating a higher sum towards gross fixed capital formation.

The **Tata Motors Group** registered a de-growth of 1.1% in income from operations to ₹2,74,492 crores in Fiscal 2017 as compared to ₹2,77,661 crores in Fiscal 2016, due to negative translation impact from Great British Pound (GB£) to Indian Rupee (₹) of ₹27,686 crores and de-growth in the M&HCV segment in India was offset by higher wholesale volumes in Jaguar and Land Rover and growth in Passenger Vehicle segment in India. The consolidated EBITDA margins for Fiscal 2017 stood at 13.4%. Consequently, Profit Before Tax (PBT) and Profit After Tax (PAT) [post share of profit of joint ventures and associates (net)] were ₹9,315 crores and ₹7,557 crores, respectively.

Tata Motors Limited recorded income from operations (including joint operations) of ₹49,100 crores, 3.6% higher from ₹47,384 crores in the previous year. Muted demand of M&HCV and LCV due to weak replacement demand, subdued freight demand from industrial segment, which took a further hit post demonetization and lower than expected pre-buying ahead of the implementation of BS-IV, resulting in lower EBITDA margins of 3.5% in Fiscal 2017 as against 7.1% in Fiscal 2016. Loss Before and After Tax (including joint operations) for Fiscal 2017 were at ₹2,421 crores and ₹2,480 crores, respectively, as compared to Loss Before and After Tax (including joint operations) of ₹67 crores and ₹62 crores, respectively in Fiscal 2016. The losses were primarily driven by less favourable market and model mix, including higher marketing expenses, depreciation and amortization and other operating cost.

Jaguar Land Rover (JLR) (as per IFRS) recorded revenues of GB£24.3 billion compared to GB£22.3 billion in Fiscal 2016, driven by higher sales volumes and weaker GB£.

Consolidated EBITDA for Fiscal 2017 at GB£3.0 billion, was marginally lower as compared to EBITDA of GB£3.1 billion for Fiscal 2016, as the higher revenue was more than offset by higher marketing, manufacturing and other operating expenses. EBIT was GB£1.5 billion in Fiscal 2017 lower than GB£1.8 billion in Fiscal 2016, due to higher depreciation and amortization which were partially offset by higher profits from the Chinese joint venture.

PBT in Fiscal 2017 was GB£1.6 billion in-line with the PBT of GB£1.6 billion in Fiscal 2016, the lower EBIT and unfavourable foreign exchange revaluation was more than offset by a favourable revaluation of commodity hedges and of GB£151 million further recoveries relating too to Tianjin fire in this year compared to GB£157 million net charge than in Fiscal 2016.

In May 2016, JLR redeemed the remaining US$84 million (GB£57 million equivalent) of the 8.125% US$ bond maturing in 2021 by exercising its call option, the majority of which was successfully tendered and redeemed in March 2015. In January 2017, JLR issued a €650 million 7-year bond with a coupon of 2.20% and a GB£300 million 4-year bond with a coupon of 2.75%. In addition, JLR successfully undertook a consent solicitation in March 2017 to align the terms of three of their older bonds to the terms of the Euro and GB£ bonds issued in January 2017.

Tata Motors Finance Limited (TMFL) (consolidated) (as per Indian GAAP) the Company's captive financing subsidiary, reported revenue of ₹2,721 crores (Fiscal 2016 ₹3,229 crores) and reported a Loss After Tax ₹1,182 crores in Fiscal 2017, as compared to PAT ₹267 crores in Fiscal 2016.

Tata Daewoo Commercial Vehicle Company Limited South Korea (TDCV), (as per Korean GAAP) registered revenues of KRW 1,032 billion in Fiscal 2017, a growth of 17.3% over Fiscal 2016 mainly due to increase in domestic sales. The PAT was KRW 50 billion compared to KRW 46 billion in Fiscal 2016. Higher domestic volume, better mix, favourable exchange realizations and material cost reduction helped in improving profits.

VEHICLE SALES AND MARKET SHARES

The **Tata Motors Group** sales for this year stood at 11,57,808 vehicles, up by 8.8% as compared to Fiscal 2016. Globally the Company sold 3,96,097 Commercial Vehicles and Passenger Vehicles were 7,61,711.

TATA MOTORS

Tata Motors recorded sales of 545,416 vehicles, a growth of 6.5% over Fiscal 2016. In Fiscal 2016 Industry in India, grew by 8.3%, resulting in the Company's market share decreasing to 12.8% in Fiscal 2017 in the Indian Automotive Industry from 13.1% in the Fiscal 2016. The Company's exports on standalone basis grew by 10.6% to 64,221 vehicles in Fiscal 2017 as compared to 58,058 vehicles in Fiscal 2016.

Commercial Vehicles

The domestic demand for Commercial Vehicles was volatile through the year, as a result of Government and Regulatory announcements -

e.g. Goods and Service Tax (GST), demonetization, emissions change from BS-III to BS-IV etc. Within the domestic market, the Company sold 3,24,175 Commercial Vehicles, a marginal fall of 0.8% from Fiscal 2016. While the overall growth of Commercial Vehicles for the Company has been muted, some specific segments like M&HCV tipper (Construck), Buses and Pickup have seen strong growth during Fiscal 2017.

Some of the highlights for the year were:

- Unveiled its very first Brand Ambassador – Akshay Kumar in December 2016. He will be the face of the entire CVBU range going forward.
- The Xenon Yodha Pickup was launched in January 2017. A reliable new Pickup with high levels of performance and lower operating costs, it has been very well received and is gaining acceptance from customers.
- Launched a range of state of the art buses running on alternate fuels including Electric, Hybrid and LNG. An order for 25 hybrid buses to the Mumbai Metropolitan Region Development Authority is in the process of being fulfilled.
- The Magic Mantra SCV Passenger Vehicle with superior performance was launched to augment the existing Magic and Iris models in the last mile connectivity segment.
- The Magna Bus Coach was introduced as the next-generation coach for inter-city people movement. Feedback on the product has been encouraging.
- In the M&HCV segment several new products were launched – Ultra 1518 truck, LPK 1615 tipper, LPT 3718 Pusher Lift Axle rigid truck and a further extension of the SIGNA range of Tractors. Offered in various configurations, the SIGNA range of Commercial Vehicles is engineered and built to offer M&HCV buyers a newly designed cabin with proven Tata Motors aggregates for a world-class trucking experience.
- Launched a refreshed version of the Tata Loyalty Program with a unique cover of ₹10 lakhs accidental insurance for five years for the driver – a first of its kind in the industry, plus a host of benefits to enable customers to accumulate points for every spend along with many more attractive options for redeeming points accrued.
- This year, the Company won four prestigious awards at the Apollo CV Awards:
    - Tata Armoured Personnel Carrier - winners of the Special CV Application of the Year award.
    - MCV tipper of the Year award was won by Tata Prima 2528.K
    - Tata DLT double-deck tractor (trailer) carrier won the CV application builder of the Year award
    - Tata Signa 4923.S tractor won the HCV tractor cargo carrier of the Year award.
    - Dealership of the Year Award- Cargo Motors Pvt. Ltd.
- Dipper Campaign-Use Dipper At Night – an innovative campaign to bring awareness amongst the truck driver community for safe practices has been extremely well received and acknowledged through various awards such as the CANNES 2016 - 2 awards – a first for the TATA Group, SPIKES ASIA 2016 awards, and the EFFIES 2016 award.
- Organized the Prima Truck Racing Championship Season 4, which drew in over 30,000 spectators. The highlights this year were the inclusion of FIA's European Truck Racing Championship (ETRC) drivers in addition to the current crop of racers from the British Truck Racing Association (BTRA), the first female truck driver and an expansion of the Indian Truck Driver Racing Training Program called the "T1 Racer Program". The T1 Racer Program (TRP) is a program started in 2016 to identify regular Indian truck drivers and train them to become racers. This is the second year of the program. This year also saw the unveiling of a 1,000 bhp truck, which will feature as the racing platform for future editions.
- In order to promote various applications on the Company's products, a series of campaigns have been organized across the country:
    - **Har Business ka ACE- Fully Built expo**- Pan India 34 expos covering 14,437 customers conducted to showcase the versatility of the Tata SCV platform and leverage the many applications for use by the customers. It has been well received as customers look towards buying ready to use solutions from the Company for enhancing their business.
    - **Construck Mahotsav** - covered 13 important locations in East India with participation from more than 5,500 customers. This exclusive event to showcased the entire range of construction and mining vehicles to leverage the growing demand for such vehicles.
    - **Truck World in 2016-17** - Organized Truck World Exhibition with a full range of over 35 different models displayed and visited by more than 13,000 customers across some of the key trucking centers in the country such as Chandigarh, Hyderabad, Guntur, Kanpur and Delhi.
    - **Tata 407- 30 Year Celebration** - More than 35,000 customers participated in this campaign over two months. The iconic Tata 407 celebrated 30 years and it continues to be the best selling product in the category of LCV trucks. Customers across the country were felicitated for their support in making this one of the most successful brands in the Commercial Vehicle Industry.
    - **HAMARE BUS KI BAT HAI** - This unique programme reached out to the support staff of school buses across India, helping them improve their efficiency at work.

Since it's inception, the programme has reached out to 2,313 schools in 299 cities/towns covering over 96,586 school bus staff.

Passenger Vehicles

The domestic Passenger Vehicle Industry grew by 9.6% during Fiscal 2017. Correction in fuel prices and easing financing cost has resulted in lower operating cost, which should further aid domestic growth in near to medium term. Industry sales crossed 3 million milestone for the first time during the year. The Company's Passenger Vehicles sales were higher by 23.5% at 157,020 vehicles, registering a 5.2% market share. The Company sold 137,175 cars (higher by 28.4%) and 19,845 utility vehicles and vans, (lower by 2.2%). In the Utility Vehicle segment, competitive activity intensified with multiple new launches mainly in the soft-roader category. The Company has taken various initiatives to improve its performance such as product refreshes/launch programs, operational efficiency, dealer effectiveness, working capital management and restructuring customer facing functions.

Some of the highlights of this year's performance were:

- Product launches continued during the Fiscal.
- Tiago was launched in April 2016, with latest technological advancements and design engineering.
- Tata Hexa was launched in January 2017, with Automatic and Manual Gearbox, new design language and class leading features.
- Tigor Compact Sedan was launched towards the end of March 2017.

The above new product launches were in-line with the Company's objective of taking the brand to a higher level, while making it relevant for the younger buyer. The Company continued to focus on building brand strengths, refreshing products and enhancing sales and service experience. The Company expanded it's new look, stylish, tech savvy best in class flagship Passenger Vehicle showrooms, for superior customer experience

The Company has signed a contract for supply of 3,192 units of the Tata Safari Storme 4x4 to the Indian Armed Forces, under a new category of vehicles – GS800 (General Service 800).

Exports

The Company exported 64,221 vehicles (Fiscal 2016: 58,058 vehicles) comprising 60,184 units of Commercial Vehicles and 4,037units of Passenger Vehicles during Fiscal 2017.

Export of **Commercial Vehicles** grew by 11.3% in Fiscal 2017 with 60,184 units exported compared to 54,052 in Fiscal 2016, crossing 60,000 shipments for the first time and the highest ever till date. The traditional markets of SAARC remained stronger than last year growing by 21.5% with Sri Lanka, Bangladesh and Nepal contributing to the growth. However, the mid-term duty change in Sri Lanka and the liquidity crisis in Nepal impacted the growth momentum. The reconstruction and the easing up of pent up demand led to record shipments to Nepal in Fiscal 2017. Low crude oil prices, Middle East geo-political situation, currency devaluations and political strife cast a big shadow over the Company's strong markets of Middle East and Africa this year, with the exception of the newly opened market of Tunisia which grown more than 100%. The Company was able to grow market shares in the key markets of Nepal and Bangladesh. In Fiscal 2017, the Company successfully bagged and executed several prestigious orders including 553 units Xenon pickups for PoS, Malaysia; 537 units of buses to Ivory Coast as a part of their public transportation system; 25 units of Prima in Oman to Al Tasneem; 25 units of ULTRA trucks in Bangladesh to Pran RFL; 32 units of ULTRA trucks in Malaysia to PoS and 39 units of ULTRA Buses in Nepal to Mahanagar Yatayat. Some of the key events in Fiscal 2017 were the launch of Tata ULTRA Trucks in Kenya and Tanzania; ULTRA Bus in Tanzania; Tata Prima in Kingdom of Saudi Arabia and Bhutan. As a part of its strategy to expand its global footprint, the Company also launched the Commercial Vehicle brand in Vietnam and Bolivia. In Fiscal 2017, the Company achieved a key milestone of 1,000 Ultra retails in export markets.

During the period Fiscal 2017, the Company exports of **Passenger Vehicles** stood at 4,037 units, compared to 4,006 units in the Fiscal 2016. Sales in Sri Lanka declined considerably due to increase in import duties and tightening of retail financing. However, this was compensated by the improved sales in Nepal and South Africa with a growth of 120% and 30% respectively.

In Nepal, the launch of Tiago has helped the Company to improve its sales in the hatch segment whereas increased sales of Zest helped to gain the leadership position in the compact sedan segment. The Sumo continues to be the 'Number One' selling brand in UVs in Nepal. In South Africa, aggressive fleet sales push helped us to increase its sales over last year. In Bangladesh, the Company has improved its sales on account of launch of Nano GenX and an institutional order for Sumo Ambulance.

Jaguar Land Rover

In Fiscal 2017, Jaguar Land Rover achieved record retail sales of 604,009 units in Fiscal 2017 a growth of 15.8% as compared to Fiscal 2016, primarily driven by the introduction of the Jaguar F-PACE and continued strong demand for the Land Rover Discovery Sport. The retail sales were higher year-on-year in China by 32%, North America by 24%, the UK 16% and the Europe 13% in Fiscal 2017. However, retail sales were down by 6% in other overseas markets, which include Brazil, Russia and South Africa.

Some of the key highlights of Fiscal 2017:

- Retail sales of the new Jaguar F-PACE commenced in May 2016 (Winner of World Car of the Year and World Car Design of the Year).
- The Jaguar XE commenced sales in the US in May 2016.
- The Range Rover Evoque convertible commenced sales in June 2016.

- Production of the new long wheel base Jaguar XFL commenced at the Chinese joint venture and went on sale locally in September 2016.
- The all new Land Rover Discovery was unveiled in September 2016, with sales commencing in February 2017 .
- The new Range Rover Velar was revealed to the public in March 2017 and is the 4th Range Rover model positioned between the Range Rover Evoque and the Range Rover Sport.
- The Jaguar I-PACE concept, JLR's first battery electric vehicle, was unveiled in November 2016, with sales commencing in 2018.
- JLR opened it's first wholly owned international manufacturing plant in Brazil in June 2016.
- Production of JLR's in-house 4 cylinder Ingenium petrol engine commenced in September 2016 at the Engine Manufacturing Centre in Wolverhampton in the UK and is now available in the Jaguar XE, XF, F-PACE, Land Rover Discovery Sport and Range Rover Evoque. The Ingenium Petrol Engine will also be available in the new Range Rover Velar from launch.
- Construction of the manufacturing plant at Nitra in Slovakia began in September 2016 and the all new Discovery would be the first vehicle to be produced at the new plant from 2018.
- Jaguar XF won the Auto Express Golden Steering Wheel award for best saloon car of 2016.
- JLR launched it's InMotion Ventures business unit in April 2016, established to develop innovative solutions aimed at overcoming future travel and transport challenges. Investments to date include US$1 million into GoKid (a ride sharing service for schools) and SPLT (a ride sharing/car pooling platform for commuters).

Tata Daewoo Commercial Vehicle Company Limited

Tata Daewoo Commercial Vehicle Company Limited (TDCV) sold 10,317 commercial vehicles, higher by 13.2% over Fiscal 2016, mainly due to increase in domestic sales. TDCV continued the strong performance, in the domestic market in-spite of increased competition by selling 8,795 commercial vehicles, registering a growth of 25.0% compared to sales of 7,036 commercial vehicles in Fiscal 2016. The market share for both HCV and MCV Segments put together was 29.6% as compared to 31.0% in Fiscal 2016. The export market scenario was very challenging in Fiscal 2017. Factors like persistently low oil prices, local currency depreciation against the US dollar, continuing statutory regulations to reduce imports, the slowdown in Chinese economy impacting commodity exporting countries and increased dealer inventory, adversely impacted TDCV's exports in major markets, such as Gulf Corporation Council, Russia, Algeria, Vietnam and South Africa. The export sales were 1,522 commercial vehicles, 26.8% lower compared to 2,080 commercial vehicles in Fiscal 2016.

Tata Motors (Thailand) Limited

Tata Motors (Thailand) Limited (TMTL) sold 1,332 units in Fiscal 2017, as compared to 1,312 units in Fiscal 2016. The Thai Automobile Industry has witnessed a flat growth in Fiscal 2017 after 3 straight years of decline.

TMTL has taken the opportunity to refresh its products, services and network, as well as, expand the range of offerings to the Thailand Customers. Fiscal 2017 saw the launch of Super Ace Mint in Q2 of Fiscal 2017 and Ultra Trucks in later part of the year. Initial response for Ultra Truck was encouraging. During the year, TMTL exported 317 vehicles to Malaysia against specific order from PoS Malaysia. TMTL is exploring similar opportunities in other parts of South East Asia and neighbouring continents.

Tata Motors (SA) (Pty) Limited

Tata Motors (SA) (Pty) Ltd (TMSA) sold 697 chassis in the South African market in Fiscal 2017 compared to 765 chassis in Fiscal 2016 and exported 6 chassis to Mozambique during Fiscal 2017. TMSA is in the process of introducing a new range of Ultra truck and few more new models of Prima in South Africa and is exploring options to export vehicles to other African countries.

Tata Motors Finance Limited

Tata Motors Finance Limited (TMFL) is the vehicle financing arm under the brand "Tata Motors Finance."

TMFL's total disbursements (including refinance) increased by 3.5% at ₹9,298 crores in Fiscal 2017 as compared to ₹8,985 crores in Fiscal 2016. TMFL financed a total 1,18,883 vehicles reflecting an increase of 6.0% over 1,12,114 vehicles financed in Fiscal 2016. Disbursements for commercial vehicles decreased by 4.8% and were at ₹7,127 crores (77,898 units) as compared to ₹7,485 crores (75,970 units) of Fiscal 2016 mainly due to lower disbursements in the M&HV segment. Disbursements of passenger vehicles increased by 14.3% to ₹1,542 crores (34,126 units) from a level of ₹1,350 crores (33,185 units). Disbursements achieved under refinance (through TMFSL, a 100% Subsidiary of TMFL) were at ₹628 crores (6,859 vehicles) as compared to ₹150 crores (2,959 vehicles) during Fiscal 2016.

TMFL has increased its reach by opening limited services branches (called Spoke and Collections branches) exclusively in Tier 2 & 3 towns, which has helped in reducing the turn around time to improve customer satisfaction. TMFL had 261 branches at the end of Fiscal 2017. The book size of TMFL's corporate lending business, which includes providing finance to TML's Dealers and Vendors, increased by 21.4% from ₹947 crores in Fiscal 2016 to ₹1,150 crores in Fiscal 2017.

As a part of restructuring and consolidation of financial services, the Scheme of Arrangement between TMFL and Sheba Properties Limited (Sheba), wholly owned subsidiary of TMFL, became effective on May 9, 2017. Based on the restructuring plan, TMFL has transferred its New Vehicle Finance (NVF) business to Sheba on January 31, 2017 (appointed date for transfer of assets of NVF Business).

MATERIAL CHANGES & COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There are no material changes affecting the financial position of the Company subsequent to the close of the Fiscal 2017 till the date of this Report.

SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

There are no significant material orders passed by the Regulators or Courts or Tribunal, which would impact the going concern status of the Company and its future operation. However, Members attention is drawn to the Statement on Contingent Liabilities and commitments in the Notes forming part of the Financial Statements.

RISK MANAGEMENT

The Risk Management Committee (RMC) comprising of four Independent Directors, has been entrusted with responsibility to assist the Board in (a) overseeing the Company's risk management process and controls, risk tolerance and capital liquidity and funding (b) setting strategic plans and objectives for risk management and review of risk assessment of the Company (c) review the Company's risk appetite and strategy relating to key risks, including credit risk, liquidity and funding risk, market risk, product risk and reputational risk, as well as the guidelines, policies and processes for monitoring and mitigating such risks.

The Committee operates as per its Charter approved by the Board and within the broad guidelines laid down in it. The Company has a Risk Management Policy in accordance with the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 ("SEBI Listing Regulations"). It establishes various levels of accountability and overview within the Company, while vesting identified managers with responsibility for each significant risk.

The Board takes responsibility for the overall process of risk management in the organisation. Through Enterprise Risk Management programme, business units and corporate functions address opportunities and the attendant risks through an institutionalized approach aligned to the Company's objectives. This is facilitated by internal audit. The business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment are thoroughly discussed with the Senior Management before being presented to RMC.

INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENT

Details of internal financial control and its adequacy are included in the Management Discussion and Analysis Report, which forms part of this Report.

HUMAN RESOURCES

The Tata Motors Group employed 79,558 permanent employees (Fiscal 2016: 76,598 employees) as of Fiscal 2017 and the Company employed 26,035 permanent employees (Fiscal 2016: 26,569 employees) as of Fiscal 2017. The Tata Motors Group has generally enjoyed cordial relations with its employees and workers.

The Company has labour unions for operative / worker grade employees at all the plants across India, except the Dharwad Plant. The labour union at Sanand Plant has recently been registered and the first settlement is yet to be done. The Company has generally enjoyed cordial relations with its employees and unions at its factories and offices and has received union support in the Company's implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations. Employee wages are being paid in accordance with wage agreements that have varying terms (typically three to four years) at different locations.

With an objective of improving Organizational Effectiveness, the Company decided to undertake a structure change exercise with key guiding principles of Empowerment to the Business Units with clear accountability for business results, strong functional leadership and oversight for an effective maker-checker concept, improved and speedier decision making, agility and quick responsiveness to market, and strong cross functional alignment to drive quick issue resolution. A new product line organization has been created with complete Profit & Loss responsibility.

Organisational restructuring has delayered the organization to 5 managerial levels below ExCom. This has made the organization lean and agile. The Company has also rationalized span of control of key roles, providing scope for career development and have significantly increased customer facing roles in both the BUs to enhance customer centricity in the organization. Transactional roles have been identified across functions for transition to shared services, and therefore focus on core activities.

Volumetric study has been performed to identify optimum manpower at each level, bringing the organizational spread closer to global standards. This, combined with the Job Evaluation exercise and Management Audit helped in establishing clear job descriptions for each role and identifying the right talent for the roles.

The Executive Committee conducted a thorough assessment of potential candidates for the top 2/3 levels in the organisation. The assessment results were used for placement of the candidates, which was followed up with 'on boarding' workshops and Astronaut Trainings to prepare the management teams for the new responsibilities.

In order to create a mind-set free of job titles and hierarchy, the concept of designations has been abolished and individuals will carry the title of their functional role. After market benchmarking, revised Compensation & Policies have been rolled-out. The new terms and conditions of employment has been shared with the employees through individual letters by respective managers.

For a smooth transition, a transition team has been developed to lead the change management process, supported by continuous communications from the leadership team.

Prevention Of Sexual Harassment

The Company has zero tolerance for sexual harassment at workplace and has adopted a Policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this Policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During the Fiscal 2017, the Company had received four complaints on sexual harassments, which have been substantiated and appropriate actions were taken. The Company organized 137 workshops and awareness program against sexual harassment. There were no complaints pending for more than 90 days during the year.

Similar initiatives on Prevention of Sexual Harassment are in place across the Tata Motors Group of companies.

Safety & Health – Performance & Initiatives

The Company is committed to provide a safe and healthy working environment for its employees and associates to ensure a high degree of safety norms. The Company continously strives to perform beyond compliance whilst positively influencing its value chain members to improve their safety standards. There is an increased focus on areas like training and awareness, safety observations, audits etc. to drive a positive safety culture.

The Company's India operation, whilst achieved improved performance with Total Recordable Case Frequency Rate (TRCFR) being 1.84 against the target of 1.96 for the Fiscal 2017, the overall Safety Performance improved but recorded four fatalities during the year, of which three were road related.

Manufacturing Plants across the country are certified to ISO 14001 - Environment Management Systems and OHSAS 18001 – Occupational Health & Safety Management System, along-with Warehouses Safety Infrastructure upgraded and certification of OHSAS 18001 for a warehouse was also accomplished during Fiscal 2017. All the Company's Manufacturing Plants across India are certified to ISO 50001 - Energy Management System too. The Company has undertaken several initiatives for resource conservation such as re-cycling of treated effluents back to process, energy, material recovery and co-processing from hazardous wastes through cradle to grave waste management principles and rainwater harvesting. Manufacturing plants also generate in-house renewable power and source off-site green power where available. Except Sanand, all the Company's sites are certified for GreenCo.

The Company places equal emphasis on safety processes, behavioral safety and strive to create a positive safety culture towards achieving the ultimate goal of 'zero injury'. Safety is a primary focus area in daily management and safety parameters are part of the scorecard for Senior Leaders. In same lieu **'SAFE20 - 20 minutes for Safety,'** the company's initiative on engagement in Safety. Sessions on Road Safety were conducted at 9 offices across India engaging tunes of 1,000+ employees along with mentoring of Flexi Work Force under "**MY BUDDY"** program by Permanent Blue Collar Work force / Group leaders.

In line with Safety and Health Policy, to enhance safety standards of its business partners, Company engaged its upstream and downstream supply chain in the safety journey. The objective of such engagement is to raise the safety standards at Suppliers and Dealer workshops. In addition to existing 16 safety standards, new standards / guidelines like Cell Phone Policy, CCTV Policy, Lone Working Standard, Industrial Hygiene Standard, Engineering Standards, Vehicle Usage & Replacement Guidelines were developed and rolled out to raise the level of safety.

The Company continued Campaign **'i-drive safe'** – an initiative on building a safe driving culture amongst its employee and associates and have trained them in defensive driving. In excess of 19,103 employees and associates till date have been trained under this campaign, initiated few years ago. **'My Road My Discipline'** a Road Safety Week campaign during January 11 to 17 included Road Safety Celebrations conducted in all location including all plants, offices, dealerships, warehouses, vendors and social awareness messages were aired on FM on road safety in Indian 8 cities.

'senSHEtize'- A Company's initiative on Women's Safety Awareness: 950 women employees were trained with focus on Women's Safety and Self-defense in 14 session across offices & plants.

Jagruti – Safety Awareness Building Campaign for Workshop Managers is a year-long campaign focused on building awareness on safety and understanding of the Company's expectations on Dealers Workshop Safety. This programme is in collaboration with the Company, Castrol and training partner ICECD. Jagruti Safety Awareness campaign was initiated done for channel partners-PV & CV dealers covering around 1,800 workshop pan-India.

In health area, the Company under the **'Health Plus because you matter!'** initiative engaged employees on various subject of health. Health & well-being of aging workforce remains a prime concern. Various health programs across all locations with emphasis on contract employees- eye checkup of drivers, stress management, mailers, etc. have been conducted under this initiative.

For Food Safety, Pune Plant was accredited with **HACCP Certification**

(ISO 22001) and rest of the plants shall be implementing in a phased manner.

In accordance with the Company's stand on protecting the planet, the Company took a number of initiatives to reduce its Green House Gases footprint by 3% over Fiscal 2016. Similarly, in the Company's quest to go on renewable energy the Company used 75 million units of renewable electricity in its operations, which is close to 17% of its requirement. On the Company's journey to ZWTL (Zero Waste To Landfill), it reduced hazardous waste to landfill / incineration by approx. 30% over Fiscal 2016.

On Sustainability, supply chain sustainability was one of the major initiatives undertaken. 50 suppliers have been trained and assessed to sustainability expectations. Handholding of those suppliers is being done to improve the sustainability performance.

Circular economy, natural capital evaluation of key dependencies, design for environment, biodiversity assessment, life cycle assessment of products, climate adaptation study were some of the other initiatives the Company has taken in sustaining its business and planet.

JLR, the Company's subsidiary continues to drive health and safety through **Destination Zero – A Journey to Zero Harm**. The Company's commitment is reflected in the JLR commitment **'Blueprint for Lasting Success'** with the key statement being "Our most valuable asset is our people, nothing is more important than their safety and well-being. Our co-workers and families rely on this commitment. There can be no compromise". Activities to deploy this ambition, promote awareness with each one of at JLR, encouraged to understand and take responsibility for its own and fellow colleague's safety and well-being. Various Zero Harm programs, publications and events have contributed to improved performance in Fiscal 2017 and additionally each functional area has built their own plan of activities to lead improved safety and well-being within their own area of responsibility. Lost Time Case performance has continued an improving trend with an overall business improvement of around 6% Y-O-Y, against a backdrop of continued growth and increased volumes and headcount. A notable improvement was seen in manufacturing locations with over 20% improvement against last Fiscal performance. Many of the sites celebrated zero lost time accidents.

The business has gone through OHSAS 18001 - recertification in Fiscal 2017, with all the UK locations accredited to this standard through a series of external assessments. Further locations have now been added to the assessment portfolio. The business has also maintained the internal safety assessment process SHARP (Safety and Health Assessment Review Process) within its manufacturing locations and has now extended a version into non-manufacturing locations. JLR also continues to mature its approach to well-being activities with a number of targeted events over the past year and specific well-being focus and topics planned for the coming year.

TMSA sustained good performance in areas of Safety and Health during Fiscal 2017. In June 2016, TMSA successfully cleared audit inspection for Occupational Hygiene against the requirements of the OHSAS.

TDCV Korea achieved an improvement in Safety Index to 0.91 from 1.33 in Fiscal 2017.

TMTL, Thailand continued leadership commitment and engagement with focus in areas safety communication, risk assessment, improving capabilities of employees for emergency situations.

BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report (BRR) initiatives taken from an environmental, social and governance perspective, in the prescribed format is available as a separate section of the Annual Report and also hosted on the Company's website www.tatamotors.com.

FINANCE

During the year, the free cash flows for Tata Motors Group were ₹(268) crores, post spend on capex, design and development of ₹30,467crores. Tata Motors Group's borrowing as at March 31, 2017, stood at ₹78,604 crores (as at March 31, 2016: ₹69,360 crores). Cash and bank balances and investments in mutual funds stood at ₹51,119 crores (as at March 31, 2016: ₹49,693 crores). The consolidated net automotive debt to equity ratio stood at 0.15 as at March 31, 2017, as compared to (0.01) as at March 31, 2016.

The cash flows from operations were positive ₹1,381 crores for standalone operations (including joint operations) of the Company. Spend on capex, design and development was ₹3,427 (net). The borrowings of the Company (including joint operations) as at March 31, 2017 stood at ₹19,574 crores (as at March 31, 2016: ₹16,473 crores). Cash and bank balances including mutual funds stood at ₹ 2,687 crores (as at March 31, 2016: ₹2,534 crores).

The Company, in February 2017 prepaid ₹300 crores of its Unsecured 8.60% NCD due in 2018. During the year the Company raised ₹2,700 crores of funds through Unsecured NCDs.

At JLR, post spend on capex, design and development of GB£3,065 million (₹26,869 crores), the free cash flows were GB£295 million (₹2,586 crores) for Fiscal 2017. The borrowings of JLR as at March 31, 2017, stood at GB£3,581 million (₹28,977 crores) [previous year: GB£2,500 million (₹23,863 crores)]. Cash and financial deposits stood at GB£5,487 million (₹44,400 crores) [previous year: GB£4,651 million (₹44,395 crores)]. Additionally, JLR has undrawn committed long term bank lines of GB£1,870 million (JLR data as per IFRS).

During the Fiscal, JLR issued a €650 million bond maturing in 2024 paying an annual coupon of 2.200%. Subsequently, JLR issued a GB£300 million bond maturing in 2021 paying an annual coupon of 2.750%.

During the Fiscal, TMFL has neither raised any borrowings by way of unsecured, subordinated perpetual non-convertible debentures towards Tier 1 and Tier 2 Capital nor by way of an issue of unsecured, subordinated non-convertible debentures towards Tier 2 Capital.

Tata Motors Group has undertaken and will continue to implement suitable steps for raising long term resources to match fund requirements and to optimise its loan maturity profile.

During the year, the Company's rating for foreign currency borrowings was upgraded to "Ba1"/Stable by Moody's and to "BB+"/ Stable by Standard & Poor's. For borrowings in the local currency, the ratings was retained by CRISIL at "AA" with a change in outlook to Positive and by ICRA at "AA" with a change in outlook to Positive. The Non-Convertible Debentures and Long Term Bank facilities i.e. (Buyers Credit) rating by CARE was retained at "AA+". During the year, JLR's rating was upgraded by Moody's at "Ba1"/Positive and was upgraded by Standard & Poor's at "BB+". For TMFL, CRISIL has maintained its rating on long-term debt instruments and bank facilities to CRISIL "AA/A1+"/with a change in outlook to Positive for long term. ICRA has also maintained its rating at "AA/A1+" with a change in outlook to Positive for long term. CARE has given rating of "AA+" on long-term debt instruments with a Stable outlook.

FIXED DEPOSITS

The Company has not accepted any public deposits during Fiscal 2017. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the end of Fiscal 2017.

EXTRACT OF ANNUAL RETURN

As provided under Section 92(3) of the Act, the details forming part of the extract of the Annual Return in **Form MGT 9** is annexed as **Annexure - 1**.

INFORMATION TECHNOLOGY AND DIGITAL PRODUCT DEVELOPMENT INITIATIVES

Information Technology Initiatives

The Company has been a pioneer in adopting Information Technologies to enable business processes and deploying efficient & secure information technology. The Company has been working towards implementing the components of its IT roadmap to create a digital ready organization. The Company leverages its strong partnerships with product and services companies to harness the potential of Information Technology towards competitive advantage.

The major highlights from IT at the Company are:

- Major technology upgrades undertaken in the ERP, CRM, analytics systems to make the systems current and leverage new versions' mobile friendly capabilities.
- Enabling World Class Quality initiative of the Company through extending the implementation of Manufacturing Execution System.
- Completed multiple Proof of Concepts in the area of internet of things for smart manufacturing.
- Digital initiatives like mobile backend and smart e-guru mobile app along with digital product demonstration capabilities for dealer's salesforce for effective lead generation.
- Focus on Supplier Relationship Transformation (SRT) through implementation of supplier systems and inauguration of SRT training centre.
- Continued greater collaboration with subsidiaries leveraging IT leadership in the Company.
- Strengthening information security through multiple initiatives such as Network Access Control and preparation for ISO27000 framework.

With the readiness of the Company's systems on the digital front, it is entering an exciting phase of transformation using cutting edge technology to provide customer centric products and services.

Digital Product Development Systems Initiatives

The Company, in its constant endeavor to improve processes in product design and manufacturing planning domain, has implemented various new processes and improved existing manual process by converting them to digital.

Direct business benefits, in terms of reduction in time, effort, cost and improved control, quality were achieved through various initiatives, some of which are listed below:

- 30 new knowledge based engineering applications designed and implemented across various product design and safety domains. They were integrated with various tools such as tyre life enhancement for heavy commercial vehicles, exterior trims safety for passenger vehicles, ensuring its validation in virtual environment, thereby reducing the number of physical prototypes.
- Specific Mobility Application developed to enable value based selling at CV dealerships and were deployed at 10 locations across India.
- Product Lifecycle Management (PLM) System Infrastructure was refreshed at Pantnagar and Lucknow locations.
- New innovative Visual Analytics and Reporting framework for applications was deployed for PLM based data and 4 specific applications were implemented for product development teams.
- Augmentation of High Performance Computing (HPC) Infrastructure to execute and deliver faster simulation results for product development (productivity improvement). This enabled more design optimization studies during concept and product development phase (capacity enhancement), thus reducing dependence on costly proto-parts & physical testing.
- 16 customized automation tools provided into CAE domain to increase CAE pre-post processing productivity for durability, crash, CFD and NVH functions.

- In the digital manufacturing domain, MOST (Maynard Operations Sequence Technique) was implemented on the shop floor at various manufacturing locations.

Subsidiaries

Jaguar Land Rover:

JLR continue to develop the use of the latest Product Lifecycle Management (PLM) technologies to ensure JLR remains at the cutting edge of engineering and drive efficiencies into the process. The application of leading visualisation and systems engineering technologies enable full engagement in the product creation process, all with the aim of producing cars and SUVs that the customers will love for life.

Tata Daewoo Commercial Vehicle:

TDCV continued the focus on quality and agility in its digital product creation processes. PLM software system was upgraded to a higher version giving enhanced features. The PLM processes were also improved, considering various business requirements and scenarios.

Tata Technologies Limited (TTL):

TTL has invested in new technologies and practices both on software and hardware front with strong focus on its business goals and customer requirements. The digital tools and systems continue to be enhanced and upgraded as per customer needs. It continued its new technology evaluation process to support the delivery teams with effective and optimal hardware systems.

TTL invested to enhance the capacity of the High Performance Computing setup to address growing needs of simulation by augmenting its processing power with latest hardware. It extended the Virtual Desktop Infrastructure setup to support few delivery teams to provide them with scalable infrastructure that caters to their requirements on multiple operating environments and also provide them with flexible and controlled access to it from anywhere. TTL leveraged the high performance and high availability computing for enterprise applications and has invested in latest technologies for data center upgrade.

Tata Motors European Technical Centre (TMETC):

TMETC continued the use of best in class hardware and software systems to enhance quality and agility in its product conceptualization, design and virtual validation domain. Knowledge Based Engineering Applications were implemented in the engineering and design areas.

TECHNOLOGY AND ENVIRONMENT FRIENDLY INITIATIVES:

The Company is aiming towards meeting upcoming emission regulations by multifaceted approach of adapting cleaner technologies for internal combustion engines and by working on new technologies in the domains of xEVs, Hybrids and Fuel Cell. The Company intends to reduce the emissions from vehicles through various powertrain as well as vehicle level measures. Some of the key initiatives in this direction are mentioned below:

- Fuel efficiency improvement in diesel SCVs by implementation of fuel control unit based FIE system on twin cylinder turbo diesel engine.
- Better emission control for SCVs having two cylinder NA common rail BS-IV engine.
- Multi operation mode (economy & normal torque mode) for better fuel economy & drive ability on commercial vehicles fueled with CNG.
- Fuel efficiency improvement in diesel passenger car by engine downsizing (30% engine displacement reduction), friction reduction in piston ring pack and implementing multiple drive modes.
- Various full electric vehicles ranging from SCV to 12m buses are being developed to address last mile transport and passenger commute in ecologically sensitive areas.
- Series hybrid bus with New Gen 5L BS-IV diesel engine developed and serialized; the vehicle has substantially superior fuel economy over baseline diesel vehicle.
- The fleet of Fuel Cell bus for demonstration is being built, and two fuel cell buses are under testing.

CONSOLIDATED FINANCIAL STATEMENT

The Company announces its Consolidated Financial Statement on a quarterly basis. As required under the SEBI Listing Regulations, the Consolidated Financial Statement of the Company and its subsidiaries, prepared in accordance with Ind AS 110 issued by the Institute of Chartered Accountants of India, form part of the Annual Report and are reflected in the Consolidated Financial Statement of the Company. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statement of the subsidiary companies is attached to the financial statement in **Form AOC-1**. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon the request by any member of the Company or its subsidiary companies. These financial statement will also be kept open for inspection by any member at the Registered Office of the Company and the subsidiary companies.

Pursuant to the provisions of section 136 of the Act, the financial statement of the Company, Consolidated Financial Statement along with relevant documents and separate audited accounts in respect of subsidiaries are available on the website of the Company.

SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company has 78 subsidiaries (14 direct and 64 indirect) as at March 31, 2017, as disclosed in the accounts.

During the year, the following changes have taken place in subsidiary companies:

Subsidiary companies formed/acquired:

- Jaguar Land Rover Colombia S.A.S was incorporated with effect from August 22, 2016
- InMotion Ventures 1 Limited was incorporated with effect from October 25, 2016
- InMotion Ventures 2 Limited was incorporated with effect from October 25, 2016
- InMotion Ventures 3 Limited was incorporated with effect from October 25, 2016

Companies ceasing to be subsidiary companies / ceased operations:

- JDHT Limited dissolved with effect from December 27, 2016
- Silkplan Limited dissolved with effect from January 17, 2017
- Tata Technologies (Canada) Inc. dissolved with effect from December 13, 2016

Name changes

- Jaguar Land Rover Automotive Trading (Shanghai) Company Limited was renamed as Jaguar Land Rover (China) Investment Co. Limited with effect from November 1, 2016
- Cambric Manufacturing Technologies (Shanghai) Company Limited was renamed Tata Manufacturing Technologies (Shanghai) Limited with effect from February 22, 2017

Re-structuring

The Scheme of Arrangement between Tata Motors Finance Limited and Sheba Properties Limited, subsidiaries of the Company, was approved by the Hon'ble National Company Law Tribunal effective from May 9, 2017. Besides the above, JLR continued to integrate / restructure legal entities for manufacturing and for exporting globally as combined brand legal entities. Other than the above, there has been no material change in the nature of the business of the subsidiary companies.

Associate Companies

As at March 31, 2017, the Company has 8 associate companies and 7 joint ventures. One of these joint ventures has 14 wholly owned subsidiaries and details of the same are disclosed in the accounts.

The Company has adopted a Policy for determining Material Subsidiaries in line with Regulation 16 of the SEBI Listing Regulations. The Policy, as approved by the Board, is uploaded on the Company's website (URL: www.tatamotors.com/investors/pdf/material.pdf).

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION & FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act, read along with Rule 8 of the Companies (Accounts) Rules, 2014, is annexed as **Annexure - 2.**

CORPORATE GOVERNANCE

At the Company we constantly strive to evolve and follow up on the Corporate Governance guidelines and best practices. Our purpose has always been transparency, long term shareholder value and respect to the minority shareholders. The Company discloses timely and accurate information regarding its operations and performance.

During the second half of the year under review the Company witnessed leadership change at Tata Sons (our promoter). During this period there were allegations made regarding the ethics and governance of the Company. Clarifications were also sought by the Regulators with respect to certain business decisions and governance processes. The Company would like to categorically deny the references and would like to impress upon you that it has robust systems and processes in place to ensure compliance to all regulatory requirements. The Company's Board exercises its independence both in letter and in spirt. The Directors have always acted in the best interest of the Company and will continue to do so.

The Board closely monitored the events during this period and allegations made. The Audit Committee of the Board reviewed all the issues that were brought up including correspondence between the Regulators and the Company on the issues raised in the representations made by Mr Cyrus P Mistry and Mr Nusli Wadia in terms of Section 169 of the Act and allegations made in this regard in the proceedings before the National Company Law Tribunal initiated against our Promoter. The Company has filed responses to the Regulators denying all such allegations. In such responses, the Company has reiterated that the Company is in compliance of the governance processes and requirements in all such cases. The Committee reviewed the various compliances and disclosures and the rigour applied when strategic decisions were taken and the detailed responses to the Regulators by the Company denying such allegations. After due deliberations with relevant officials and review of relevant documents and on the basis of a detailed review of these by a reputed independent Legal Counsel, the Committee expressed its confirmation of the responses by the Company to the Regulators. It follows that the aforesaid allegations against your Company and its governance were incorrect and such statements were made without exercising proper care.

A separate section on Corporate Governance and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with Schedule V of the SEBI Listing Regulations, giving information pertaining to the Board, Committee of the Board and other details of relevance forms part of this Report.

DIRECTORS

Appointment

The Company has, on the recommendation of Nomination & Remuneration Committee (NRC) and in accordance with provisions of the Act and SEBI Listing Regulations, appointed Mr Natarajan Chandrasekaran (DIN: 00121863) as Additional Director and Chairman of the Board with effect from January 17, 2017 and Mr Om Prakash Bhatt (DIN: 00548091) was appointed as Additional and Independent Director, for a tenure of 5 years on May 9, 2017, subject to approval of Members at the forth coming Annual General Meeting (AGM) of the Company. They shall hold office as Additional Directors upto the date of the AGM and are eligible for appointment as Directors.

As reported in the previous year, Mr Guenter Butschek was appointed as Chief Executive Officer and Managing Director of the Company for a term of 5 years w.e.f. February 15, 2016. The Members have vide Special Resolution passed at the AGM held on August 9, 2016 approved of the said appointment and payment of minimum remuneration in case of inadequacy of profits or no profits in any financial year. An application to the Central Government has been filed by the Company and the approval is awaited.

Re-appointment

In accordance with provisions of the Act and the Articles of Association of the Company, Dr Ralf Speth (DIN: 03318908) is liable to retire by rotation and is eligible for re-appointment.

The disclosures required pursuant to Regulation 36 of SEBI Listing Regulations are given in the Notice of the AGM, forming part of the Annual Report and disclosure pursuant to Schedule V, Part II, proviso of Section II B(iv)IV of the Act and Schedule V of the SEBI Listing Regulations is disclosed in the Corporate Governance Report, forming part of the Annual Report.

Attention of the Members is invited to the relevant item in the Notice of the AGM and the Explanatory Statement thereto.

Cessation

Mr Cyrus P Mistry, Non-Executive Director and Chairman, (DIN: 00010178) (resigned with effect from December 19, 2016. Based on the requisition of Tata Sons Limited, the shareholders at the Extraordinary General Meeting of the Company held on December 22, 2016 voted in favour of removal of Mr N N Wadia as an Independent Director (DIN: 00015731) Mr Wadia ceased to be a Director of the Company with effect from December 22, 2016.

Mr Subodh Bhargava, Independent Director, (DIN: 00035672) retired on March 29, 2017 on attaining the age of 75 years, in accordance with Governance Guidelines on Board Effectiveness.

The Board places on record their appreciation for the contribution of these Directors during their tenure.

Independent Directors

All Independent Directors of the Company have given declarations under Section 149(7) of the Act, that they meet the criteria of independence as laid down under Section 149(6) of the Act and Regulation 16 of the SEBI Listing Regulations.

KEY MANAGERIAL PERSONNEL

The Key Managerial Personnel (KMPs) of the Company during Fiscal 2017 are:

- Mr Guenter Butschek, Chief Executive Officer and Managing Director
- Mr Ravindra Pisharody, Executive Director (Commercial Vehicles)
- Mr Satish Borwankar, Executive Director (Quality)
- Mr C Ramakrishnan, Group Chief Financial Officer
- Mr Hoshang Sethna, Company Secretary

During the year, there was no change in the KMPs of the Company.

GOVERNANCE GUIDELINES

During the year under review, the Company adhered to the Governance Guidelines on Board Effectiveness. The Governance Guidelines cover aspects related to composition and role of the Board, Chairman and Directors, Board diversity, definition of independence, Director term, retirement age and Committees of the Board. It also covers aspects relating to nomination, appointment, induction and development of Directors, Director remuneration, Subsidiary oversight, Code of Conduct, Board Effectiveness Review and Mandates of Board Committees.

Selection and procedure for nomination and appointment of Directors

The NRC is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The NRC conducts a gap analysis to refresh the Board on a periodic basis, including each time a Director's appointment or re-appointment is required. The Committee is also responsible for reviewing and vetting the CVs of potential candidates vis-à-vis the required competencies, undertake a reference and due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The NRC has formulated the criteria for determining qualifications, positive attributes and independence of directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 read along with Schedule II of SEBI Listing Regulations, which is annexed as **Annexure - 3.**

REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel and other employees, pursuant to the provisions of the Act and Regulation 19 of SEBI Listing Regulations, the same is annexed as **Annexure - 4.**

BOARD EVALUATION

The annual evaluation process of the Board of Directors ("Board"), Committees and individual Directors was carried out in the manner prescribed in the provisions of the Act, Guidance Note on Board Evaluation issued by Securities and Exchange Board of India on January 5, 2017 and as per the Corporate Governance requirements prescribed by SEBI Listing Regulations.

The performance of the Board, Committees and individual Directors was evaluated by the Board seeking inputs from all the Directors. The performance of the Committees was evaluated by the Board seeking inputs from the Committee Members. The "NRC" reviewed the performance of the individual Directors, a separate meeting of Independent Directors was also held to review the performance of Non-Independent Directors; performance of the Board as a whole and performance of the Chairperson of the Company, taking into account the views of Managing Director / Executive Directors and Non-Executive Directors. This was followed by a Board meeting that discussed the performance of the Board, its Committees and individual Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure; effectiveness of Board processes, information and functioning, etc. The criteria for performance evaluation of Committees of the Board included aspects like composition and structure of the Committees, functioning of Committee meetings, contribution to decision of the Board, etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, integrity etc. In addition, the Chairman was also evaluated on the key aspects of his role.

FAMILIARISATION PROGRAMME FOR INDEPENDENT DIRECTORS

The details of the Familiarisation Programme for Independent Directors with the Company in respect of their roles, rights, responsibilities in the Company, nature of the industry in which Company operates, business model of the Company and related matters are put up on the website of the Company at (URL:www.tatamotors.com/investors/pdf/familiarisation-programme-independent-directors.pdf).

VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Audit Committee. The policy of vigil mechanism is available on the Company's website at (URL: www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf).

PARTICULARS OF EMPLOYEES

Disclosure pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to the Report as **Annexure - 5.**

The statement containing particulars of top 10 employees and the employees drawing remuneration in excess of limits prescribed under Section 197 (12) of the Act read with Rule 5 (2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in a seperate Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the Registered Office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

The brief outline of the Corporate Social Responsibility (CSR) Policy of the Company and the initiatives undertaken by the Company on CSR activities during the year are set out in **Annexure - 6** of this Report in the format prescribed in the Companies (CSR Policy) Rules, 2014. The Policy is available on Company's web-site at (URL: www.tatamotors.com/investors/pdf/csr-policy-23july14.pdf).

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY THE COMPANY

The details of Loans, Guarantees or Investments made during Fiscal 2017 are given below:

₹ in crores

Companies	Nature of Transaction	Loans	Investments
Tata Marcopolo Motors Limited	Inter-corporate deposits	10.00	-
Tata Motors European Technical Centre Plc	Investment in loans/ shares	34.39	139.08
Concorde Motors India Limited	Compulsory Convertible Debentures with a call option to TML	--	$

Notes:

- *$ Concorde Motors has issued CCD of ₹78 crores to TMFL. The call option is available with the Company to acquire the CCDs from TMFL.*
- *- During Fiscal 2017, the Company has given no Guarantee to any of its subsidiaries, joint ventures and associate companies*

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/ arrangements/ transactions entered by the Company during the year with related parties were on an arms' length basis, in the ordinary course of business and were in compliance with the applicable provisions of the Act and SEBI Listing Regulations. The prior approval of the Audit Committee was sought for all related party transactions. The Company has adopted a Policy on Related Party Transactions which even provides for the parameters to grant Omnibus Approval(s) by the Audit Committee and is available on the website at (URL:www.tatamotors.com/investors/pdf/rpt-policy.pdf).

A statement on related party transactions specifying the details of the transactions, pursuant to each omnibus approval granted, have been placed on a quarterly basis for review by the Audit Committee.

During the Fiscal 2017, there have been no related party transactions of the Company with its Directors and Key Managerial Personnel or their relatives, its holding, subsidiary or associate companies as prescribed under Section 188 of the Act and SEBI Listing Regulations. Also there are no material transactions with any related party that are required to be disclosed under **Form AOC-2.**

AUDIT

Statutory Audit

In the 69th Annual General Meeting held on July 31, 2014, M/s. Deloitte Haskins & Sells LLP, (DHS), Chartered Accountants (ICAI Firm Registration No. 117366W/W-100018) was re-appointed as Statutory Auditors of the Company for a tenure of 3 year, subject to ratification of their appointment by Members at every subsequent AGM. DHS tenure of 3 year as Statutory Auditors concludes at this ensuing AGM.

The report of the Statutory Auditors is enclosed to this Report and contains no qualification, reservation or adverse remark. The observations made in the Auditors' Report are self-explanatory and therefore do not call for any further comments.

The Board of Director of the Company has on the recommendation of the Audit Committee and a per Section 139 of the Act it is proposed to appoint M/s B S R & Co. LLP, Chartered Accountants (B S R LLP) (ICAI Firm No. 101248W/W – 100022) for a tenure of 5 year, to hold office from the conclusion of the ensuing AGM till the conclusion of the 78th AGM of the Company to be held in the year 2022, subject to ratification of their appointment at every subsequent AGM, at such remuneration as approved by the Members at this AGM. Further, B S R LLP have under Section 139(1) of the Act and the Rules framed thereunder, furnished a certificate of their eligibility and consent for appointment.

The Board commend to seek consent of its Members on appointment of BSR LLP as Statutory Auditors for tenure of 5 year, to examine and audit the accounts of the Company during the said period.

Cost Audit

As per Section 148 of the Act, the Company is required to have the audit of its cost records conducted by a Cost Accountant in Practice. The Board of Directors of the Company has on the recommendation of the Audit Committee, approved the appointment of M/s Mani & Co., a firm of Cost Accountants in Practice (Registration No.000004) as the Cost Auditors of the Company to conduct cost audits pertaining to relevant products prescribed under the Companies (Cost Records and Audit) Rules, 2014 for the year ending March 31, 2018. The Board of Director on recommendation of the Audit Committee approved remuneration of ₹5 lakhs plus out of pocket expenses, subject to ratification of their remuneration by the Members at the forthcoming AGM.

M/s Mani & Co. have, under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

M/s Mani & Co., have vast experience in the field of cost audit and have conducted the audit of the cost records of the Company for the past several years under the provisions of the erstwhile Companies Act, 1956.

Secretarial Audit

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors on recommendation of the Audit Committee appointed M/s Parikh & Associates, a firm of

Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the year ended March 31, 2017. The Report of the Secretarial Audit is annexed herewith as **Annexure- 7.**

The Board provides clarification on Auditor's observation(s) contained in the Report:

a) the Company has provided adequate responses on queries / observations raised by the Central Government and their approval is awaited.

b) As at March 31, 2017, NRC had recommended to the Board appointment of Mr Om Prakash Bhatt, as Additional and Independent Director. The Board considered the recommendation of NRC and appointed Mr O P Bhatt as Additional and Independent Director on May 9, 2017.

DIRECTORS' RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory, cost, external agencies and secretarial auditors, including audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during Fiscal 2017.

Accordingly, pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

(a) in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;

(b) they have, selected such accounting policies and have applied them consistently and made judgments and estimates that are reasonable and prudent, so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that period;

(c) they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) they have prepared the annual accounts on a going concern basis;

(e) they have laid down internal financial controls to be followed by the Company and such internal financial controls are adequate and were operating effectively*; and

(f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

*please refer to the Section "Internal Control Systems and their Adequacy in the Management Discussion and Analysis".

ACKNOWLEDGEMENT

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

ANNEXURE 1
FORM NO. MGT-9
Extract of Annual Return as on March 31, 2017
[Pursuant to Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

i) CIN: L28920MH1945PLC004520
ii) Registration Date: 1-9-1945
iii) Name of the Company: Tata Motors Limited
iv) Category / Sub-Category of the Company: Public Company/ Limited by shares
v) Address of the Registered Office and contact details:
Bombay House, 24 Homi Mody Street, Mumbai-400001
Tel: +91 22 66658282 Fax +91 2266657799
Email: inv_rel@tatamotors.com
Website: www.tatamotors.com
vi) Whether listed company: Yes
vii) Name, Address and contact details of Registrar & Transfer Agents:
TSR Darashaw Limited,
6/10 Haji Moosa Patrawala Industrial Estate,
20, E Moses Road, Mahalaxmi, Mumbai - 400001
Tel: 91 22 6656 8484; Fax: 91 22 6656 8494,
Email: csg-unit@tsrdarashaw.com; Website: www. tsrdarashaw.com

For Rights Issue 2015 :
Link InTime India Private Limited
No. C-13, Pannalal Silk Mill Compound, Lal Bahadur Shastri Road,
Bhandup (W), Mumbai - 400078
Tel: (91 22) 6171 5400/9167779196 /97 /98/ 99 Fax: (91 22) 2596 0329
Email: tatamotors.rights@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product/Service	% to total turnover of the company
1.	Manufacture of Motor Vehicles	2910	92.33%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES (INCLUDING JOINT VENTURES)

Sl. no.	NAME AND ADDRESS OF THE COMPANY	CIN / GLN	HOLDING/SUBSIDIARY/ ASSOCIATE/JV	% OF SHARES HELD	APPLICABLE SECTION
1	Concorde Motors (India) Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U24110MH1972PLC015561	SUBSIDIARY	100.00	2(87)
2	Sheba Properties Limited, 10th floor, 106 A and B, Maker Chambers III, Nariman Point, Mumbai-400021	U45200MH1989PLC050444	SUBSIDIARY	100.00	2(87)
3	TAL Manufacturing Solutions Limited, PDO Building, TATA Motors Campus, Chinchwad, Pune - 411033	U29100PN2000PLC130290	SUBSIDIARY	100.00	2(87)
4	Tata Motors European Technical Centre PLC, 18 Grosvenor Place, London, SW1X 7HS	NA	SUBSIDIARY	100.00	2(87)
5	Tata Motors Insurance Broking and Advisory Services Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U50300MH1997PLC149349	SUBSIDIARY	100.00	2(87)
6	TML Holdings Pte. Limited, 9 Battery Road, #15-01, Straits Trading Building, Singapore 049910	NA	SUBSIDIARY	100.00	2(87)
7	TML Distribution Company Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U63000MH2008PLC180593	SUBSIDIARY	100.00	2(87)
8	Tata Hispano Motors Carrocera S.A., Carretera de Castellon, Km. 230,5 (poligono Empresarium), Zaragoza, Spain	NA	SUBSIDIARY	100.00	2(87)
9	Tata Hispano Motors Carrocerries Maghreb SA, Zone Industrial - Berrechid, Rue Al Adrisa, Berrechid -26100, Morocco	NA	SUBSIDIARY	100.00	2(87)
10	TML Drivelines Limited, C/oTata Motors Limited, 3rd Floor, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U34100MH2000PLC124874	SUBSIDIARY	100.00	2(87)
11	Trilix S.r.l., Via Teano 3, 10042 Nichelino, Torino, Italy	NA	SUBSIDIARY	80.00	2(87)
12	Tata Precision Industries Pte. Limited, 1 Robinson Road, #19-01, AIA Towers, Singapore 048 542	NA	SUBSIDIARY	78.39	2(87)
13	Tata Technologies Limited, Plot No. 25, Pune Infotechpark, MIDC Taluka - Mulshi Hinjawadi, Pune - 27	U72200PN1994PLC013313	SUBSIDIARY	72.32	2(87)
14	Tata Marcopolo Motors Limited, Bombay House, 24, Homi Mody street, Mumbai-400001	U34101MH2006PLC164771	SUBSIDIARY	51.00	2(87)
15	Tata Motors Finance Limited, 10th floor, 106 A and B, Maker Chambers III, Nariman Point, Mumbai 400021	U65923MH2006PLC162503	SUBSIDIARY	100.00	2(87)
16	Jaguar Land Rover Automotive Plc, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	6477691	SUBSIDIARY	100.00	2(87)
17	Jaguar Land Rover Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672070	SUBSIDIARY	100.00	2(87)
18	Jaguar Land Rover Austria GmbH, Fuerbergstrasse 51, Salzburg, A5020, Austria	FN84604v	SUBSIDIARY	100.00	2(87)
19	Jaguar Land Rover Japan Limited, 3-13 Toranomon 4-chome, Minato-ku, Tokyo, Japan45	0104-01-075166	SUBSIDIARY	100.00	2(87)
20	JLR Nominee Company Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	1672065	SUBSIDIARY	100.00	2(87)

21	Jaguar Land Rover Deutschland GmbH Am Kronberger Hang 2a 65824 Schwalbach/Ts Germany	HRB 2408	SUBSIDIARY	100.00	2(87)
22	Jaguar Land Rover North America LLC "555 MacArthur Blvd. Mahwah, New Jersey 07430, USA	2075961	SUBSIDIARY	100.00	2(87)
23	Jaguar Land Rover Nederland BV, "PO Box 40, 4153 ZG Bessd Stationsweg 8, Netherlands"	23074977	SUBSIDIARY	100.00	2(87)
24	Jaguar Land Rover Portugal - Veículos e Peças, Lda. Edificio Escritorios do Tejo, Rua do Polo Sul, Lote 1.10.1.1 – 3. B-3, Parish of Santa Maria dos Olivais, Municipality of Lisboa, Portugal	504 998 803	SUBSIDIARY	100.00	2(87)
25	Jaguar Land Rover Australia Pty Limited, 65 Epping Road, North Ryde, New South Wales, 2113, Australia	4352238	SUBSIDIARY	100.00	2(87)
26	Jaguar Land Rover Italia Spa, Via Alessandro Marchetti 105 - 00148, Roma, Italy	6070621005	SUBSIDIARY	100.00	2(87)
27	Jaguar Land Rover Korea Company Limited, 25F West Mirae Asset Center 1, Building 67 Suha-dong, Jung-gu Seoul 100-210 Korea	110111-3977373	SUBSIDIARY	100.00	2(87)
28	Jaguar Land Rover (China) Investment Co. Limited(Change of name from Jaguar Land Rover Automotive Trading (Shanghai) Company Limited effective November 1, 2016), Room 713, 7F No.6 Jirong Road (Area C1, Plot 001), Shanghai, China Free Trade Zone	310115400245293	SUBSIDIARY	100.00	2(87)
29	Jaguar Land Rover Canada ULC, 75 Courtneypark Drive West, Unit 3, Mississauga, ON L5W 0E3, Canada	2013828088	SUBSIDIARY	100.00	2(87)
30	Jaguar Land Rover France, SAS, 34 Rue de la Croix de Fer 78105 Saint Germain en Laye Cedex, France	SOREN 509 016 804 RCS Nanterre	SUBSIDIARY	100.00	2(87)
31	Jaguar Land Rover (South Africa) (Pty) Limited, Simon Vermooten Road, Silverton, Pretoria, South Africa	7769130	SUBSIDIARY	100.00	2(87)
32	Jaguar e Land Rover Brasil Industria e Comercio de Veiculos LTDA, Avenida Ibirapuera 2.332, Torre I -10º andar-Moema 04028-002, São Paulo-SP-Brazil	35.222.373.953	SUBSIDIARY	100.00	2(87)
33	Limited Liability Company "Jaguar Land Rover" (Russia), 28B, Building 2, Mezhdunarodnoe Shosse 141411, Moscow, Russian Federation	1085047006549	SUBSIDIARY	100.00	2(87)
34	Jaguar Land Rover (South Africa) Holdings Limited, Abbey Road, Whitley, Coventry, CV3 4LF - England UK	NA	SUBSIDIARY	100.00	2(87)
35	Jaguar Land Rover India Limited, Nanavati Mahalaya, 18 Homi Mody Street, Hutatma Chowk, Mumbai – 400001	U34200MH2012FLC237194	SUBSIDIARY	100.00	2(87)
36	Jaguar Land Rover Espana SL, Torre Picasso, Plaza Pablo Ruiz Picasso, 1 – Planta 42, 23020 Madrid, Spain	B-82526757	SUBSIDIARY	100.00	2(87)
37	Jaguar Land Rover Belux NV, Generaal Lemanstraat 47, 2018 Antwerpen, Belgium	0456.612.553	SUBSIDIARY	100.00	2(87)
38	Jaguar Land Rover Holdings Limited, Abbey Road, Whitley, Coventry, CV3 4LF, England, UK	4019301UK	SUBSIDIARY	100.00	2(87)
39	Jaguar Cars South Africa (Pty) Limited, Simon Vermooten Road Silverton, Pretoria 0184, South Africa	NA	SUBSIDIARY	100.00	2(87)
40	The Jaguar Collection Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	2018432	SUBSIDIARY	100.00	2(87)
41	Jaguar Cars Limited Abbey Road, Whitley, Coventry, CV34LF - England, UK	1672067	SUBSIDIARY	100.00	2(87)
42	Land Rover Exports Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	1596703	SUBSIDIARY	100.00	2(87)
43	Land Rover Ireland Limited, "C/o LK Shields Solicitors, 39/40 Upper Mount Street Dublin 2, Ireland	318198	SUBSIDIARY	100.00	2(87)
44	The Daimler Motor Company Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	112569	SUBSIDIARY	100.00	2(87)
45	Daimler Transport Vehicles Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	322903	SUBSIDIARY	100.00	2(87)
46	S.S. Cars Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	333482	SUBSIDIARY	100.00	2(87)
47	The Lanchester Motor Company Limited, Abbey Road, Whitley, Coventry, CV34LF - England, UK	551579	SUBSIDIARY	100.00	2(87)
48	Shanghai Jaguar Land Rover Automotive Services Company Limited, Room E16, Floor 2, 477, Fute West 1st Road, Shanghai Free Trade Zone, PRC	310115400245293	SUBSIDIARY	100.00	2(87)
49	Jaguar Land Rover Pension Trustees Limited, Abbey Road, Whitley, Coventry, CV34LF, England, UK	4102133	SUBSIDIARY	100.00	2(87)
50	Jaguar Land Rover Singapore PTE Ltd, Level 30, Singapore Land Rover, Raffles Place, 048623, Singapore	T13FC0063C	SUBSIDIARY	100.00	2(87)
51	Jaguar Racing Limited, Abbey Road, Whitley, Coventry, CV3 4LF, England, UK	9983877	SUBSIDIARY	100.00	2(87)
52	InMotion Ventures Limited, Abbey Road, Whitley, Coventry, CV3 4LF, England, UK	10070632	SUBSIDIARY	100.00	2(87)
53	Jaguar Land Rover Slovakia s.r.o., Vysoka 2B, 811 06, Bratislava, Slovakia,	48 302 392	SUBSIDIARY	100.00	2(87)
54	InMotion Ventures 1 Limited (Incorporated w.e.f. October 25, 2016), Abbey Road, Whitley, Coventry, CV34LF, England, UK	10442527	SUBSIDIARY	100.00	2(87)
55	InMotion Ventures 2 Limited (Incorporated w.e.f. October 25, 2016), Abbey Road, Whitley, Coventry, CV34LF, England, UK	10444740	SUBSIDIARY	100.00	2(87)
56	InMotion Ventures 3 Limited (Incorporated w.e.f. October 25, 2016), Abbey Road, Whitley, Coventry, CV34LF, England, UK	10445044	SUBSIDIARY	100.00	2(87)
57	Jaguar Land Rover Colombia S.A.S (Incorporated w.e.f. August 22, 2016), CL 677735 OFE 1204 BOGOTAN CUNDINAMARKA 13192900	Tax ID No: 901.000.833.7	SUBSIDIARY	100.00	2(87)
58	Tata Daewoo Commercial Vehicle Co. Ltd., 172 Dongjangsan-ro, Gunsan-si, Joellabuk-do, 54006, Korea	NA	SUBSIDIARY	100.00	2(87)
59	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd., 4th floor, 272 Yeongdeung-ro, Yeongdeungpo-gu, Seoul 150 033, Korea	NA	SUBSIDIARY	100.00	2(87)
60	Tata Motors (Thailand) Ltd., 199 Column Tower 20th Floor, Ratchadapisek Road, Klongtoey, Bangkok 10110 Thailand	NA	SUBSIDIARY	95.28	2(87)

61	Tata Motors (SA) (Proprietary) Ltd., 39 Ferguson Road, Illova 2196	NA	SUBSIDIARY	60.00	2(87)
62	PT Tata Motors Indonesia, Pondok Indah Office Tower 3 Suite 801-A, Jl Sultan Iskandar Muda Kav V-TA Pondok Pinang Kebayoran Lama, Jakarta 12130 the Republic of Indonesia	NA	SUBSIDIARY	100.00	2(87)
63	PT Tata Motors Distribusi Indonesia, Pondok Indah Office Tower 3, Floor 8, Suite 801-B, Jl. Sultan Iskandar Muda Kav. V-TA, Pondok Pinang, Kebayoran Lama, Jakarta Selatan 12310, the Republic of Indonesia	NA	SUBSIDIARY	100.00	2(87)
64	Tata Technologies Inc., 41050, W Eleven Mile Road, Novi, Michigan 48375, USA	476-730	SUBSIDIARY	72.37	2(87)
65	Tata Technologies de Mexico, S.A. de C.V. , Blvd. Independencia #1600 Ote., Local C-46 C.P. 27100 Torreon, Coahuila, Mexico	TTM-990127-V84-New Tax Regn NO	SUBSIDIARY	72.37	2(87)
66	Tata Technologies Pte Limited, 8 Shenton Way, #19-05 AXA Tower, Singapore 068811.	198100504W	SUBSIDIARY	72.32	2(87)
67	Tata Technologies (Thailand) Limited,"889 Thai CC Tower, Room 108-9, 10th Floor, South Sathorn Road, Kwhaeng Yannawa, Khet Sathorn, Bangkok Metropolis 10120"	010554812171	SUBSIDIARY	72.32	2(87)
68	Tata Technologies Europe Limited, 2 Temple Back East, Temple Quay, Bristol BS1 6EG	2016440	SUBSIDIARY	72.32	2(87)
69	INCAT International Plc., 2 Temple Back East, Temple Quay, Bristol BS1 6EG	2377350	SUBSIDIARY	72.32	2(87)
70	INCAT GmbH, Breitwiesenstrasse 19, 70565 Stuttgart, Germany	HRB18622	SUBSIDIARY	72.32	2(87)
71	Cambric Limited, "H & J Corporate Services, Ltd., Ocean Centre, Montagu Foreshore East Bay Street, P.O. Box SS-19084, Nassau, Bahamas"	Company No. 57500	SUBSIDIARY	72.32	2(87)
72	Tata Technologies SRL, "Brasov Office: Str Branduselor, No 84 Brasov, 500397, Romania Craiova Office: Str Ioan Maiorescu, No 10 Etaj 4 cam 405 Craiova, 200760, Romania, Iasi Office: 23, Calea Chisinau Street, First Floor, Tester Building, 700265 Iasi, Roma"	Registration Certificate No. B1766921	SUBSIDIARY	72.32	2(87)
73	Cambric GmbH, "Service Kontor, Universitat Geb A1 1, D-66123 Saarbrucken, Stuhlsatzenhausweg 69 Raum 130, 66123 Saarbrücken"	Entity Registration#:HR B14269	SUBSIDIARY	72.32	2(87)
74	Cambric UK Limited, Blick Rothenberg (BRAL) / UK, 16 Great Queen Street, Covent Garden, London, WC2B 5AH	Company No. 06559783	SUBSIDIARY	72.32	2(87)
75	Midwest Managed Services Inc., 556 E. Broadway, #300, Salt Lake City, UT 84102	Utah Entity/File Number 8513733-0142	SUBSIDIARY	72.32	2(87)
76	Cambric Manufacturing Technologies (Shanghai) Co. Limited, (Change of name from Tata Manufacturing Technologies (Shanghai) Ltd w.e.f. February 22, 2017) 11F,Aurora plaza,99 Fucheng Rd,Room 1131, Shanghai 200120, China	310115400245293	SUBSIDIARY	72.32	2(87)
77	Tata Motors Finance Solutions Pvt. Ltd., C/o Tata Motors Finance Ltd., 10th floor, 106 A & B, Maker Chambers III, Nariman Point, Mumbai 400 021	U65910MH1992PTC187184	SUBSIDIARY	100.00	2(87)
78	TMNL Motor Services Nigeria Limited (Incorporated w.e.f. September 02, 2015), C/o. Tata Africa Services (Nigeria) Limited, Plot C89, Amuwo Odofin Industrial Layout, Lagos, Nigeria	Company Registration No: 1284940	SUBSIDIARY	100.00	2(87)
79	Jaguar Cars Finance Limited,135 Bishopsgate London EC2M 3UR	1731924	ASSOCIATE	49.90	2(6)
80	Automobile Corporation of Goa Limited, Plant I, Honda, Sattari, Goa 403530	L35911GA1980PLC000400	ASSOCIATE	47.19	2(6)
81	Nita Co Ltd., "1703, Sky Bhaban,195, Motljheel C/A, Dhaka, Dhaka - 1000, Bangladesh	NA	ASSOCIATE	40.00	2(6)
82	Tata Hitachi Construction Machinery Company Pvt. Ltd., Jubilee Building,45, Museum Road, Banglore, Karnataka, 560025	U85110KA1998PTC024588	ASSOCIATE	39.99	2(6)
83	Tata Precision Industries (India) Limited , Industrial Area No. 2, A.B. Road, Dewas, Madhya Pradesh, 455001	U29120MP1995PLC009773	ASSOCIATE	39.19	2(6)
84	Tata AutoComp Systems Limited, Bombay House, 24, Homi Mody street, Fort, Mumbai-400001	U34100MH1995PLC093733	ASSOCIATE	26.00	2(6)
85	Synaptiv Limited, 84 Kirakland Avenue, Ilford, Essex, England, IG50TN	10592914	ASSOCIATE	33.30	2(6)
86	Cloud Card Inc., 2771 Centerville Road, Suite 400, Wilmington, Country of New Castle, Delaware, 19808, USA	5052102	ASSOCIATE	34.00	2(6)
87	Tata Cummins Private Limited, Cummins Road, Telco Township, Jamshedpur 831 004, Jharkhand, India	U34101JH1993PTC005546	JOINT OPERATIONS	50.00	2(6)
88	Fiat India Automobiles Pvt. Limited., Plot No. B 19, Ranjangaon MIDC Industrial Area, Ranjangaon, Taluka Shirur, District Pune - 412 220	U28900PN1997PTC130940	JOINT OPERATIONS	50.00	2(6)
89	Chery Jaguar Land Rover Automotive Company Limited, "Room 1102, Binjiang, International Plaza, No, 88 Tonggang Road, Changshu Economic and Technical Development Zone, Suzhou City, Jiangsu Province, China"	U93000KA2008PLC046588	JOINT VENTURE	50.00	2(6)
90	Chery Jaguar Land Rover Automotive Sales Company Limited, 6F, Binjiang International Plaza, No. 88 Tonggang Road, Changsu Economic and Technical Development Zone, Jiangsu Province, China	7535151	JOINT VENTURE	50.00	2(6)
91	TATA HAL Technologies Ltd., Venus Building, # 1/2 , Kalyanamantapa Road,Jakkasandra, Koramangala, 1st Block, Bangalore, Karnataka, 560034	U93000KA2008PLC046588	JOINT VENTURE	36.16	2(6)
92	Spark44 (JV) Ltd., Abbey Road, Whitley, Coventry, CV34LF - England	NA	JOINT VENTURE	50.00	2(6)
93	Spark44 Pty. Ltd. (Sydney), Level 5, 65 Berry Street, North Sydney, NSW 2060, Australia	NA	JOINT VENTURE	50.00	2(6)
94	Spark44 LLC (LA & NYC), 5870, West Jefferson Blvd, Studio H, Los Angeles, California, CA 90016, USA	NA	JOINT VENTURE	50.00	2(6)
95	Spark44 Limited (Shanghai), Unit 6401/6402 & 6501/6502, 436, Ju Men Road, Huangpu District, Shanghai 200023. China	NA	JOINT VENTURE	50.00	2(6)
96	Spark44 Middle East DMCC (Dubai), Reef Tower, Office Unit 1001 Cluster O, Jumeriah Lake Towers, Dubai, UAE	NA	JOINT VENTURE	50.00	2(6)
97	Spark44 Demand Creation Partners Private Limited, Block A, Level 1, Shiv Sagar Estate, Dr Annie Besant Road, Worli, Mumbai City, Maharashtra-400018	U74999MH2015FTC269125	JOINT VENTURE	50.00	2(6)
98	Spark44 Limited (London & Birmingham), 5-23, Old Street, London EC1V 9HL, UK	NA	JOINT VENTURE	50.00	2(6)
99	Spark44 Pte Ltd (Singapore), Level 36, UOB Plaza 1, 80 Raffles Place, Singapore 048624, Singapore	NA	JOINT VENTURE	50.00	2(6)
100	Spark44 Communication SL (Madrid), Torres de Colon, Plaza de Colon 2, Planta 18, Madrid 28046, Spain	NA	JOINT VENTURE	50.00	2(6)

101	Spark44 SRL (Rome), Via Antonia Salandra 18, Rome 00187, Italy	NA	JOINT VENTURE	50.00	2(6)
102	Spark44 Limited (Seoul), 12th Floor, Cheonggye 11 Bldg., Chengyecheon-ro, Jongnogu, Seoul 110-726, Korea	NA	JOINT VENTURE	50.00	2(6)
103	Spark44 KK (Tokyo), 14th Floor, Kamiyacho Mt. Budilding, 4-3-20 Toranomon, Minato-Ku, Tokyo 105-0001, Japan	NA	JOINT VENTURE	50.00	2(6)
104	Spark44 Canada Inc (Toronto), 1235 Bay Street, 7th Floor, Toronto, Ontario, M5R 3K4, Canada	NA	JOINT VENTURE	50.00	2(6)
105	Spark44 GMBH (Frankfurt), Wildunger Strasse 6s, D-60487 Frankfurt am Main, Germany	NA	JOINT VENTURE	50.00	2(6)
106	JT Special Vehicles Private Limited (incorporated on July 13, 2017) Post Box. No. 1840, No. 2, Ondipudur Road, Singanallur, Coimbatore – 641005	U34102TZ2016PTC027770	JOINT VENTURE	50.00	2(6)

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity):

i) Category-wise Shareholding

	Category of Shareholers	No.of Shares held at the beginning of the year .i.e 1.4.2016				No.of Shares held at the end of the year .i.e 31.03.2017				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(i)	**A. Promoters**									
(a)	Individuals / Hindu Undivided Family	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government / State Governments(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	953,838,171	0	953,838,171	28.09	1,001,370,950	0	1,001,370,950	29.49	1.40
(d)	Financial Institutions / Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (Trust)	1,774,880	0	1,774,880	0.05	1,774,880	0	1,774,880	0.05	0.00
	Sub-Total (A) (1)	**955,613,051**	**0**	**955,613,051**	**28.14**	**1,003,145,830**	**0**	**1,003,145,830**	**29.54**	**1.40**
(2)	**Foreign**									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Any Other (specify)	0	0	0	0.00	0	0	0	0.00	0.00
	Sub-Total (A) (2)									
	Total Shareholding of Promoter and Promoter Group (A)	**955,613,051**	**0**	**955,613,051**	**28.14**	**1,003,145,830**	**0**	**1,003,145,830**	**29.54**	**1.40**
(B)	**Public Shareholding**									
(1)	**Institutions**									
(a)	Mutual Funds / UTI	307,930,776	88,730	308,019,506	9.07	279,632,280	88,730	279,721,010	8.24	-0.83
(b)	Financial Institutions / Banks	2,601,975	295,935	2,897,910	0.09	3,483,760	291,650	3,775,410	0.11	0.03
(c)	Cental Government / State Governments(s)	1,544,873	2,013,905	3,558,778	0.10	5,181,711	2,013,905	7,195,616	0.21	0.11
(d)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Insurance Companies	399,498,437	1,550	399,499,987	11.76	310,951,228	1,550	310,952,778	9.16	-2.61
(f)	Foreign Institutional Investors	599,026,628	43,375	599,070,003	17.64	118,366,247	43,375	118,409,622	3.49	-14.16
(g)	Foreign Venture Capital Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(i)	Any Other (specify)									
(i-i)	Foreign Portfolio Investors (Corporate)	309,771,223	0	309,771,223	9.12	833,787,950	0	833,787,950	24.55	15.43
(i-ii)	Foreign Bodies - DR	6,741,794		6,741,794	0.20	6,231,611	0	6,231,611	0.18	-0.02
(i-iii)	Foreign Nationals - DR	286,661	0	286,661	0.01	286,876	0	286,876	0.01	0.00
(i-iv)	Foreign Institutional Investors - DR	3,878,624	0	3,878,624	0.11	321,226	0	321,226	0.01	-0.10
(i-v)	LLP -DR	2,000	0	2,000	0.00	750	0	750	0.00	0.00
	Sub-Total (B) (1)	**1,631,282,991**	**2,443,495**	**1,633,726,486**	**48.11**	**1,558,243,639**	**2,439,210**	**1,560,682,849**	**45.96**	**-2.15**
(2)	**Non-Institutions**									
(a)	Bodies Corporate	22,914,690	645,195	23,559,885	0.69	17,710,637	537,735	18,248,372	0.54	-0.16
(b)	Individuals -				0.00				0.00	
i	Individual shareholders holding nominal share capital upto Rs. 1 lakh	190,908,566	25,811,585	216,720,151	6.38	184,406,963	24,606,744	209,013,707	6.15	-0.23
ii	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	35,010,298	894,585	35,904,883	1.06	24,996,328	450,240	25,446,568	0.75	-0.31
(c)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Any Other									
(d-i)	Non Resident Indians	11,657,684	2,819,998	14,477,682	0.43	11,546,286	2,670,770	14,217,056	0.42	
(d-ii)	Clearing Member	10,037,086	0	10,037,086	0.30	16,248,035	0	16,248,035	0.48	0.18
(d-iii)	Trust	13,511,155	1,750	13,512,905	0.40	18,186,295	1,750	18,188,045	0.54	0.14
(d-iv)	OCBs/Foreign Cos	0	490	490	0.00	0	490	490	0.00	0.00
(d-v)	Foreign Corporate Bodies (including FDI)	163,487	0	163,487	0.00	163,487	0	163,487	0.00	0.00
	Sub-Total (B) (2)	**284,202,966**	**30,173,603**	**314,376,569**	**9.26**	**273,258,031**	**28,267,729**	**301,525,760**	**8.88**	**-0.37**
	Total Public Shareholding (B)	**1,915,485,957**	**32,617,098**	**1,948,103,055**	**57.37**	**1,831,501,670**	**30,706,939**	**1,862,208,609**	**54.84**	**-2.53**
	TOTAL (A)+(B)	**2,871,099,008**	**32,617,098**	**2,903,716,106**	**85.51**	**2,834,647,500**	**30,706,939**	**2,865,354,439**	**84.38**	**-1.13**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**									
(1)	Promoter and Promoter Group									
(2)	Public	491,943,200	21,000	491,964,200	14.49	530,475,530	20,750	530,496,280	15.62	1.13
	GRAND TOTAL (A)+(B)+(C)	**3,363,042,208**	**32,638,098**	**3,395,680,306**	**100.00**	**3,365,123,030**	**30,727,689**	**3,395,850,719**	**100.00**	**0.00**

ii) Shareholding of Promoters (Including Promoter Group)

Sl. no.	Shareholder's Name	Shareholding at the beginning of the year 1.4.2016			Shareholding at the end of the year 31.3.2017			% change in shareholding during the year
		No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No.of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	
1	Tata Sons Limited - Promoter	781,076,151	23.00	1.81	828,970,378	24.41	1.73	1.41
2	Tata Steel Limited	83,637,697	2.46	0.00	83,637,697	2.46	0.00	0.00
3	Tata Industries Limited	72,203,630	2.13	0.00	72,203,630	2.13	0.00	0.00
4	Tata Investment Corporation Ltd	10,961,448	0.32	0.00	10,600,000	0.31	0.00	-0.01
5	Ewart Investments Limited	3,525,187	0.10	0.00	3,525,187	0.10	0.00	0.00
6	Tata Chemicals Limited	1,966,294	0.06	0.00	1,966,294	0.06	0.00	0.00
7	Af-Taab Investment Company Ltd	408,181	0.01	0.00	408,181	0.01	0.00	0.00
8	Simto Investment Company Ltd	59,583	0.00	0.00	59,583	0.00	0.00	0.00
9	Sir Ratan Tata Trust	859,200	0.03	0.00	859,200	0.03	0.00	0.00
10	Sir Dorabji Tata Trust	808,960	0.02	0.00	808,960	0.02	0.00	0.00
11	J R D Tata Trust	105,280	0.00	0.00	105,280	0.00	0.00	0.00
12	Lady Tata Memorial Trust	1,440	0.00	0.00	1,440	0.00	0.00	0.00
		941,901,462	**29.26**	**1.91**	**955,613,051**	**28.14**	**1.91**	**-1.12**

Note: Entities listed from Sl. No. 2 to 12 above form part of the Promoter Group.

iii) Change in Promoter's Shareholding (please specify,if there is no change)

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year as on 01.04.2016		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	Tata Sons Limited	781,076,151	23.00					**781,076,151**	**23.00**
				23.09.2016	Sale of Shares	-2,105,773	-0.06	778,970,378	22.94
				15.12.2016	Purchase of Shares	50,000,000	1.47	828,970,378	24.41
				31.03.2017	**At the end of the year**	-	-	**828,970,378**	**24.41**
2	Tata Investment Corporation Ltd	10,961,448	0.34			-	-	**10,961,448**	**0.32**
				23.09.2016	Sale of Shares	-361,448	-0.01	10,600,000	0.31
				31.03.2017	**At the end of the year**	-	-	**10,600,000**	**0.31**
3	Tata Chemicals Limited	1,966,294	0.06					**1,966,294**	**0.06**
				01.07.2016	Sale of Shares	-1,966,294	-0.06	0	0.00
				01.07.2016	Purchase of Shares	1,966,294	0.06	1,966,294	0.06
				31.03.2017	At the end of the year	-	-	**1,966,294**	**0.06**
4	Af-Taab Investment Company Ltd	408,181	0.01					**408,181**	**0.01**
				29.04.2016	Sale of Shares	-408,181	-0.01	0	0.00
				29.04.2016	Purchase of Shares	408,181	0.01	408,181	0.01
				31.03.2017	**At the end of the year**	**-**	**-**	**408,181**	**0.01**

Note:
i) Except for the above there is no change in the holding of Tata Steel Ltd, Tata Industries Ltd, Ewart Investment Ltd, Simto Investment Company Ltd, Sir Ratan Tata Trust, Sir Dorabji Tata Trust, J R D Tata Trust and Lady Tata Memorial Trust, Promoter Group during this Fiscal 2017.
ii) Entities listed from Sl. No. 2 to 4 above form part of the Promoter Group.

iv) Shareholding Pattern of Top 10 Shareholders (Other than Directors, Promoters and Holders of GDRS and ADRs):

Sl. no	Name of the ShareHolder	Shareholding at the beginning of the year as on 1.4.2016		Shareholding at the end of the year as on 31.3.2017	
		No of Shares	% of total Shares of the Company	No of Shares	% of total Shares of the Company
1	Life Insurance Corporation of India	199,144,257	5.86	199,144,257	5.86
2	Government Of Singapore	64,133,414	1.89	149,423,428	4.40
3	HDFC Trustee Company Limited-HDFC Equity Fund	84,216,364	2.48	67,367,492	1.98
4	Abu Dhabi Investment Authority	42,011,218	1.24	62,847,816	1.85
5	ICICI Prudential Life Insurance Company Ltd	67,362,172	1.98	50,686,594	1.49
6	Franklin Templeton Mutual Fund A/C Franklin India Prima Plus	36,079,591	1.06	46,398,243	1.37
7	Franklin Templeton Investment Funds	28,832,626	0.85	42,938,549	1.26
8	ICICI Prudential Value Fund	36,553,423	1.08	39,647,214	1.17
9	SBI-Etf Nifty 50	28,689,706	0.84	39,088,564	1.15
10	Stichting Depositary APG Emerging Markets Equity Pool#	20,780,991	0.61	37,847,939	1.11
11	Reliance Capital Trustee Co. Ltd A/C Reliance equity Opportunities Fund*	29,136,816	0.86	9,353,053	0.28

Notes:
* ceased to be in the list of Top 10 as on 31.03.2017. The same is reflected above since the shareholder was one of the Top 10 shareholders on 01.04.2016.
#Not in the list of Top 10 shareholders as on 01.04.2016. The same is reflected above since the shareholder is in the Top10 shareholder as on 31.03.2017.

Share holding of Top 10 is consolidated based on Permanent Account Number of the shareholder. The date wise increase or decrease in share holding of the Top 10 shareholdes giving a break-up of Ordinary and 'A' Ordinary Shares bought and sold is available on the website of the Company www.tatamotors.com

v) Shareholding of Directors and Key Managerial Personnel (including changes during the year):

Sl. no	Name of the Shareholder	Shareholding at the beginning of the year as on 1.4.2016		Date	Reason	Increase/Decrease in Shareholding		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company			No. of Shares	% of total Shares of the company	No. of Shares	% of total Shares of the company
1	"Mr Cyrus Mistry (upto 19.12.2016)	15,855	0.00					15,855	0.00
				-	No change	0	0.00	15,855	0.00
				19.12.2016		-	-	**15,855**	**0.00**
2	Mr Nusli Wadia (upto 22.12.2016)	0	0.00					0	0.00
				15.12.2016	Purchase of Shares	1,000	0.00	1,000	0.00
				22.12.2016		-	-	**1,000**	**0.00**
3	Mr Ravindra Pisharody	50	0.00					50	0.00
				03.06.2016	Sale of Shares	-50	0.00	0	0.00
				31.03.2017	At year end	-	-	**0**	0.00
4	Mr Satish B Borwankar	0	0.00					0	0.00
				15.12.2016	Purchase of Shares	500	0.00	500	0.00
				31.03.2017	At year end	-	-	**500**	**0.00**
5	Mr C Ramakrishnan, CFO	8,312	0.00					8,312	0.00
				-	No change	0	0.00	8,312	0.00
				31.03.2017	At year end	-	-	**8,312**	**0.00**
6	Mr Hoshang K Sethna (Company Secretary)	3,766	0.00					3,766	0.00
				-	No change	0	0.00	3,766	0.00
				31.03.2017	At year end	-	-	**3,766**	**0.00**

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding /accrued but not due for payment

₹ in Crores

	Secured loan excluding deposits	Unscured Loan	Deposits	Total Indebetness
Indebtedness at the beginning of the Fiscal 2017				
i) Principal Amount	3,520.65	12,098.88	0.00	15,619.53
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	49.01	367.00	0.00	416.01
Total (i+ii+iii)	3,569.66	12,465.88	0.00	16,035.54
Change in Indebtedness during the Fiscal 2017				
• Addition	12,595.09	20,360.97	0.00	32,956.06
• Reduction	(13,712.03)	(16285.17)	0.00	(29,997.20)
Net Change	(1,116.94)	4,075.80	0.00	2,958.86
Indebtedness at the end of the Fiscal 2017				
i) Principal Amount	2,403.71	16,174.68	0.00	18,578.39
ii) Interest due but not paid	0.00	0.00	0.00	0.00
iii) Interest accrued but not due	48.81	397.29	0.00	446.10
Total (i+ii+iii)	**2,452.52**	**16,571.97**	**0.00**	**19,024.49**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sl. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Amount in (₹)
		Guenter Butschek*	Ravindra Pisharody	Satish B Borwankar	
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	142,707,059	23,686,531	23,408,663	189,802,253
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	12,878,121	4,842,511	1,145,289	18,865,921
	(c) Profits in lieu of salary under	-	-	-	-
2.	Stock Option	-	-	-	-
3.	Sweat Equity	-	-	-	-
4.	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	- others, specify…	-	-	-	-
5.	Others, please specify	-	-	-	-
	Total (A)	**155,585,180**	**28,529,042**	**24,553,952**	**208,668,174**
	Ceiling as per Schedule V of the Act	-	53,172,263	53,172,263	

**Application for appointment and payment of remuneration has been made to the Central Government on 22-06-2016 and is pending approval. Being a managerial person functioning in a professional capacity as per circular of the Ministry of Corporate Affairs dated 12-9-2016, the ceiling under Schedule V is not applicable to him.*

#The above remuneration is as per Income Tax Act, 1961 and excludes contribution by the Company to Provident Fund and provisions for special retirement benefits etc. Further these amounts are paid to Managing Director and Whole Time Directors during the year

B. Remuneration to other directors:

Amount in (₹)

Sl. no.	Particulars of Remuneration	Name of Directors						Total
1.	**Independent Directors**	**N N Wadia**	**Dr Mashelkar**	**N Munjee**	**S Bhargava**	**V K Jairath**	**F Nayar**	
	• Fee for attending board/committee meetings	660,000	1,560,000	1,440,000	900,000	1,580,000	1,440,000	7,580,000
	• Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	• Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (1)	**660,000**	**1,560,000**	**1,440,000**	**900,000**	**1,580,000**	**1,440,000**	**7,580,000**
2.	**Other Non-Executive Directors**	**C P Mistry**	**Dr Speth**	**N Chandrasekaran**				
	• Fee for attending board/committee meetings	660,000	Nil	240,000				900,000
	• Commission	Nil	Nil	Nil				Nil
	• Others, please specify	Nil	Nil	Nil				Nil
	Total (2)	**660,000**	**Nil**	**240,000**				**900,000**
	Total (B)=(1+2)							**8,480,000**
	Total Managerial Remuneration							**Nil**
	Overall Ceiling as per the Act	**Not Applicable as only sitting fees paid**						

* Mr Mistry resigned on December 19, 2016, Mr Wadia ceased to be a Director w.e.f. from December 22, 2016 and Mr N Chandrasekaran was appointed as Additional Director and Chairman on January 17, 2017

C. Remuneration To Key Managerial Personnel Other Than MD / Manager / WTD:

Amount in (₹)

Sl. no.	Particulars of Remuneration	Key Managerial Personnel		
		Hoshang Sethna Company Secretary	**C Ramakrishan Chief Financial Officer**	**Total**
1.	Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	 11,447,377 263,098 -	 23,136,000 1,715,407 -	 34,583,377 1,978,505 -
2.	Stock Option	-	-	-
3.	Sweat Equity	-	-	-
4.	Commission - as % of profit or if any others, specify…	-	-	-
5.	Others, please specify	-	-	-
	Total	**11,710,475**	**24,851,407**	**36,561,882**

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

On behalf of the Board of Directors
N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai,
May 23, 2017

ANNEXURE 2

Particulars of Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo

[In terms of Section 134 (3) (m) of the Act read with Rule 8 of the Companies (Accounts) Rules, 2014, forms part of the Board's Report for Fiscal 2017]

A. CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and Energy Conservation (ENCON) projects are implemented at all the plants and offices of the Company in a planned and budgeted manner. Some of the major ENCON Perojects in Fiscal 2017 include:

(i) The steps taken or impact on conservation of energy:

- Change over the direct heating process in joint sealant baking oven in paint shop.
- Installation of LED lights for various applications areas like streetlights, vehicle storage pads, office and shop floor
- Providing fans and blower instead of ASPs at TCF shops
- Implementation of 3C1B process in Paint Shop
- Change from soft starter to VFD for paint booth exhaust blowers

These efforts have resulted in electrical energy saving of 105.18 lakh kWh, fuel saving – Natural Gas 277 MT, Propane 159 MT. The whole effort resulted in cost savings for the Company of around ₹8.82 crores and annual CO_2 emission reduction of 9,099 tCO_2e.

(ii) The steps taken by the Company for utilizing alternate sources of energy:

- The Company owns a 'captive wind power' project of 21.95 MW capacity. Pimpri Plant utilized Captive Wind Energy generation of 2.81 crore units (equivalent CO_2e Reduction of 23,042 tCO_2e). In Fiscal 2017, Pune Plant procured third party Wind Power of 2.65 crore units (equivalent to 21,730 tCO_2e reduction), this resulted in net savings of ₹27.36 crores in electricity charges, whereas Sanand Plant, procured third party Wind Power of 1.25 crore units (equivalent to 10,269 tCO_2e reduction) and Dharwad Plant, procured third party Wind Power of 0.27 crore units (equivalent to 2276 tCO_2e reduction) in Fiscal 2017.
- In Fiscal 2017, Pune Roof Top Solar PV Power Plant of 1.8MWp capacity, generated 0.27 crore Kwh (equivalent to 2236 tCO_2e reduction) with net saving of ₹0.64 crores in electricity charges. Whilst Sanand Roof Top Solar PV Power Plant of 2.0MWp capacity, generated 0.28 crore Kwh (equivalent to 2327 tCO_2e reduction), Lucknow and Dharwad Roof Top Solar PV Power Plant generated 26,678 and 6,580 kWh of power respectively.
- Renewable Energy Certificate (REC): the Company 21.95MW Wind Power Project is registered under REC scheme. Auction of 9,493 RECs resulted in net saving of ₹1.4 crores for Fiscal 2017. Cumulative RECs generated 63,432 RECs out of which 50,010 RECs was sold through auction and cumulative benefit was ₹7.25 crores.

(iii) The capital investment on energy conservation equipments:

The Company has invested about ₹9.24 crores for achieving energy conservation results.

Award / Recognition received during the year is as below,

- The Company's Dharwad Plant received GreenCo "Gold Rating" and Lucknow Plant received CII GreenCo "Silver Rating". GreenCo is a Factory based rating process, which uses 10 parameters to evaluate the energy and environmental performance.
- The Company's CVBU Pune Plant and Jamshedpur Plant was adjudged as "Excellent Energy Efficient Unit Award" at CII-National Award for Excellence in Energy Management - 2016, in Automobile Manufacturing category. The National Excellence in Energy Management Awards are given to industries of various sectors.
- The Company's PVBU Pune (Car Plant) won National Award for Excellence in Water Management 2016 and FICCI Water Award for Excellence in Water Management and Conservation in "Industrial Water Use Efficiency".
- On occasion of World Environment Day - 5th June 2016, Jharkhand State Pollution Control Board adjudged the Company's Jamshedpur Plant First in industry category for Environmental Initiatives.
- Jamshedpur Plant received CII-GreenCo Best Practices Award 2016 for its' Innovative Project on "Water Conservation"

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

(i) Efforts made towards technology absorption, adaptation and innovation

Presently automotive industry is facing unprecedented volatility in the technology environment coming from regulations, from emergence of new business models and the way in which the customer will access the future mobility solutions. The Company is working in technology domain of domains of xEVs, Hybrids and Fuel Cell in addition to technology upgrades on conventional IC engines to be able to meet regulations. The Company is also working on various other areas to support connected vehicles and creating value for customers which would make the vehicle offerings attractive. With an overarching theme to support all upcoming regulations and technology developments to support future products, the Company has a well-defined technology strategy.

To foster innovation, the Company is in process of setting up various innovation hubs that would be very lean and agile. These hubs themselves will operate in a startup mode with focus on testing of solutions and go-to-market strategies. The setting up of the first of these centers is already underway in the Silicon Valley (US) and UK.

For example of technology programs that the Company is concentrating on are:

- Composites, light weighting and fuel efficiency improvement related technologies.
- Combustion optimization and thermal efficiency improvement projects in collaboration with academia and consortia.
- Alternate fuels technologies CNG, Dual fuel, Hydrogen.
- Hybridization, xEVs and associated technologies.
- Efficient engine cooling technology.
- Advanced technologies for vehicle NVH refinement
- Internet of things (IoT) and associated technologies on connectivity like Apps, telematics, diagnostics, analytics, etc.

(ii) Benefits derived as a result of the above efforts

The Company's continued efforts in the technology domains is manifested by the market launch of products. In passenger cars, showcased Nexon and Tigor in Geneva International Motor Show 2017 and has launched 3 cars – Tiago, Hexa and Tigor – which received critical recognition from both customers and automotive media. In commercial vehicles, company has made good progress in Hybrid and Electric buses and is trying to secure tender based orders from relevant authorities. The Company also showcased its innovation project called Racemo which reinforces its efforts towards connected car and uses a patented Moflex MMS Structural Technology.

Major technology absorption undertaken during the last year includes:

Sr. No.	Technology For	Status
1	Development of Connected car Technology and Cyber security	Development in Progress
2	Development of Advanced Driver Assistance with 360 degree surround sense, surround view and parking assist	Development in Progress
3	Moflex MMS Structural Technology	Validation in progress
4	Development of ESP-Electronic Stability Program with Advanced Super Drive Modes & State-of-the-art features	Implemented
5	Fuel Pump with Integrated Filter Technology for Increased Filter Life and Improved Fuel Economy	Implemented
6	Hydrogen recirculation blower system for Fuel cell system	Under implementation
7	Electric Trolley Bus system	Development in progress
8	In-house development of parallel hybrid technology	Implemented
9	Development of Advanced Driver Assistance Safety Systems LDWS, AEBS	Testing in Progress
10	In house development and demonstration of parallel PHEV technology	Development in Progress
11	Bring Your Own Device (BYOD)	Proof of Concept is ready
12	Development of Automatic transmission on SUV platform	Implemented
13	Reduced Cost of Ownership through development of fuel filter with pressure switch on Nexon	Implemented
14	Software features such as cruise control, vehicle acceleration management, load based speed control & gear down protection in M&HCV trucks	Implemented
15	Development of Ultra Electric Bus and electric drive train	Implemented

(iii) Major Technology Imports includes (preceding 3 financial years):

Sr. No.	Technology For		Status
1	ESP (Electronic Stability Programme) for Xenon Euro V vehicle	2012-13	Implemented
2	Average Fuel Economy Display for HCV and LCV platform	2012-13	Implemented
3	A door seal pressure measurement rig	2014-15	Commissioned and being used for new passenger vehicles
4	Synthetic road shells on a chassis dynamometer	2015-16	Implemented
5	A Noise Test Cell for engine and drivelines	2015-16	Implemented
6	Combustion analyser and knock sensors	2015-16	Implemented
7	Miniature shakers [from USA]—needed for Accurate Transfer Path Analysis of vibrations of engine To vehicle-body	2016-17	Implemented
8	Master air flow calibration rig	2016-17	Implemented
9	Climatic chamber with gasoline emission facility	2016-17	Implemented

(iv) Research and Development

Particulars	(₹ in crores)	
Expenditure incurred on research and development:	**2016-17**	**2015-16**
(a) Revenue Expenditure - charged to Profit & Loss Statement	508.26	563.11
(b) Revenue Expenditure – capitalized	1,526.34	1,573.20
(c) Capital Expenditure	65.59	80.80
Total	2,100.18	2,217.11
Income from Operations	49,100.41	47,383.61
R&D cost as a % to Income from Operations	4.3%	4.7%

Specific areas in which R & D carried out by the Company

One of the main areas in which the Company's R&D is carried out is to innovate technology solutions to create exciting products as per pre-defined business strategy. In addition to this, the Company also runs several innovation projects in the domains of light weighting, xEVs and Hybrids, Connected vehicles, ADAS features. While all its current products comply with the existing emission norms, the Company is gearing up to be ready with the upcoming BSVI regulations in India. Product competitiveness for the Company engines/vehicles is targeted through customer value propositions such as best-in-class fuel efficiency, superior performance, better total low cost of ownership, increased service interval, reduced downtime & turn-around time. Application specific technology selection & duty cycle based performance optimization are key enablers to achieve these goals. Enhanced fuel efficiency and thereby reduction in carbon footprint is planned to be achieved through various powertrain as well as vehicle level measures. The Company is investing significantly in development efforts, capital equipment and in infrastructure to meet BSVI requirements for all our products over next 2 to 3 years.

For example, some of the forward-looking R&D programs that the Company is concentrating on are:

- M-Flex MMS Technology for modular car platform,
- Next generation infotainment system with 6.5" TFT touch screen with advanced features like Google Android Auto, Apple Car Play, In-car voice alerts, premium acoustic experience with 8 speakers had been delivered for Osprey platform
- Selective ADAS technologies for market specific implementation like Forward Collision Warning with Camera - Pedestrian, 2 Wheeler, 4 Wheeler detection (Day and Night detection), Seat Belt Reminder using ODS (Occupant Detection Sensor) sensor, etc.
- Development of electro-viscous fan control on M&HCV trucks which improve fuel economy by reduced fan duty cycle.
- Control systems for hybrid and electric buses
- Development of indigenous Li-Ion battery packs for hybrid and electric buses
- Enhancing the effectiveness of regenerative braking by optimally blending it with conventional brake systems

- Indigenous development of fuel cell systems and accessories
- Development of high efficiency motors and inverters

Benefits derived as a result of the above R&D

In Passenger Vehicles, the recently launched Hexa and Tigor passenger car received critical recognition from Media and customers for its attributes on design, connectivity, driving dynamics. These innovative products have unique design and offer unique ownership experience to customers. The Super Drive Modes system in Hexa offers seamless integration of vehicle engine performance, new generation Electronic Stability Program, torque on demand, and intuitive HMI. Switching between four drive modes - Auto, Comfort, Dynamic and Rough Road, provides enhanced ride comfort & stability over different terrains. The premium acoustic experience is introduced in Hexa and Tigor with ConnectNext Infotainment system along with ConnectNext apps suite to attract young minds.

In Commercial Vehicles, following benefits derived are encouraging:

- Electric Driveline for various categories of commercial vehicles ranging from last mile passenger transport, mini, midi & large buses to support initiative of green and eco-friendly transport solution and reduce dependency on carbon based fuels.
- Series Hybrid Bus with new generation 5L engine with advanced features for eco-friendly operation as well as best in class features for comfort and convenience of commuter especially elderly and physically challenged people.
- Advanced automated manual transmission for Buses & Trucks for optimum fuel economy and ease of driving and fatigue reduction.
- Advanced safety features such as collision mitigation, lane departure warning to improve the road safety.
- Buses & Trucks to run on LNG as alternate fuel for increasing the fuel efficiency as well as spreading the use of alternate fuels.

During Fiscal 2017, the Company filed 80 Patent Applications and 52 Design applications. In respect of applications filed in earlier years, 22 Patents were granted and 26 Designs were registered. Both filing and grant details include national and international jurisdictions.

Future Plan of Action

The Company plan to continue its endeavor in the research and development space to develop technologies, skill sets and competencies that will help us meet future product portfolio requirements. One of the main future initiatives in this direction would be a platform approach of creating bills of material and bills of process that have a high degree of commonality to reduce complexity and enhance ability to the scale. Thus, Advance Modular Platform (AMP) is being developed as next generation, futuristic, scalable & modular platform wherein multiple segment products can be developed with improved economies of scale. This will also enable to reduce number of platform in the long run to make the business future ready, reduce complexity and cut costs. In addition, the Company aims for timely and successful conclusion of technology projects to begin their induction into mainstream products, which will lead to a promising future product portfolio.

C. FOREIGN EXCHANGE EARNINGS & OUTGO

Activities relating to exports

The Company exported during the year 64,221 vehicles consisting of 60,184 commercial vehicles and 4,037 passenger vehicles.

Export initiatives such as goods, products and services exported include:

Commercial Vehicles

- The Company participated in key motor shows and conclaves around the world such as the Bangkok Motor Show, Dhaka Automotive Show, Thailand Defence Expo.
- Tata Prima successfully launched in two additional markets in Fiscal 2017, including Kingdom of Saudi Arabia and Bhutan. Launched the Ultra buses in Tanzania, Ultra Trucks in Kenya and Tanzania
- CVIB conducted 'Global Service Campaign' in more than 40 countries from 21st to 23rd November, 2016 as a part of the enhancing the Customer Connect. The service campaign saw more than 15,000 customers being connected in 3 days.
- Successfully bagged and executed orders for 553 distribution vehicles on the Xenon for the Malaysian Postal Services.
- Successfully bagged orders from SOTRA, Ivory Coast for the supply of 537 buses and 25 support vehicles for the public transportation system in Abidjan.
- The 3rd edition of the Company's One World - International CV Distributor meet, was held at Grand Hyatt, Goa from 20th to 22nd March, 2017. This year's event saw attendance by the Company's Senior Management and over 300 guests from across 39 countries. This year's edition of the T1 Racing in New Delhi, saw the participation of CVIB with it's own team, One World Racing.

Passenger Vehicles

- Tiago was launched in Nepal, the Nano AMT version was launched in Sri Lanka and Bangladesh.
- The Company participated in the prestigious Geneva Motor Show in Switzerland for the 20th successive year where the TAMO sub-brand was displayed for the first time in an international arena. The first innovation from TAMO, the Racemo 2-setaer sports coupe, was showcased. The Company also participated in Nepal Automobile Dealers' Association (NADA) Auto Show.

- 54 Sumo Ambulances were supplied to Bangladesh for the Ministry of Health and Family Welfare. The Company thus contributed towards the well-being of the society by enabling accessibility of ambulances services to a wider section of the community.
- A Sumo service started on the Mustang-Pokhara-Beni-Jomson motorway in Nepal. 35 Sumo Golds were supplied for this purpose on one of the most strenuous routes in Nepal.
- In South Africa, 150 Bolt hatchbacks became part of a national rental fleet company thus enabling more people to experience the car's distinctive features.
- More than 10,000 test drives were conducted in Nepal as part of the "Shiksha ko lagi" programme wherein the Tiago, Bolt and Zest were displayed at various schools across the country. For every test drive undertaken, there was a donation to the school made by the Company and its distributor, which was directed towards facility improvements in the school.

Development of export markets

As a part of the strategy to expand its global footprint, the Company also launched the Commercial vehicle brand in Vietnam and Bolivia in Fiscal 2017. The new markets in ASEAN are the Company's focus region for future growth – Indonesia, Philippines and Malaysia are slowly and steadily picking up as the Tata Motors brand is becoming more visible in the market. Vehicle assembly, which commenced in Vietnam in Fiscal 2016 has seen steady growth of retails in Fiscal 2017.

The Company has been expanding its relevance in the markets it is present in with the introduction of new products such as Tata Prima, Ultra trucks and buses in some of the key markets to further grow volumes.

In Nepal, the passenger vehicles scaled up market share from 9% to 11% in Fiscal 2017 being the market leaders in utility vehicle segment (Sumo) and compact sedan segment (Zest and Indigo) with 67% and 32% segment shares respectively. In Bangladesh, the Company is among the Top 5 brands in passenger vehicles, with a market share of over 8%. The Company rolled out across several markets various customer-centric initiatives for passenger vehicles like warranty expiry SMS alerts and 48 hours repair guarantee.

The Company participated in the prestigious Geneva Motor Show in Switzerland for the 20th successive year where the TAMO sub-brand was introduced for the first time in an international arena. The first innovation from TAMO, the Racemo two seater sports coupe, was showcased. The Company also participated in Nepal Automobile Dealers' Association (NADA) Auto Show.

Export Plans

The Company plans to focus on growing the export business aggressively in identified geographies by offering customer centric products and strong after sales support.

Foreign Earning Exchange and Outgoings in Fiscal 2017	**(₹ in crores)**
Earning in foreign currency	5,651.26
Expenditure in foreign currency (including dividend remittance)	2,784.19

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

ANNEXURE - 3

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

[Pursuant to Section 178 (3) of the Companies Act, 2013 and Regulation 16 read along with Schedule II of the SEBI Listing Regulations]

1. Definition of Independence

- A director will be considered as an "Independent Director" if the person meets with the criteria for 'Independent Director' as laid down in the Act and Regulation 16 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").
- The definition of Independence as provided in the Act and Regulation 16 of SEBI Listing Regulations is as follows:

  "An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director, —

  (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;

  (b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;

  (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;

  (c) who has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;

  (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

  (e) who, neither himself nor any of his relatives—

  (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;

  (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—

  (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or

  (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent or more of the gross turnover of such firm;

  (iii) holds together with his relatives two per cent or more of the total voting power of the company; or

  (iv) is a Chief Executive or director, by whatever name called, of any non-profit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

  (v) is a material supplier, service provider or customer or a lessor or lessee of the company;

  (vi) who is not less than 21 years of age.

- Current and ex-employees of a Tata company may be considered as independent only if he/ she has or had no pecuniary relationship with any Tata company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ("NRC") consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors ("ID") ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

1) Act in accordance with the articles of the company.

2) Act in good faith in order to promote the objects of the

company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.

3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.

4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.

6) Not assign his office."

Additionally, the Directors on the Board of a Tata Company are also expected to demonstrate high standards of ethical behaviour, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the 'Code for Independent Directors' as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

"An independent director shall:

1) uphold ethical standards of integrity and probity;

2) act objectively and constructively while exercising his duties;

3) exercise his responsibilities in a bona fide manner in the interest of the company;

4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;

5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

7) refrain from any action that would lead to loss of his independence;

8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;

9) assist the company in implementing the best corporate governance practices."

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

ANNEXURE - 4

Remuneration policy for Directors, Key Managerial Personnel and other employees

[Pursuant to Section 178(3) of the Companies Act,2013 and Regulation 19 read along with Schedule II of the SEBI Listing Regulations]

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Tata Motors Limited ("the Company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Regulation 19 read with Part D of Schedule II of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the Company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

"(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;

(b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

❖ Remuneration for Independent Directors and Non-Independent Non- Executive Directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/industry/Company's operations and the Company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on Company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.
- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the Company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/her role as a director of the Company. This could include reasonable expenditure incurred by the director for attending Board/Board committee meetings, general meetings, court convened meetings, meetings with shareholders/creditors/management, site visits, induction and training (organized by the Company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/her duties as a director.

❖ Remuneration for Managing Director ("MD")/Executive Directors ("ED")/KMP/ rest of the employees[1]

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be

- Market competitive (market for every role is defined as companies from which the Company attracts talent or companies to which the Company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the Company, complexity of the sector/industry/Company's operations and the Company's capacity to pay,

[1] Excludes employees covered by any long term settlements or specific term contracts. The remuneration for these employees would be driven by the respective long term settlements or contracts.

- Consistent with recognized best practices and
- Aligned to any regulatory requirements.
- In terms of remuneration mix or composition,
  - The remuneration mix for the MD/EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
  - Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
  - In addition to the basic/ fixed salary, the Company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The Company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
  - The Company provides retirement benefits as applicable.
  - In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of commission, calculated with reference to the net profits of the Company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the MD/EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.[2]
  - [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the Company provides MD/EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
  - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
  - Industry benchmarks of remuneration,
  - Performance of the individual.[3]
  - The Company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the Company.

❖ Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

a) The services rendered are of a professional nature; and

b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

❖ Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

[2] to be retained if commission is provided to MD/EDs
[3] to be retained only if commission is not provided to MD/EDs

ANNEXURE 5

Details of Remuneration of Directors, KMPs and Employees and comparatives

[Pursuant to Section 197 and Rule 5(1) of the companies (Appointment and Remuneration of Managerial Remuneration) Rule, 2014]

1. a. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the Fiscal 2017:

Sr. No.	Names of Directors	Designation	Remuneration (₹ in lakhs)	Ratio of Directors remuneration	% increase in the remuneration
(I) Non-Executive Directors					
1	Mr Cyrus Mistry(1)	Chairman - NED	6.60	0.99	-28%
2	Mr Natarajan Chandrasekaran(2)	Chairman - NED	2.40	0.36	-
3	Mr N N Wadia(3)	Independent Director	6.60	0.99	-23%
4	Dr R A Mashelkar	Independent Director	15.60	2.34	47%
5	Mr N Munjee	Independent Director	14.40	2.16	27%
6	Mr S Bhargava(4)	Independent Director	9.00	1.35	5%
7	Mr V K Jairath	Independent Director	15.80	2.37	45%
8	Ms Falguni Nayar	Independent Director	14.40	2.16	41%
9	Dr Ralf Speth(5)	Non-Executive Director	--	--	--
(II) Whole-time Directors					
10	Mr Guenter Butschek(6)	CEO and Managing Director	2,255.15	338.61	-
11	Mr Ravi Pisharody	Executive Director	230.95	45.94	-17%
12	Mr Satish Borwankar	Executive Director	214.66	40.34	-12%
(III) Key Managerial Personnel					
1	Mr C Ramakrishnan	Chief Financial Officer	409.94	61.55	-2%
2	Mr Hoshang Sethna	Company Secretary	122.49	18.39	-6%

Notes:
(1) Resigned with effect from December 19, 2016
(2) Appointed with effect from January 17, 2017, hence the % increase in the remuneration is not comparable.
(3) Removed with effect from December 22, 2016
(4) Retired with effect from March 29, 2017
(5) Dr Ralf Speth is a Non-Executive Director and is not paid any commission or sitting fees for attending Board meetings of the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automative PLC.
(6) Mr Guenter Butschek joined on 15th February 2016 hence % increase in the remuneration is not comparable

b. A break-up of median remuneration of employees is given below:

Employee Group	Median remuneration (₹ in Lakhs)		Increase in the median remuneration [in (%)]	
White Collar	-	9.72	-	7.92
EG	37.95	-	5.50	-
TM	11.85	-	15.12	-
SUP	6.74	-	8.86	-
Blue Collar	-	4.76	-	1.89
Total employees	-	**66.6**		

The Median Remuneration of employees for the Fiscal year 2017 is ₹ 6.66 Lakhs

2. The number of permanent employees on the rolls of Company as at March 31, 2017: 26,035

3. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

Employee Group	Average percentage increase / (decrease) in Salaries for Fiscal 2017 (in %)	
All permanent (Blue collar, SUP, TM & EG)	-	8
White Collar	10	-
Blue collar	4	-
Executive Directors/Managerial Remuneration		
Mr Guenter Butschek		-
Mr Ravindra Pisharody		-17
Mr Satish Borwankar		-12

Note:

1. Salaries for SUP, TM & EG include Total Fixed Pay (TFP) plus the performance pay paid in Fiscal 2016.
2. Salaries for blue collar includes only TFP (as they are not given any performance linked bonus but have plant-wise wage revision at a set frequency). The annual variable/ performance pay and the salary increment of managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against major performance areas which are closely aligned to Company's objectives.
3. Mr Butschek joined on February 15, 2016 and the above details pertaining to him are not given as the same are not comparable. There is no change / increase in remuneratin in FY 2016-17

4. Affirmation that the remuneration is as per the remuneration policy of the Company:

The remuneration for Managing Director ("MD")/ Executive Directors ("ED")/ KMP/ rest of the employees is as per the remuneration policy of the Company.

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

ANNEXURE - 6

Annual Report on CSR Activities

[Pursuant to Section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rule 2014]

A brief outline of the Company's CSR policy, including an overview of projects or programmes proposed to be undertaking and a reference to the web-link to the CSR Policy and projects or programmes:

1. **Overview:**

   (i) **Outline of CSR Policy** - As an integral part of the Company's commitment to good corporate citizenship, the Company believe in actively assisting in improvement of the quality of life of people in communities, giving preference to local areas around the Company's business operations. Towards achieving long-term stakeholder value creation, the Company shall always continue to respect the interests of and be responsive towards its key stakeholders - the communities, especially those from socially and economically backward groups, the underprivileged and marginalized; focused on inter alia the Scheduled Castes and Scheduled Tribes, and the society at large. In order to leverage the demographic dividend of its country, Company's CSR efforts shall focus on Health, Education, Environment and Employability interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India. CSR at the Company shall be underpinned by 'More from Less for More People' philosophy, which implies striving to achieve greater impacts, outcomes and outputs of its CSR projects and programmes by judicious investment and utilization of financial and human resources, engaging in like-minded stakeholder partnerships for higher outreach benefitting more lives.

   Weblink for Tata Motors India CSR Policy: http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf

   (ii) **CSR Projects:** 1. Aarogya (Health): Addressing child malnutrition; health awareness for females; preventive and curative health services, drinking water projects; 2. Vidyadhanam (Education): Scholarships; Special coaching classes for secondary school students; IIT-JEE & competitive exams coaching, school infrastructure improvement; co-curricular activities; financial aid to engineering students; 3. Kaushalya (Employability): Divers training – novice and refresher; ITI partnership and allied-auto trades; Motor Mechanic Vehicle (MMV); training in retail, hospitality, white goods repair, agriculture and allied trades; 4. Vasundhara (Environment): Tree plantation, environmental awareness for school students.

2. **Composition of CSR Committee:** The CSR Committee of the Board of Tata Motors comprises (i) Dr Raghunath A. Mashelkar, Non-Executive, Independent Director [Chairman of the Committee]; (ii) Mr Guenter Butschek, CEO & Managing Director, (iii) Mr Satish B. Borwankar, Executive Director (Quality) and (iv) Ms Falguni S. Nayar, Non-Executive, Independent Director. Mr. Ravindra Pisharody, Executive Director (Commercial Vehicles) and Mr Mayank Pareek, President (Passenger Vehicle) also attends the Committee meetings.

3. **Average Net Profit of the Company for last three financial years:**

   Loss of ₹2,337 crores

4. ***Prescribed CSR Expenditure (two per cent. of the amount as in item 3 above):**

   Not applicable in view of the loss.

5. ***Details of CSR Spend during the financial year:**

   ₹25.94 crores was spent towards various schemes of CSR as prescribed under Section 135 of the Act. The prescribed CSR expenditure required to be spend in Fiscal 2017 as per the Act is Nil, in view of net profit of the Company being negative under Section 198 of the Act.

   (a) **Total amount to be spent for the financial year:** Not applicable

   (b) **Amount unspent, if any:** Not applicable

   (c) **Manner in which the amount spent during the financial year:** Refer Table in Annexure-A

6. **In case the company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the company shall provide the reasons for not spending the amount:** Not Applicable

7. **Responsibility Statement of CSR Committee of Board:** The CSR Committee of the Company's Board states that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company. The Company had engaged M/s KPMG India (Registered) for assurance on CSR spend by the Company under Section 135 of the Act, Schedule VII.

Guenter Butschek

CEO & Managing Director
(DIN:07427375)

Dr. Raghunath A. Mashelkar

Non-Executive, Independent Director
(Chairman CSR Committee)
(DIN: 00074119)

Mumbai,
May 23, 2017

Annexure-A

Sr. No. #	CSR project / activity identified	Sector in which the Project is covered	Projects /Programmes 1. Local area/ others 2. Specify the state and district where projects or programs were undertaken	Amount outlay (budget) project/ programs wise	Amount spent on the project / programs Subheads		Cumulative spend up to the reporting period Cumulative spend up to the reporting period	Amount spent: Direct /through implementing agency*
								(₹ in crores)
					Direct	Overhead*		
	Skill Development and vocational skills in Automotive and Non-Automotive Sector	Employability Enhancing Skill Development	1. Local Area 2. Jharkand - East Singhbum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar and Nainital; Maharashtra - Nasik, Aurangabad, Amravati, Nagpur, Pune, Mumbai, Kalyan, Palghar, Thane; Gujarat - Ahmedabad; Karnataka - Dharwad; Pan India	6.71	6.44	0.34	6.78	Direct = 1.19 Implementation Agency = 5.59
2	Promoting primary and secondary education in Rural and Socially/ Economically Backward communities	Promoting Education	1. Local Area 2. Jharkand - East Singhbum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar, Nainital; Maharashtra - Thane, Pune, Mumbai, Navi Mumbai, Ratnagiri, Valsad; Madhya Pradesh - Jabalpur; Chhattisgarh - Bilaspur; Gujarat - Ahmedabad, Rajkot; Karnataka - Dharwad, Mangalore, Dakshin Kannada; Assam - Silchar; Nagaland - Dimapur; Punjab - Muktsar;	12.93	12.58	0.39	12.97	Direct = 0.13 Implementation Agency = 12.84
3	Preventive and curative health services in Communities	Eradicating Hunger, Promoting preventive healthcare, Malnutrition, Promoting Preventive	1. Local Area 2. Jharkand - East Singhbum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar; Maharashtra - Pune, Mumbai, Palghar; Gujarat - Ahmedabad; Pan India	4.24	3.74	0.50	4.24	Direct =0.06 Implementation Agency = 4.18
4	Ensuring environmental sustainability through awareness and protection of natural habitats	Ensuring environmental sustainability	1. Local Area 2. Jharkand - East Singhbum; Uttar Pradesh - Lucknow and Barbanki; Uttarakhand - Udham Singh Nagar, Nainital; Maharashtra - Pune, Palghar, Mumbai; Gujarat - Ahmedabad; Karnataka - Dharwad;	1.32	1.12	0.21	1.32	Direct =0.001 Implementation Agency = 1.32
5	Rural Development	Rural development projects	1. Local Area 2. Maharashtra – Palghar	0.15	0.15	0.01	0.15	Implementation Agency =0.15
	Administrative overheads and Capacity Building cost			0.45	0.43	0.02	0.45	
	Total			25.82	24.46	1.47	25.94	

#1 : Employability: Gram Vikas Kendra, Vikas Samity, Samaj Vikas Kendra, MITCON Foundation, Sambhav Foundation, Shashwat, Vigyan Ashram, CII, Vruksha, Sanand Education Trust, Saath Charitable Trust, Indian Academy for Self Employed Women, Centum Foundation, Pratham Education Foundation, Institute of Social Development, Paryavaran Evam Jan Kalyan Samiti, Vedanta Foundation, Ramakrishna Mission, Skills for Progress, Prasad Chikitsa, College of Social Work Nirmala Niketan, A B Trust, BAIF Institute for Sustainable Livelihood & Development

#2: Education: Shiksha Prasar Kendra, Nav Jagrat Manav Samaj, Gram Vikas Kendra, Vikas Samity, Samaj Vikas Kendra, Swaroopwardhinee, Suprabhat Mahila Mandal, Samata Shikshan Sanstha, Seva Sahyog Foundation, College of Engineering Pune, Vidya Poshak, Swami Vivekanand Youth Movement, Ganatar, Manav Seva Education & charitable trust, Catholic Church Sanand, Prayas Organisation for Sustainable Development, Institute of Social Development, Moinee Foundation, Paryavaran Evam Jan Kalyan Samiti, Jainarayan Charitable Trust, Arror Sripathy Rao Memorial Foundation, Prasad Chikitsa, Society for Human and Environmental Development (SHED), IDTR Pune, NATRIP Silcher, SIADS Mahuana, Tata Institute of Social Sciences, Global Education Trust, Urmee Charitable Trust, Indian Institute of Technology Bombay Alumni Association, Indian Institute of Technology Gandhinagar, Avanti Fellows, Children's Movement for Civic Awareness, Vasundhara Public Charitable Trust, Agastya International Foundation, Sri Sarada Math,

#3 Health: Parivar Kalyan Sansthan, Nav Jagrat Manav Samaj, Vikas Samity, Jan Parivar Kalyan Sansthan, VBDS, Sneh Foundation, Snehdeep Jankalyan Foundation, Sneh Foundation, Manav Seva Education & charitable trust, Our Lady of Pillar "Kalol" Trust, Namaste Life Health Care Foundation, Institute of Social Development, Prasad Chikitsa, Lokmanya Tilak Hospital Silver Jubilee Research Foundation, Ramakrishna Mission, Impact India Foundation, College of Social Work Nirmala Niketan, Sumant Moolgaokar Development Foundation, Swadhar,I.D.W.C. Pune, Sterling Multi Speciality Hospital

#4 Environment: Gram Vikas Kendra, Vikas Samity, Samaj Vikas Kendra, Terre Policy Centre, Green Thumb, Wildlife Research and Conservation Society, Bansilal Ramnath Agarwal Charitable Trust, Shashwat Eco Solutions Foundation, Manav Seva Education & charitable trust, SUVIDHA, College of Social Work Nirmala Niketan, Bombay Natural History Society, Shree Nityananda Education Trust

#5 Rural Development: J K Trust, Pragati Abhiyan

Guenter Butschek
CEO & Managing Director
(DIN:07427375)

Dr. Raghunath A. Mashelkar
Non-Executive, Independent Director
(Chairman CSR Committee)
(DIN: 00074119)

Mumbai, May 23, 2017

ANNEXURE 7

Secretarial Audit Report for the Financial Year ended 31st March, 2017

[Pursuant to Section 204 (1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)]

To,
The Members,
Tata Motors Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Tata Motors Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company, the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, the explanations and clarifications given to us and the representations made by the Management, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records made available to us and maintained by the Company for the financial year ended on 31st March, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contract (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act')

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time;

(d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; (Not applicable to the Company during the audit period)

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not applicable to the Company during the audit period)

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not applicable to the Company during the audit period) and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not applicable to the Company during the audit period)

(vi) Other laws applicable specifically to the Company namely:

1. The Motor Vehicle Act, 1988 and the Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited read with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards etc. mentioned above

It is observed that:

- The Company has filed an application dated June 22, 2016 with the Central Government for their approval to the appointment of and payment of remuneration to Mr. Guenter Butschek, CEO and Managing Director of the Company and has subsequently filed various responses to its comments/queries. The said approval is yet to be received.

- As on March 31, 2017 the Company had a Non-Executive Chairman who is regarded as related to the promoter. The Board comprised of 9 directors out of which 4 were independent directors, consequent upon retirement of Mr. Subodh Bhargava, an Independent Director on March 29, 2017. On May 9, 2017, the Board appointed Mr O P Bhatt as an Additional and Independent Director.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors subject to what is stated above. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance for meetings other than those held at shorter notice for which necessary consents have been sought at the meeting, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the Minutes of the Meetings.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company had following events which had bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc.

i. Memorandum of Understanding (MoU) for a long-term partnership with Volkswagen Group and Skoda, to explore strategic alliance opportunity for joint development of products.

ii. Announcement of merger of the Company with TML Drivelines Limited, a wholly-owned subsidiary of the Company primarily engaged in the business of manufacturing Axles, Gearboxes and other parts for the Company's commercial vehicles.

iii. The decision of the Supreme Court to ban sale of BS3 vehicles with effect from April 1, 2017 would impact the automobile industry including the Company mainly in the context of the BS-III inventory lying unsold as on that date.

iv. Issue of 144826 Ordinary shares and 25587 'A' Ordinary shares earlier kept in abeyance.

v. The Company redeemed Non-Convertible Debentures aggregating ₹1200 crores during the year and has complied with the applicable laws.

vi. The Company made Private placement of Non- Convertible Debentures aggregating ₹2700 crores and complied with the applicable provisions of laws.

For Parikh & Associates
Company Secretaries

P. N. Parikh
(Partner)
FCS No: 327 CP No: 1228

Place: Mumbai
Date: May 23, 2017

This Report is to be read with our letter of even date which is annexed as Annexure A and Forms an integral part of this report.

'Annexure A'

To,
The Members
Tata Motors Limited

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Company Secretaries

P. N. Parikh
(Partner)
FCS No: 327 CP No: 1228

Place: Mumbai
Date: May 23, 2017

MANAGEMENT DISCUSSION AND ANALYSIS

ECONOMY OVERVIEW

INDIA

The Indian economy in Fiscal 2017, on a macro-economic level stayed fairly robust and stable. India was one of the faster growing large economies in the world, with a currency that performed better than most other emerging markets. There was a significant upturn in commodity prices after a year of deflation. Consumer spending remained subdued during the early part of the year impacted by two years of drought. This year was marked by the way for the long awaited and transformational Goods and Services Tax (GST).

Fiscal 2017 was an eventful year for automobile sector due to: i) Ban on diesel cars, ii) Demonetization, iii) Ban on sale and registration of BSIII vehicles. The demonetization affected the Indian economy, which resulted in decline in sale of passenger and commercial vehicles by 2.3% in December 2016. Further, ban on sale and registration of BSIII vehicles has resulted in higher discounts by the automobile companies at the end of Fiscal 2017 and inventories to be either converted into BSIV vehicles or scrapped, affecting the profits.

As per the advance estimates, in Fiscal 2017, India's GDP increased by 7.1%, as compared to an increase of 7.9% in Fiscal 2016 (based on second advanced estimate data from the Ministry of Statistics and Programme Implementation). Agriculture sector registered a 4.4% growth in Fiscal 2017 as compared to 0.8% in Fiscal 2016. According to the new base year (2011-12), the Index of Industrial Production (IIP) recorded 5.0% growth in Fiscal 2017, as compared to 3.4% in Fiscal 2016. Significant factors influencing IIP growth in Fiscal 2017 included a 4.9% increase in the manufacturing sector, compared to 3.0% in Fiscal 2016, which was due to a better performance of sectors like motor vehicles, other transport equipment and pharmaceuticals. The IIP of the mining & quarrying sector increased by 5.3%, compared to 4.3% in Fiscal 2016, and electricity services recorded moderate increase of 5.8% in Fiscal 2017, as compared to 5.7% in Fiscal 2016. The consumer durables sector grew by 6.1% in Fiscal 2017, as compared to 4.3% in Fiscal 2016. (Source: Ministry of Statistics and Program Implementation).

However, real GDP growth was lower than Fiscal 2016. Nominal GDP growth recovered to respectable levels, reversing the sharp and worrisome dip that had occurred. The Consumer Price Index (CPI)-New Series inflation, displayed a downward trend since July 2016. The rising international oil prices resulted in reversal of WPI. Core inflation, however, was more stable. The current account deficit declined in the first half of Fiscal 2017. The trade deficit declined for majority of period. During the first half of the fiscal, there was a contraction in imports, which was far steeper than the fall in exports but during later half both exports and imports started a long-awaited recovery.

WORLD

The below par performance of global economy was reflected in a continued slowdown in growth in most of the emerging and developing markets. Activity rebounded strongly in the United States in second half of 2016 after a weak first half. However, output remained below potential in a number of other advanced economies, notable in the euro area. The picture for emerging market and developing economies remained much more diverse. The growth rate in China was a bit stronger than expected, supported by continued policy stimulus. However, activity was weaker than expected in some Latin American countries such as Brazil. Activity in Russia was slightly better than expected, in part reflecting firmer oil prices.

During 2016, prices of base metals have also strengthened, with strong infrastructure and real estate investment in China as well as expectations of fiscal easing in the US. Oil prices increased later half of 2016, reflecting an agreement among major producers to trim supply.

The UK secured its seventh consecutive year of growth since the recession, and have been the fastest growing of the group of seven leading industrial economies in 2016. Sterling suffered two sharp devaluations this year — immediately after the EU referendum in June and in October as statements made at the Conservative party conference stoked fears of a "hard Brexit". The Eurozone had marginal GDP growth in 2016; however, rising inflation poses a risk on growth and may reduce consumer spending. France and Spain had better prospects with GDP growing at decent rates, while Germany and Italy showed no change with GDP growth rates same as last year.

The GDP for China showed a steady performance. The real estate sector has seen an increased investment by government. The Consumer Price Index increased in 2016. Russia's GDP grew as it continues to recover form crisis brought by low oil prices and western sanctions that closed access to international market. Its inflation is on track to reach projected target of CBR (Central Bank of Russia).

Japan's economic growth is on back of weaker Yen and government steps to stimulate sluggish completion, the GDP grew in 2016 and unemployment rate declined. South Africa had GDP increase, mainly due to marginally higher global growth, Stabilized commodity prize, Business and Consumer confidence and Improved Labor Relations.

Risk Factors

Risks associated with the Company's Business and the Automotive Industry.

Deterioration in global economic conditions could have a material adverse impact on the Company's sales and results of operations.

The Indian automotive industry could be affected materially by the general economic conditions in India and around the world. The automotive industry, in general, is cyclical, and economic slowdowns in the recent past have affected the manufacturing sector in India, including the automotive and related industries. A continuation of negative economic trends or further deterioration in key economic metrics, such as the growth rate, interest rates and inflation, as well as reduced availability of financing for vehicles at competitive rates, environment policies, tax policies, increase in freight rates and fuel prices could materially and adversely affect the Company's automotive sales in India and results of operations.

In addition, investors' reactions to economic developments or a loss of investor confidence in the financial systems of other countries may cause volatility in Indian financial markets and indirectly, in the Indian economy in general. Any worldwide financial instability, including withdrawal from trade pacts by countries in which the Company operates, could also have a negative impact on the Indian economy, including the movement of exchange rates and interest rates in India. In the event global economic recovery is slower than expected, or if there is any significant financial disruption, this could have a material adverse effect on the Company's cost of funding, portfolio of financing loans, business, prospects, results of operations, financial condition and the trading price of the Company's Shares and ADSs.

The Company's Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China as well as sales operations in other overseas markets across the globe. The automotive market in China experienced strong growth in Fiscal 2017, with positive growth also in Europe, the UK and the US. Conditions remained challenging in emerging markets such as Brazil, Russia and South Africa where automotive sales deteriorated during Fiscal 2017. Jaguar Land Rovers' growth plans may not quite materialize as expected which could have a significant adverse impact on company's financial performance. If automotive demand softens because of lower or negative economic growth in key markets (notably China) or due to other factors, Jaguar Land Rover's operations and financial condition could be materially and adversely affected as a result.

The Brexit vote, the June 8, 2017 U.K.-election results and the ongoing negotiations between the United Kingdom and the European Union to finalize terms of the United Kingdom's exit from the European Union has created significant uncertainty with respect to the United Kingdom's future relationship with the European Union, the economic and political future of the United Kingdom and the legal structure applicable to companies doing business in the United Kingdom. This uncertainty, along with any real or perceived impact of Brexit, could have a material adverse effect on the Company's Jaguar Land Rover business, results of operations and financial condition. Deterioration in key economic factors, such as GDP growth rates, interest rates and inflation, as well as the reduced availability of financing for vehicles at competitive rates in countries where Jaguar Land Rover has sales operations may result in a decrease in demand for automobiles. A decrease in demand would, in turn, cause automobile prices and manufacturing capacity utilization rates to fall. Such circumstances have in the past materially affected, and could in the future, materially affect, the Company's business, results of operations and financial condition.

Intensifying competition could materially and adversely affect the Company's sales, financial conditions and results of operations.

The global automotive industry is highly competitive and competition is likely to further intensify in light of continuing globalization and consolidation. Competition is especially likely to increase in the premium automotive categories as each market participant intensifies its efforts to retain its position in established markets while also expanding in emerging markets, such as China, India, Russia, Brazil and parts of Asia. Factors affecting competition include product quality and features, innovation and the development time for introduction of new products, cost control, pricing, reliability, safety, fuel economy, environmental impact and perception thereof, customer service and financing terms. In light of the impending Brexit, some of the Company's EU-based competitors may gain a competitive advantage that would enable them to benefit from their access to the European Union single market post-Brexit. There can be no assurance that the Company will be able to compete successfully in the global automotive industry in the future.

The Company also faces strong competition in the Indian market from domestic, as well as foreign automobile manufacturers. Improving infrastructure and growth prospects, compared to those of other mature markets, has attracted a number of international companies to India either through joint arrangements with local partners or through independently owned operations in India. International competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future. There can be no assurance that the Company will be able to implement the Company's future strategies in a way that will mitigate the effects of increased competition on the Indian automotive industry.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in manufacturing, machinery, research and development, product design, engineering, technology and marketing in order to meet both consumer preferences and regulatory requirements. If competitors consolidate or enter into other strategic agreements such as alliances, they may be able to take better advantage of economies of scale. The Company believes that competitors may be able to benefit from the cost savings offered by consolidation or alliances, which could adversely affect the Company's competitiveness with respect to those competitors. Competitors could use consolidation or alliances as a means of enhancing their competitiveness (including through the acquisition of technology), which could also materially adversely affect Company's business. Further the Company's growth strategy relies on the expansion of the Company's operations in less mature markets abroad, where the Company may face significant competition and higher than expected costs to enter and establish themselves.

If the Company is unable to effectively implement or manage the Company's strategy, it's operating results and financial condition could be materially and adversely affected.

As part of its strategy, the Company may open new manufacturing, research or engineering facilities, expand existing facilities, add additional product lines or expand its businesses into new geographical markets. There is a range of risks inherent in such a strategy that could adversely affect its ability to achieve these objectives, including, but not limited to, the potential disruption of the Company's business; the uncertainty that new product lines will generate anticipated sales; the uncertainty that a new business will achieve anticipated operating results; the diversion of resources and management's time; the cost reduction efforts, which may not be successful; the difficulty of managing the operations of a larger Company; and the difficulty of competing for growth opportunities with companies having greater financial resources than the Company has.

More specifically, the international businesses of the Company face a range of risks and challenges, including, but not limited to, the following: language barriers, cultural differences, difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of foreign countries, the risk of non-tariff barriers, regulatory and legal requirements affecting the Company's ability to enter new markets through joint ventures with local entities, difficulties in obtaining regulatory approvals, environmental permits and other similar types of governmental consents, difficulties in negotiating effective contracts, obtaining the necessary facility sites or marketing outlets or securing essential local financing, liquidity, trade financing or cash management facilities, export and import restrictions, multiple tax regimes (including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments from subsidiaries), foreign investment restrictions, foreign exchange controls and restrictions on repatriation of funds, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations. Furthermore, as part of global activities, the Company may engage with third-party dealers and distributors, which the Company do not control but which, nevertheless, take actions that could have a material adverse impact on the Company's reputation and business; the Company cannot assure you that it will not be held responsible for any activities undertaken by such dealers and distributors. If the Company is unable to manage risks related to its expansion and growth in other parts of the world and therefore fail to establish a strong presence in those higher growth markets, its business, results of operations and financial condition could be adversely affected or its investments could be lost.

Furthermore, the Company is subject to risks associated with growing its business through mergers and acquisitions. The Company believes that its acquisitions provide it opportunities to grow significantly in the global automobile markets by offering premium brands and products. The Company's acquisitions have provided it with access to technology and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration required in connection with its acquisitions present significant challenges, and the Company may be unable to integrate the relevant subsidiaries, divisions and facilities effectively within its expected schedule. An acquisition may not meet its expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside the Company's control.

For example, the Company acquired the Jaguar Land Rover business from Ford in June 2008, and since then Jaguar Land Rover has become a significant part of its business, accounting for approximately 79% of its total revenues in Fiscal 2017. As a result of the acquisition, the Company is responsible for, among other things, the obligations and liabilities associated with the legacy business of Jaguar Land Rover. There can be no assurances that any legacy issues at Jaguar Land Rover or any other acquisition the Company has undertaken in the past or will undertake in the future would not have a material adverse effect on its business, financial condition and results of operations, as well as its reputation and prospects.

The Company will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involves business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is completed. The key success factors are seamless integration, effective management of the merged and/or acquired entity, retention of key personnel, cash flow generation from synergies in engineering and sourcing, joint sales and marketing efforts, and management of a larger business. If any of these factors fails to materialize or if the Company is unable to manage any of the associated risks successfully, the business, financial condition and results of operations could be materially and adversely affected.

The Company's future success depends on its ability to satisfy changing customer demands by offering innovative products in a timely manner and maintaining such products' competitiveness and quality.

The Company's competitors may gain significant advantages if they are able to offer products satisfying customer needs earlier than the Company is able to, which could adversely impact the Company's sales, results of operations and financial condition. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could also materially and adversely impact the Company's financial condition and results of operations.

Climate change concerns and the promotion of new technologies, such as autopilot, encourage customers to look beyond standard factors (such as price, design, performance, brand image or comfort and features) in favor of more fuel efficient, convenient and environmentally friendly vehicles. As a result of the public discourse on climate change and volatile fuel prices, the Company faces more stringent government regulations, imposition of speed limits and higher taxes on sports utility vehicles or premium automobiles. The Company endeavours to take account these factors, and is focused on researching, developing and producing new drive technologies, such as hybrid engines and electric cars. The Company also investing in development programs to reduce fuel consumption through the use of lightweight materials, reducing parasitic losses through the driveline and improving aerodynamics. Coupled with consumer preferences, a failure to achieve the Company's planned objectives or delays in developing fuel efficient products could materially affect the Company's ability to sell premium passenger cars and large or medium-sized all-terrain vehicles at current or targeted volume levels, and could have a material adverse effect on the Company's general business activity, net assets, financial position and results of operations. In addition, a deterioration in the quality of the Company's vehicles could force the Company to incur substantial costs and damage its reputation. There is a risk that competitors or joint ventures set up by competitors will develop better solutions and will be able to manufacture the resulting products more rapidly, in larger quantities, with a higher quality and/or at a lower cost. It is possible that the Company could then be compelled to make new investments in researching and developing other technologies to maintain its existing market share or to win back the market share lost to competitors. Finally, the Company's manufacturing operations and sales may be subject to potential physical impacts of climate change, including changes in weather patterns and an increased potential for extreme weather events, which could affect the manufacture and distribution of the Company's products and the cost and availability of raw materials and components.

Private and commercial users of transportation increasingly use modes of transportation other than the automobile. The reasons for this include the rising costs of automotive transport, increasing traffic density in major cities and environmental awareness. Furthermore, the increased use of car-sharing concepts and other innovative mobility initiatives facilitates access to other methods of transport, thereby reducing dependency on the private automobile. Furthermore, non-traditional market participants may dependency on the private automobile altogether. A shift in consumer preferences away from private automobiles would have a material adverse effect on the Company's general business activity and on sales, prospects, financial condition and results of operations.

To stimulate demand, competitors in the automotive industry have offered customers and dealers price reductions on vehicles and services, which has led to increased price pressures and sharpened competition within the industry. As a provider of numerous high-volume models, the Company's profitability and cash flows are significantly affected by the risk of rising competitive price pressures. Special sales incentives and increased price pressures in the new car business also influence price levels in the used car market, with a negative effect on vehicle resale values. This may have a negative impact on the profitability of the used car business in the Company's dealer organization.

There can be no assurance that the Company's new models will meet its sales expectations, in which case the Company may be unable to realize the intended economic benefits of the Company's investments, which would in turn materially affect the Company's business, results of operations and financial condition. In addition, there is a risk that the Company's quality standards can be maintained only by incurring substantial costs for monitoring and quality assurance. For the Company's customers, one of the determining factors in purchasing its vehicles is the high quality of the products.

A decrease in the quality of the Company's vehicles (or if the public were to have the impression that such a decrease in quality had occurred) could damage the Company's image and reputation as a premium automobile manufacturer and in turn materially affect the Company's business, results of operations and financial condition.

In addition, product development cycles can be lengthy, and there is no assurance that new designs will lead to revenues from vehicle sales, or that the Company will be able to accurately forecast demand for its vehicles, potentially leading to inefficient use of the Company's production capacity. Additionally, the Company's high proportion of fixed costs, due to the Company's significant investment in property, plant and equipment, further exacerbates the risks associated with incorrectly assessing demand for its vehicles.

The Company is subject to risks associated with product liability warranties and recalls.

The Company is subjected to risks and costs associated with product liability, warranties and recalls in connection with performance, compliance or safety-related issues affecting the Company's products which may, in turn, cause the Company's customers to question the safety or reliability of its vehicles and thus result in a materially adverse effect on its business, impacting its reputation, results from operations and financial condition. Such events could also require the Company to expend considerable resources to remediate, and the Company may be subject to class actions, other large-scale product liability, or other lawsuits in various jurisdictions where the Company conducts business. In May 2016, an industry-wide passenger airbag safety recall was announced in the United States by the National Highway Traffic System Administration or NHTSA, in respect of airbags from Takata Corporation or Takata, a supplier of airbags. Certain front-passenger airbags supplied by Takata were installed in vehicles sold by Jaguar Land Rover. The Company considered the cost associated with the recall to be an adjusting post-balance sheet event and recognized an additional provision of GB£ 67.4 million for the estimated cost of repairs in its income statement for Fiscal 2016. The Company expects to utilize such provision over the next one to four years.

Furthermore, the Company may also be subject to class actions or other large-scale product liability or other lawsuits in various jurisdictions in which the Company may have a significant presence. The use of shared components in vehicle production increases this risk because individual components are deployed in a number of different models across the Company's brands. Any costs incurred or lost sales caused by product liability, warranties and recalls could materially adversely affect the Company's business.

Any disruption in the supply of automobile components could have a material adverse impact on the Company's results of operations.

Adverse economic conditions, a decline in automobile demand and lack of access to sufficient financing arrangements, among others, could have a negative financial impact on the Company's suppliers, thereby impairing timely availability of components to the Company or causing increase in the costs of components. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse effect on the Company's supply chains and may have a material adverse effect on the Company's results of operations.

The Company's Jaguar Land Rover has also entered into supply agreements with Ford and certain other third parties for critical components and remain reliant upon Ford and the Ford-PSA joint venture for a portion of Jaguar Land Rover engines. However, following the launch of the EMC in Wolverhampton, Jaguar Land Rover now also manufactures its own "in-house" engines. The Company may not be able to manufacture certain types of engines or find a suitable replacement supplier in a timely manner in the event of any disruption in the supply of engines, or parts of engines, and other hardware or services provided to Jaguar Land Rover by Ford or the Ford-PSA joint venture and such disruption could have a material adverse impact on the Company's operations, business and/or financial condition.

A change in requirements under long-term supply arrangements committing Jaguar Land Rover to purchase minimum or fixed quantities of certain parts, or to pay a minimum amount to the seller, could have a material adverse impact on the Company's financial condition or results of operations. The Company have entered into a number of long-term supply contracts that require Jaguar Land Rover to purchase a fixed quantity of parts to be used in the production of Jaguar Land Rover vehicles (e.g., "take-or-pay" contracts). If the need for any of these parts were to lessen, Jaguar Land Rover could still be required to purchase a specified quantity of the part or pay a minimum amount to the seller pursuant to the take-or-pay contract, which could have a substantial adverse effect on the Company's financial condition or results of operations.

Increases in input prices may have a material adverse effect on the Company's results of operations.

In Fiscal 2017 and 2016, the consumption of raw materials, components and aggregates and purchase of products for sale (including changes in inventory) constituted approximately 60.4% and 58.8%, respectively, of the Company's total revenues. Prices of commodity items used in manufacturing automobiles, including steel, aluminum, copper, zinc, rubber, platinum, palladium and rhodium, have become increasingly volatile in recent years. Further price movements would closely depend on the evolving economic scenarios across the globe. While the Company continues to pursue cost reduction initiatives, an increase in price of input materials could severely impact the Company's profitability to the extent such increase cannot be absorbed by the market through price increases and/or could have a negative impact on demand. In addition, an increased price and supply risk could arise from the need for rare and frequently sought-after raw materials for which demand is high, such as rare earths, which are predominantly found in China. Rare earth metal prices and supply remain uncertain. In the past, China has limited the export of rare earths from time to time. Due to intense price competition and the Company's high level of fixed costs, the Company may not be able to adequately address changes in commodity prices even if they are foreseeable. Increases in fuel costs also pose a significant challenge, especially in the commercial and premium vehicle categories where increased fuel prices have an impact on demand. If the Company is unable to find substitutes for supplies of raw materials or pass price increases on to customers, or to safeguard the supply of scarce raw materials, the Company's vehicle production, business, financial condition and results of operations could be materially and adversely affected.

The Company manages these risks through the use of fixed supply contracts with tenor upto 12 months and the use of financial derivatives pursuant to a defined hedging policy. The Company enters into a variety of foreign currency, interest rates and commodity forward contracts and options to manage the Company's exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures. The Company uses foreign currency forward and option contracts to hedge risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on the Company's fixed rate or variable rate debt. The Company further uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies. Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks. However, the hedging transactions may not adequately protect the Company against these risks. In addition, if markets move adversely, the Company may incur financial losses on such hedging transactions, the financial condition and results of operations may be adversely impacted.

The significant reliance of the Company and Jaguar Land Rover on key markets increases the risk of the negative impact of reduced customer demand in those countries.

The Company and Jaguar Land Rover, relies on the United Kingdom, Chinese, North American and continental European markets. Any decline in demand for the Company's and Jaguar Land Rover's vehicles in these key markets may significantly impact the Company's business, growth prospects, financial position and results of operations. Further, decreased demand for the Company's and Jaguar Land Rover's products may not be sufficiently mitigated by new product launches and expansion into growing markets, which could have a significant adverse impact on the Company's financial performance.

The Company is exposed to liquidity risks.

The Company's main sources of liquidity are cash generated from operations, the existing notes, external debt in the form of factoring discount facilities and other revolving credit facilities. However, adverse changes in the global economic and financial environment may result in lower consumer demand for vehicles, and prevailing conditions in credit markets may adversely affect both consumer demand and the cost and availability of finance for the Company's business and operations. If the global economy goes back into recession and consumer demand for the Company's vehicles drops, as a result of higher oil prices, excessive public debt or for any other reasons, and the supply of external financing becomes limited, the Company may again face significant liquidity risks.

The Company is also subject to various types of restrictions or impediments on the ability of companies in its Group in certain countries to transfer cash across the Group through loans or interim dividends. These restrictions or impediments are caused by exchange controls, withholding taxes on dividends and distributions and other similar restrictions in the markets in which the Company operates. The cash in some of these jurisdictions is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends.

Exchange rate and interest rate fluctuations could materially and adversely affect the Company's financial condition and results of operations.

The Company's operations are subject to risks arising from fluctuations in exchange rates with reference to countries in which it operates. The Company imports capital equipment, raw materials and components from, manufacture vehicles in, and sell vehicles into, various countries, and therefore, its revenues and costs have significant exposure to the relative movements of the GB£, the U.S. dollar, the Euro, the Russian Ruble, the Chinese Renminbi, the Singapore dollar, the Japanese Yen, the Australian dollar, the South African rand, the Thai baht, the Korean won and the Indian rupee.

The United Kingdom's exit from the European Union could also have a negative impact on the growth of the UK economy and cause greater volatility in the pound sterling. This could directly impact the Company's sales volumes and financial results, as the Company derives the majority of its revenues from overseas markets and source significant levels of raw materials and components from Europe, which may result in decrease in profits to the extent of non-British pound costs, are not fully mitigated by non-British pound sales.

Moreover, the Company has an outstanding foreign currency denominated debt and is sensitive to fluctuations in foreign currency exchange rates. The Company has experienced and could expect in the future to experience foreign exchange losses on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations.

The Company has both interest-bearing assets (including cash balances) and interest-bearing liabilities, which bear interest at variable rates. The Company is therefore exposed to changes in interest rates. Although the Company engages in managing its interest and foreign exchange exposure through use of financial hedging instruments, such as forward contracts, swap agreements and option contracts, higher interest rates and a weakening of the Indian rupee against major foreign currencies could significantly increase its cost of borrowing, which could have a material adverse effect on the Company's financial condition, results of operations and liquidity.

The Company is exposed to the risk that appropriate hedging lines for the type of risk exposures it is subjected to may not be available at a reasonable cost, particularly during volatile rate movements, or at all. Moreover, there are risks associated with the use of such hedging instruments. Whilst mitigating to some degree the Company's exposure to fluctuations in currency exchange rates, the Company potentially forgo benefits that might result from market fluctuations in currency exposures. These hedging transactions can also result in substantial losses. Such losses could occur under various circumstances, including, without limitation, any circumstances in which a counterparty does not perform its obligations under the applicable hedging arrangement (despite having ISDA agreements in place with each of the Company's hedging counterparties), currency fluctuations, the arrangement is imperfect or ineffective, or the Company's internal hedging policies and procedures are not followed or do not work as planned. In addition, because the Company's potential obligations under the financial hedging instruments are marked to market, the Company may experience quarterly and annual volatility in its operating results and cash flows attributable to its financial hedging activities.

A decline in retail customers' purchasing power or consumer confidence or in corporate customers' financial condition and willingness to invest could materially and adversely affect the Company's business.

Demand for vehicles for personal use generally depends on consumers' net purchasing power, their confidence in future economic developments and changes in fashion and trends, while demand for vehicles for commercial use by corporate customers (including fleet customers) primarily depends on the customers' financial condition, their willingness to invest (motivated by expected future business prospects) and available financing. A decrease in potential customers' disposable income or their financial flexibility or an increase in the cost of financing will generally have a negative impact on demand for the Company's products. A weak macroeconomic environment, combined with restrictive lending and a low level of consumer sentiment generally, may reduce consumers' net purchasing power and lead existing and potential customers to refrain from purchasing a new vehicle, to defer a purchase further or to purchase a smaller model with less equipment at a lower price. A deteriorating macroeconomic environment may disproportionately reduce demand for luxury vehicles. It also leads to reluctance by corporate customers to invest in vehicles for commercial use and/or to lease vehicles, resulting in a postponement of fleet renewal contracts.

The Company is subject to risks associated with the automobile financing business.

The sale of Company's commercial and passenger vehicles is heavily dependent on funding availability for its customers. Rising delinquencies and early defaults have contributed to a reduction in automobile financing, which, in turn, has had an adverse effect on funding availability for potential customers. This reduction in available financing may continue in the future and have a material adverse effect on the Company's business, financial condition and results of operations.

In India, the Company is subjected to risks associated with its automobile financing business. Any default by its customers or inability to repay installments as due could materially and adversely affect the Company's business, financial condition, results of operations and cash flows. In addition, any downgrade in the Company's credit ratings may increase its borrowing costs and restrict its access to the debt markets. Over time, and particularly in the event of any credit rating downgrade, market volatility, market disruption, regulatory changes or otherwise, the Company may need to reduce the amount of financing receivables it originates, which could severely disrupt its ability to support the sale of its vehicles.

Jaguar Land Rover has consumer financing arrangements in place with financing partners in a number of key markets. Any reduction in the supply of available consumer financing for the purchase of new vehicles could make it more difficult for some customers to purchase vehicles, which could put Jaguar Land Rover under commercial pressure to offer new (or expand existing) retail or dealer incentives to maintain demand for their vehicles, thereby materially and adversely affecting Jaguar Land Rover sales and results of operations. Furthermore, Jaguar Land Rover also offers residual value guarantees on the leases of certain vehicles in certain markets. The value of these guarantees is dependent on used car valuations in those markets at the end of the lease, which is subject to change. Consequently, Jaguar Land Rover may be adversely affected by movements in used car valuations in these markets.

Underperformance of the Company's distribution channels and supply chains may have a material adverse effect on the Company's sales, financial condition and results of operations.

The Company relies on third parties to supply it with the raw materials, parts and components used in the manufacture of the Company's products. For some of these parts and components, the Company is dependent on a single source. The Company's ability to procure supplies in a cost-effective and timely manner is subject to various factors, some of which are not within the Company's control. While the Company manages its supply chain as part of its vendor management process, any significant problems with the Company's supply chain in the future could disrupt its business and materially and adversely affect the Company's results of operations, as well as its sales, net income and financial condition.

The Company's products are sold and serviced through a network of authorized dealers and service centers across India and through a network of distributors and local dealers in international markets. The Company monitors the performance of its dealers and distributors and provide them with support to enable them to perform to its expectations. There can be no assurance, however, that the Company expectations will be met. Any underperformance by the Company's dealers or distributors could materially and adversely affect the Company's sales and results of operations.

If dealers or importers encounter financial difficulties and the Company's products and services cannot be sold or sold only in limited numbers, this would have a direct effect on the sales of such dealers and importers. Additionally, if the Company cannot replace the affected dealers or importers with other franchises, the financial difficulties experienced by such dealers or importers could have an indirect effect on the Company's vehicle deliveries.

Consequently, the Company could be compelled to provide additional support for dealers and importers and, under certain circumstances, may even take over their obligations to customers, which would adversely affect the Company's financial position and results of operations in the short term.

Deterioration in the performance of any of the subsidiaries, joint ventures and affiliates may adversely the Company's results of operations.

The Company has made and may continue to make capital commitments to its subsidiaries, joint ventures and affiliates, and if the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorate, the value of the Company's investments may decline substantially. Operating a business as a joint venture often requires additional organizational formalities and requirement of information sharing. The Company is also subjected to risks associated with joint ventures and affiliates wherein the Company retains only partial or joint control. The Company's partners may be unable, or unwilling, to fulfill their obligations, or the strategies of its joint ventures or affiliates may not be implemented successfully, any of which may significantly reduce the value of its investments or relationship with the co-owner may be deteriorated, and, which may, in turn, have a material adverse effect on the Company's reputation, business, financial position or results of operations.

The Company may be adversely impacted by political instability, wars, terrorism, multinational conflicts, countries resorting to protectionism natural disasters, fuel shortages/ prices, epidemics, labour strikes and other risks in the markets in which the Company operates.

The Company's products are exported to a number of geographical markets and the Company plans to expand its international operations further in the future. Consequently, the Company is subjected to various risks associated with conducting its business both within and outside its domestic market and the Company's operations may be subject to political instability, wars, terrorism, regional and/or multinational conflicts, natural disasters, fuel shortages/prices, epidemics and labour strikes. Any disruption of the operations of the Company's manufacturing, design, engineering, sales, corporate and other facilities could materially and adversely affect the Company's business, financial condition and results of operations. In addition, conducting business internationally, especially in emerging markets, exposes the Company to additional risks, including adverse changes in economic and government policies, unpredictable shifts in regulation, inconsistent application of existing laws and applicability of retrospective taxes/sanction, programs unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any significant or prolonged disruptions or delays in the Company's operations related to these risks could adversely impact its results of operations.

Terrorist attacks, civil disturbances, regional conflicts and other acts of violence, particularly in India, may disrupt or otherwise adversely affect the markets in which the Company operates and the business and profitability of the Company. India has from time to time experienced social and civil unrest and hostilities and adverse social, economic or political events, including terrorist attacks and local civil disturbances, riots and armed conflict with neighboring countries. Events of this nature in the future could influence the Indian economy and could have a material adverse effect on the Company's business, as well as the market for securities of Indian companies, including the Company's Shares and ADSs. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have a material adverse effect on the Company's business, results of operations and financial condition, and also the market price of the Company's Shares and ADSs.

The Company is vulnerable to supply chain disruptions resulting from natural disasters or man-made accidents. For example, on August 12, 2015, there was an explosion in the city port of Tianjin, one of three major ports in China through which the Company's Jaguar Land Rover imports its vehicles. Approximately 5,800 of Jaguar Land Rover vehicles were stored at various locations in Tianjin at the time of the explosion, and, as a result, Jaguar Land Rover recognized an exceptional charge of GBP245 million in the three months ended September 30, 2015. Subsequently, GBP 274 million of net insurance proceeds and other recoveries have been received till March 31, 2017 , including £35 million related to other costs associated with Tianjin including lost and discounted vehicle revenue. A significant delay or sustained interruption in the supply of key inputs sourced from areas affected by disasters or accidents could materially and adversely affect the Company's ability to maintain the Company's current and expected levels of production, and therefore negatively affect the Company's revenues and increase the operating expenses.

The Company is a global organization, and is therefore vulnerable to shifts in global trade and economic policies and outlook. Policies that result in countries withdrawing from trade pacts, increasing protectionism and undermining free trade could substantially affect the Company's ability to operate as a global business. Additionally, negative sentiments towards foreign companies among the Company's overseas customers and employees could adversely affect our sales as well as the Company's ability to hire and retain talented people. A negative shift in either policies or sentiment with respect to global trade and foreign businesses could have a material adverse effect on the Company's business, results of operations and financial condition.

The Company's business is seasonal in nature and a substantial decrease in the Company's sales during certain quarters could have a material adverse impact on the Company's financial performance.

The sales volumes and prices for the Company's vehicles are influenced by the cyclicality and seasonality of demand for these products. The automotive industry has been cyclical in the past and the Company expects this cyclicality to continue.

In the Indian market, demand for the Company's vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year-end as customers defer purchases to the New Year.

The Jaguar Land Rover business is impacted by the semi-annual registration of vehicles in the United Kingdom where the vehicle registration number changes every March and September, which, leads to an increase in sales during these months and in turn, has an impact on the resale value of vehicles. Most other markets, such as the United States, are influenced by the introduction of new-model-year products, which typically occurs in the autumn of each year. Furthermore, in the United States there is some seasonality in the purchasing patterns of vehicles in northern states, notably for Jaguar when vehicle sales are concentrated in the spring and summer months and for Land Rover where the trend for purchasing 4x4 vehicles is concentrated in the autumn and winter months. Markets in China tend to experience higher demand for vehicles around the Chinese New Year and other national holidays. In addition, demand in western European automotive markets tends to be softer during the summer and winter holidays. Furthermore, Jaguar Land Rover's cash flows are impacted by the temporary shutdown of four of their manufacturing plants in the United Kingdom (including the Engine Manufacturing Centre at Wolverhampton) during the summer and winter holidays. As a result, the profile of operating results differs between each reporting period.

Restrictive covenants in financing agreements may limit the Company operations and financial flexibility and materially and adversely impact the Company's financial condition, results of operations and prospects.

Some of the Company's financing agreements and debt arrangements set limits on and/or require it to obtain lender consent before, among other things, pledging assets as security. In addition, certain financial covenants may limit the Company's ability to borrow additional funds or to incur additional liens. In the past, the Company has been able to obtain required lender consent for such activities. However, there can be no assurance that the Company will be able to obtain such consents in the future. If the Company's liquidity needs or growth plans require such consents and such consents are not obtained, the Company may be forced to forego or alter the Company's plans, which could materially and adversely affect the Company's results of operations and financial condition.

In the event the Company breach these covenants, the outstanding amounts due under such financing agreements could become due and payable immediately and/or result in increased costs. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of the Company's financing agreements could have a material adverse effect on the Company's financial condition and results of operations.

The Company relies on licensing arrangements with Tata Sons Limited to use the "Tata" brand. Any improper use of the associated trademarks by the Company's licensor or any other third parties could materially and adversely affect the Company's business, financial condition and results of operations.

The Company's rights to the Company's trade names and trademarks are a crucial factor in marketing the Company's products. Establishment of the "Tata" word mark and logo mark in and outside India is material to the Company's operations. The Company has licensed the use of the "Tata" brand from its Promoter, Tata Sons Limited, or Tata Sons. If Tata Sons, or any of its subsidiaries or affiliated entities, or any third party uses the trade name "Tata" in ways that adversely affect such trade name or trademark, its reputation could suffer damage, which, in turn, could have a material adverse effect on its business, financial condition and results of operations.

Inability to protect or preserve the Company's intellectual property could materially and adversely affect the Company's business, financial condition and results of operations.

The Company owns or otherwise have rights in respect of a number of patents relating to the products it manufactures. In connection with the design and engineering of new vehicles and the enhancement of existing models, the Company seeks to regularly develop new intellectual property. The Company also uses technical designs, which are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of the Company's business and may continue to be of value in the future. Although the Company does not regard any of its businesses as being dependent upon any single patent or related group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large group of the Company's intellectual property rights, would have a materially adverse effect on its business, financial condition and results of operations. The Company may also be affected by restrictions on the use of intellectual property rights held by third parties and the Company may be held legally liable for the infringement of the intellectual property rights of others in its products.

Impairment of intangible assets may have a material adverse effect on the Company's results of operations.

Designing, manufacturing and selling vehicles is capital intensive and requires substantial investments in intangible assets such as research and development, product design and engineering technology. The Company reviews the value of its intangible assets to assess on an annual basis whether the carrying amount matches the recoverable amount for the asset concerned based on underlying cash-generating units. The Company may have to take an impairment loss as at a current balance sheet date or future balance sheet date, if the carrying amount exceeds the recoverable amount, which could have a material adverse effect on its financial condition and the results of operations.

The Company may be adversely affected by labour unrest.

All of the Company's permanent employees in India, other than officers and managers, and most of its permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to its automotive business, are members of labour unions and are covered by its wage agreements, where applicable, with those labour unions.

In general, the Company considers its labour relations with all of its employees to be good. However, in the future the Company may be subject to labour unrest, which may delay or disrupt its operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lockouts at the Company's facilities or at the facilities of the Company's major vendors occur or continue for a long period of time, the Company's business, financial condition and results of operations may be materially and adversely affected. The Company did recently face two minor standalone incidents of labour unrest, one in the Dharwad plant in Karnataka, India and the other in the Company's Sanand plant in Gujarat, India, both of which were amicably resolved.

The Company's business and prospects could suffer if the Company loses one or more key personnel or if the Company is unable to attract and retain the Company's employees.

The Company's business and future growth depend largely on the skills of its workforce, including executives and officers, and automotive designers and engineers. The loss of the services of one or more of the Company's personnel could impair the Company's ability to implement its business strategy. In view of intense competition, any inability to continue to attract, retain and motivate the Company's workforce could materially and adversely affect the Company's business, financial condition, results of operations and prospects.

Future pension obligations may prove costlier than currently anticipated and the market value of assets in the Company's pension plans could decline.

The Company provides post-retirement and pension benefits to the Company's employees, including defined benefit plans. The Company's pension liabilities are generally funded. However, lower returns on pension fund assets, changes in market conditions, interest rates or inflation rates, and adverse changes in other critical actuarial assumptions, may impact the Company's pension liabilities or assets and consequently increase funding requirements, which could materially decrease the Company's net income and cash flows.

For Jaguar Land Rover, the arrangements with the trustees of the defined benefit pension schemes, an actuarial valuation of the assets and liabilities of the schemes is undertaken every three years. The most recent valuation, as at April 2015 and completed in 2016, indicated a shortfall in the assets of the schemes as at that date, versus the actuarially determined liabilities as at that date, of GB£ 789 million (compared to GB£ 702 million as at April 2012).

As part of the valuation process, the Company agreed to a schedule of contributions with the trustee of the schemes, which, together with the expected investment performance of the assets of the schemes, is expected to eliminate the deficit by 2025. As part of this schedule of contributions, the Company paid GB£ 69 million into the pension schemes in March 2016 as advance payments towards deficit contributions due during Fiscal 2017. As at March 31, 2017, the UK defined benefit pension accounted deficit had increased to GB£ 1.46 billion, as compared to GB£ 567 million as at March 31, 2016. This increase has primarily been driven by a decline in AA-negative rated UK corporate bond yields following Brexit and even though the accounted deficit position does not affect cash contributions, movements in the associated balance sheet liability may have other impacts notably on the Company's results of operations and financial condition.

The Company is exposed to operational risks, including risks in connection with the Company's use of information technology.

Operational risk is the risk of loss resulting from inadequate or failed internal systems and processes, from either internal or external events. Such risks could stem from inadequacy or failures of controls within internal procedures, violations of internal policies by employees, disruptions or malfunctioning of information technology systems, such as computer networks and telecommunication systems, other mechanical or equipment failures, human error, natural disasters or malicious acts by third parties. Any unauthorized access to or misuse of data on the Company's information technology systems, human errors or technological or process failures of any kind or any failure in its protection measures could severely disrupt the Company's operations, including its manufacturing, design and engineering processes, and could have a material adverse effect on the Company's reputation, financial condition and results of operations.

The Company may be materially and adversely affected by the divulgence of confidential information.

Although the Company has implemented policies and procedures to protect confidential information such as key contractual provisions, future projects, and customer records, such information may be divulged, including as a result of hacking or other threats from cyberspace. If this occurs, the Company could be subject to claims by affected parties, negative publicity and loss of proprietary information, all of which could have an adverse and material impact on the Company's reputation, business, financial condition, results of operations and cash flows.

The Company's insurance coverage may not be adequate to protect against all potential losses to which the Company may be subject, and this may have a material adverse effect on the Company's business, financial condition and results of operations.

While the Company believes that the insurance coverage that it maintains is reasonably adequate to cover all normal risks associated with the operation of its business, there can be no assurance that the Company's insurance coverage will be sufficient, that any claim under its insurance policies will be honored fully or in a timely manner, or that the Company's insurance premiums will not increase substantially. There can be no assurance that any claim under the Company's insurance policies will be honoured fully or timely, the Company's insurance coverage will be sufficient in any respect or its insurance premiums will not change substantially. Accordingly, to the extent that the Company suffers loss or damage that is not covered by insurance or that exceeds the Company's insurance coverage, or are required to pay higher insurance premiums, the Company's business, financial condition and results of operations may be materially and adversely affected.

The Company's business could be negatively affected by the actions of activist shareholders.

Certain of the Company's shareholders may from time to time advance shareholder proposals or otherwise attempt to effect changes or acquire control over the Company's business. Campaigns by shareholders to effect changes at publicly listed companies are sometimes led by investors seeking to increase short-term shareholder value by advocating corporate actions such as financial restructuring, increased borrowing, special dividends, stock repurchases or even sales of assets or the entire Company, or by voting against proposals put forward by the board of directors and management of the Company. If faced with actions by activist shareholders, the Company may not be able to respond effectively to such actions, which could be disruptive to its business.

Political and Regulatory Risks

India's obligations under the World Trade Organization Agreement could materially affect the Company's business.

India's obligations under its World Trade Organization agreement could reduce the present level of tariffs on imports of components and vehicles. Reductions of import tariffs could result in increased competition, which in turn could materially and adversely affect the Company's sales, business, financial condition and results of operations.

New or changing laws, regulations and government policies regarding increased fuel economy, reduced greenhouse gas and other emissions, vehicle safety and taxes may have significant impact on the Company's business

As an automobile company, the Company is subjected to extensive governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by its production facilities. In particular, the United States and Europe have stringent regulations relating to vehicle emissions. The contemplated tightening of vehicle emissions regulations by the European Union will require significant costs for compliance. In China, further regulations are being introduced by Chinese government in the short to medium term future relating to greenhouse gas emissions and other environmental concerns. While the Company is pursuing various technologies in order to meet the required standards in the various countries in which it sells its vehicles, the costs for compliance with these required standards may be significant to the Company's operations and may adversely impact its results of operations. They may also result in limiting the type of vehicles the Company sells and where the Company sells them, which may affect the Company's revenues.

In order to comply with current and future safety and environmental norms, the Company may have to incur additional capital expenditure and Research & Development expenditure to (i) operate and maintain the Company's production facilities, (ii) install new emissions controls or reduction technologies, (iii) purchase or otherwise obtain allowances to emit greenhouse gases, (iv) administer and manage the Company's greenhouse gas emissions program, and (v) invest in Research and Development to upgrade products and manufacturing facilities. If the Company is unable to develop commercially viable technologies or otherwise unable to attain compliance within the time frames set by the new standards, the Company could face significant civil penalties or be forced to restrict product offerings significantly. For example, in the United States, manufacturers are subject to substantial civil penalties if they fail to meet federal Corporate Average Fuel Economy, or CAFE, standards. These penalties are calculated at $5.50 for each tenth of a mile below the required fuel efficiency level for each vehicle sold in a model year in the U.S. market. As with many European manufacturers, since 2010, Jaguar Land Rover has paid total penalties of US$46 million for its failure to meet CAFE standards. Jaguar Land Rover could incur a substantial increase in these penalties, including as a result of announced increases in CAFE civil penalties to adjust for inflation. Moreover, safety and environmental standards may at times impose conflicting imperatives, which pose engineering challenges and would, among other things, increase the Company's costs.

The Motor Vehicles (Amendment) Bill, 2017 has been passed in Lok Sabha on April 10, 2017 and presently the Bill is under scrutiny of the Rajya Sabha. This Bill addresses various issues regarding road safety, traffic management & other matters. It provides for the imposition of hefty penalties on vehicle manufacturers found producing faulty vehicles. The Bill proposes for a National Road Safety Board, to be created by the Central Government through a notification. The Board will provide advice to the Central and State Governments on all aspects of road safety and traffic management.

The Government of India had proposed a comprehensive national goods and services tax, or GST, regime that would combine taxes and levies by the central and state governments into one unified rate structure. While both the Government of India and state governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information on incentives and refunds, the Company is unable to provide any assurance as to this or any other aspect of the tax regime following implementation of the GST.

The Central Goods and Services Tax Bill (CGST), the Integrated Goods and Services Tax Bill (IGST) the Goods and Services Tax (Compensation to States) Bill and the Union Territory Goods and Services Tax Bill (UTGST) were passed by Lok Sabha on April 6, 2017 and so far 17 States have passed SGST Laws as on May 23, 2017. The Government of India has publicly announced its intention to implement the GST on July 1 2017. With the progress made so far, this seems to be a realistic timeline.

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for the Company's vehicles and the Company's results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by various governments or import or tariff policies could also adversely affect the Company's results of operations. For instance, the United Kingdom's exit from the European Union would result in material changes to the UK's tax, tariff and fiscal policies. In addition, the incoming U.S. presidential administration could seek to introduce changes to laws and policies governing international trade and impose additional tariffs and duties on foreign vehicle imports, which could have a material adverse effect on the Company's sales in the United States. Furthermore, Brazil in recent years increased import duty on foreign vehicles, which put pressure on sales margins in Brazil and prompted the Company to enter into discussions with the Brazilian government to exempt a certain number of imported vehicles from the increased tariff. Such government actions may be unpredictable and beyond the Company's control, and any adverse changes in government policy could have a material adverse effect on the Company's business prospects, results of operations and financial condition.

Evaluating and estimating the Company's provision and accruals for the Company's taxes requires significant judgement. As the Company conducts its business, the final tax determination may be uncertain. The Company operates in multiple geographical markets and the Company's operations in each market are susceptible to additional tax assessments and audits. The Company's collaborations with business partners are similarly susceptible to such tax assessments.

Authorities may engage in additional reviews, inquiries and audits that disrupt the Company's operations or challenge the Company's conclusions regarding tax matters. Any resulting tax assessment may be accompanied by a penalty or additional fee for failing to make the initial payment. The Company's tax rates may be affected by earnings estimation errors, losses in jurisdictions that do not grant a related tax benefit, changes in currency rates, acquisitions, investments, or changes in laws, regulations, or practices. Additionally, government fiscal pressures may increase the likelihood of adverse or aggressive interpretations of tax laws or regulations or the imposition of arbitrary or onerous taxes, interest charges and penalties. Tax assessments may be levied even where the Company considers its practices to comply with tax laws and regulations. Should the Company challenge such taxes or believe them to be without merit, the Company may nonetheless be required to pay them? These amounts may be materially different from the Company's expected tax assessments and could additionally result in expropriation of assets, attachment of additional securities, liens, imposition of royalties or new taxes and requirements for local ownership or beneficiation.

Regulations in the areas of investments, taxes and levies may also have an impact on Indian securities, including the Company's Shares and ADSs.

In 2014, the antitrust regulator in China, the Bureau of Price Supervision and Anti-Monopoly of the National Development and Reform Commission (the "NDRC"), launched an investigation into the pricing practices of more than 1,000 Chinese and international companies in the automotive industry, including Jaguar Land Rover and many of its competitors. The NDRC has reportedly imposed fines on certain of the Company's international competitors as a result of anti-competitive practices pertaining to vehicle and spare-part pricing. In response to this investigation, Jaguar Land Rover established a process to review our pricing in China and announced reductions in the manufacturer's suggested retail price for the 5.0-liter V8 models, which include the Range Rover, Range Rover Sport and F-Type and the price of certain of our spare parts. Further imposition of price reductions and other actions taken in relation to Jaguar Land Rover's products may significantly reduce its revenues and profits generated by operations in China and have a material adverse effect on the Company's financial condition and results of operations. As a result, the Jaguar Land Rover's attempts to offset the potential decline in revenue and profits by increasing operational efficiencies and leveraging economies of scale (for example, through local production in China) may fail or not be as successful as expected. Furthermore, any regulatory action taken or penalties imposed by regulatory authorities may have significant adverse financial and reputational consequences on the Company's business and have a material adverse effect on the Company's results of operations and financial condition.

On March 29, 2017, the Supreme Court of India prohibited the sale and registration of Bharat Stage III vehicles from April 1, 2017. The Supreme Court's judgment overturned a government regulation, and was unexpected. The Government of India has applied to the Supreme Court for a grant of appropriate time for manufacturers to dispose Bharat Stage III vehicles in their inventory. This application is currently pending. Similarly a review petition filed by the Society of Indian Manufacturers, or SIAM, is also currently pending. The Supreme Court's decision resulted in a provision of ₹148 crores for the unsold inventory of BSIII vehicles at the year end of March 31, 2017. The Company cannot guarantee a favorable outcome for either the Government of India's application or SIAM's review petition. Any future potential or real unexpected change in law could havecould have a material adverse effect on the Company's business prospects, results of operations and financial condition.

The Company may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect the Company's business.

The Indian Competition Act oversees practices having an appreciable adverse effect on competition, or AAEC, in a given relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC, is considered void and results in imposition of substantial penalties. Consequently, all agreements entered into by the Company could be within the purview of the Competition Act. Furthermore, any agreement among competitors which directly or indirectly involves determination of purchase or sale prices, limits or controls production, sharing the market by way of geographical area or number of subscribers in the relevant market or which directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC in the relevant market in India and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Company cannot predict with certainty the impact of the provisions of the Competition Act on the Company's agreements at this stage.

On March 4, 2011, the Government of India issued and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset- and turnover-based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India, or CCI. Additionally, on May 11, 2011, the CCI issued the Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011 (as amended), which sets out the mechanism for the implementation of the merger control regime in India.

Furthermore, the CCI has extraterritorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. The CCI has initiated an inquiry against the Company and other car manufacturers, collectively referred to hereinafter as the OEMs, pursuant to an allegation that genuine spare parts of automobiles manufactured by the OEMs were not made freely available in the open market in India and, accordingly, anti-competitive practices were carried out by the OEMs.

If the Company is adversely affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it could adversely affect the Company's business, financial condition and results of operations.

Compliance with new or changing corporate governance and public disclosure requirements adds uncertainty to the Company's compliance policies and increases the Company's costs of compliance.

The Company is subjected to a complex and continuously changing regime of laws, rules, regulations and standards relating to accounting, corporate governance and public disclosure, including the Sarbanes-Oxley Act of 2002 and U.S. Securities and Exchange Commission, or SEC, regulations, Securities and Exchange Board of India, or SEBI, regulations, New York Stock Exchange, or NYSE, listing rules, and the Companies Act, as well as Indian stock market listing regulations. New or changed laws, rules, regulations and standards may lack specificity and are subject to varying interpretations. As an example, pursuant to the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act, which contains significant corporate governance and executive compensation-related provisions, the SEC has adopted additional rules and regulations in areas such as "say on pay". Similarly, under applicable Indian laws, for example, remuneration packages may, in certain circumstances, require shareholders' approval. The Company's management and other personnel may be required to devote a substantial amount of time to such compliance initiatives. Their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs of compliance as a result of ongoing revisions to such governance standards. The Company is committed to maintaining high standards of corporate governance and public disclosure. However, the Company's efforts to comply with evolving laws, rules, regulations and standards in this regard have resulted in, and are likely to continue to result in, increased general and administrative expenses and a diversion of management resources and time.

The Companies Act has effected significant changes to the existing Indian Company law framework, which may subject the Company to higher compliance requirements and increase the Company's compliance costs. The Companies Act brought into effect significant changes to the Indian Company law framework, such as in the provisions related to the issue of capital (including provisions in relation to issue of securities on a private placement basis), disclosures in offering documents, corporate governance norms, accounting policies and audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian Company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading, including restrictions on derivative transactions concerning a Company's securities by directors and key managerial personnel. The Company is also required to spend, in each financial year, at least 2% of the Company's average net profits during the three immediately preceding financial years, calculated for Tata Motors Limited on a standalone basis under Ind AS, toward corporate social responsibility activities. Furthermore, the Companies Act imposes greater monetary and other liability on the Company and it's directors for any non-compliance. To ensure compliance with the requirements of the Companies Act, the Company may need to allocate additional resources, which may increase the Company's regulatory compliance costs and divert management's attention. The Company may also face challenges in interpreting and complying with certain provisions of the Companies Act due to limited relevant jurisprudence. In the event that the Company's interpretation of the Companies Act differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government of India in the future, The Company may face regulatory actions or be required to undertake remedial steps. In addition, some of the provisions of the Companies Act overlap with other existing laws and regulations (such as corporate governance provisions and insider trading regulations issued by SEBI). The SEBI recently promulgated the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, or the Listing Regulations, which are applicable to all Indian companies with listed securities or companies intending to list its securities on an Indian Stock Exchange, and the Listing Regulations became effective on December 1, 2015. Pursuant to the Listing Regulations, the Company is required to ensure that the Company's board of directors includes at least one female director at all times, to establish and maintain a vigilance mechanism for directors and employees to report their concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy under the Company's whistleblower policy, to implement increased disclosure requirements for price sensitive information.

The Company is subject to risks associated with legal proceedings and governmental investigations, including potential adverse publicity as a result thereof.

The Company is and may be involved from time to time in civil, labour, administrative or tax proceedings arising in the ordinary course of business. It is not possible to predict the potential for, or the ultimate outcomes of, such proceedings, some of which may be unfavorable to the Company. In such cases, the Company may incur costs and any mitigating measures (including provisions taken on the Company's balance sheet) adopted to protect against the impact of such costs may not be adequate or sufficient. In addition, adverse publicity surrounding legal proceedings, government investigations or allegations may also harm the Company's reputation and brands.

The Company may have to comply with more stringent foreign investment regulations in India in the event of an increase in shareholding of non-residents or if the Company is considered as engaged in a sector in which foreign investment is restricted.

Indian companies, which are owned or controlled by non-resident persons, are subject to investment restrictions specified in the Consolidated FDI (Foreign Direct Investment) Policy. Under the Consolidated FDI Policy, an Indian company is considered to be "owned" by non-resident persons if more than 50% of its equity interest is beneficially owned by non-resident persons. The non-resident equity shareholding in the Company may, in the near future, exceed 50%, thereby resulting in the Company being considered as being "owned" by non-resident entities under the Consolidated FDI Policy. In such an event, any investment by the Company in existing subsidiaries, associates or joint ventures and new subsidiaries, associates or joint ventures will be considered as indirect foreign investment and shall be subject to various requirements specified under the Consolidated FDI Policy, including sectoral limits, approval requirements and pricing guidelines, as may be applicable.

Furthermore, as part of its automotive business, the Company supplies and has in the past supplied, vehicles to Indian military and paramilitary forces and in the course of such activities have obtained an industrial license from the Department of Industrial Policy. The Consolidated FDI policy applies different foreign investment restrictions to companies based upon the sector in which they operate. While the Company believes it is an automobile company by virtue of the significance of its automobile operations, in the event that foreign investment regulations applicable to the defense sector (including under the Consolidated FDI Policy) are made applicable to it, the Company may face more stringent foreign investment restrictions and other compliance requirements compared to those applicable to it presently, which, in turn, could materially affect the Company's business, financial condition and results of operations.

The Company requires certain approvals or licenses in the ordinary course of business, and the failure to obtain or retain them in a timely manner, or at all, may adversely affect its operations.

The Company requires certain statutory and regulatory permits, licenses and approvals to carry out its business operations and applications for their renewal need to be made within certain periods. For some of the approvals, which may have expired, the Company either has made, or is in the process of making, an application for obtaining the approval or its renewal. While the Company has applied for renewal for such approvals, registrations and permits, the Company cannot assure you that it will receive them in a timely manner or at all. The Company can make no assurances that the approvals, licenses, registrations and permits issued to it would not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. Furthermore, if the Company is unable to renew or obtain necessary permits, licenses and approvals on acceptable terms in a timely manner, or at all, its business, financial condition and results of operations could be materially and adversely affected.

Any downgrading of India's debt rating by a domestic or international rating agency could negatively impact the Company's business.

Any adverse revisions to India's credit ratings for domestic and international debt by domestic or international rating agencies could adversely impact the Company's ability to raise additional financing, as well as the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on the Company's financial results, business prospects, ability to obtain financing for capital expenditures and the price of the Company's Shares and ADSs.

Business Summary

The Company primarily operates in the automotive segment. The Company's automotive segment operations include all activities relating to the development, design, manufacture, assembly and sale of vehicles including vehicle financing, as well as sale of related parts and accessories. The acquisition of the Jaguar Land Rover business has enabled the Company to enter the premium car market in developed markets such as the United Kingdom, the United States, Europe and China as well as several emerging markets such as Russia, Brazil and South Africa amongst others. Going forward, the Company expects to focus on profitable growth opportunities in its global automotive business through new products and market expansion. Within automotive operations, the Company continues to focus on integration and synergy through sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy and mutual sharing of best practices.

The Company's business segments are (i) automotive operations and (ii) all other operations. The Company provide financing for vehicles sold by dealers in India. The vehicle financing is intended to encourage sales of vehicles by providing financing to the dealers' customers and as such is an integral part of the Company's automotive business. The Company's automotive operations are further subdivided into Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover. Tata and other brand vehicles consist of vehicles manufactured under Tata, Daewoo and Fiat brands, and exclude vehicles manufactured under Jaguar Land Rover brands.

The Company's produce a wide range of automotive products, including:

- **Passenger Cars:** The Company's range of Tata-branded passenger cars include the Nano (micro), the Indica, the Bolt, the Tiago (compact) in the hatchback category the Indigo eCS, and the Zest (mid-sized) and Tigor in the sedan category. The Company has expanded its passenger car range with several variants and fuel options designed to suit various customer preferences. The Company's Jaguar Land Rover operations have an established presence in the premium passenger car category under the Jaguar brand name. Current cars lines manufactured under the Jaguar brand name, include the F-TYPE two-seater sports car coupe and convertible, the XF sedan (including the long wheel base XFL), the XJ saloon, the XE sports saloon and Jaguar's luxury performance SUV the F-PACE.
- **Utility Vehicles:** The Company manufactures a range of Tata brand utility vehicles, including the Hexa a crossover, the Sumo and the Safari, which are SUVs and the Venture, a multipurpose utility vehicle. The Company offers two variants of the Safari: the Dicor and the Storme. The Company also offer a variant of the Sumo, the Sumo Gold, which is an entry level UV. Current lines manufactured under the Land Rover brand include the Range Rover, Range Rover Sport, Range Rover Evoque (including the Evoque convertible), the all new Land Rover Discovery (which went on sale in February 2017) and the Land Rover Discovery Sport. The new Range Rover Velar was revealed to the public in March 2017, and is the fourth Range Rover model, positioned between the Range Rover Evoque and the Range Rover Sport. The Velar is expected to commence sale during the summer of 2017.
- **Light Commercial Vehicles:** The Company manufacture a variety of light commercial vehicles, including pickup trucks and small commercial vehicles. This includes the Tata Ace, India's first indigenously developed mini-truck, with a 0.7 ton payload with different fuel options; the Super Ace, with a 1-ton payload; the Ace Zip, with a 0.6 ton payload; the Magic and the Magic Iris, including an electric variant, both of which are passenger variants for commercial transportation developed on the Tata Ace platform; and the Winger. In addition, the Company launched the Xenon Yodha pickup truck and Magic Mantra passenger carrier in Fiscal 2017.
- **Medium and Heavy Commercial Vehicles:** The Company manufactures a variety of medium and heavy commercial vehicles, which include trucks, tractors, buses, tippers, and multi-axle vehicles, with GVWs (including payload) of between 8 tons and 49 tons. In addition, through Tata Daewoo Commercial Vehicle Co. Ltd., or TDCV, the Company manufactures a wide array of trucks ranging from 215 horsepower to 560 horsepower, including dump trucks, tractor-trailers, mixers and cargo vehicles. The company's signature product is the Prima and Prima LX range of trucks, which are sold in India and South Korea as well as exported to a number of countries in South Asia, Middle East and Africa. The SIGNA range of new M&HCV trucks launched in 2016 has been extended to several additional tractor and tipper variants. The Company also offers a range of buses, which includes the Semi Deluxe Starbus Ultra Contract Bus and the

new Starbus Ultra. The Company's range of buses is intended for a variety of uses, including as intercity coaches (with both air-conditioned and non-air-conditioned luxury variants), as school transportation and as ambulances. In Fiscal 2017, the Company introduced a range of electric and hybrid passenger products including the Starbus Electric 9m/12m and Starbus Hybrid 12m.

The Company's other operations business segment mainly includes information technology services, and machine tools and factory automation services.

The Company's Strategy

The Company intends to further strengthen its position in the Indian automobile industry by launching new products, investing in research and development, strengthening Company's financial position and expanding its manufacturing and distribution network. The Company have pursued a strategy of increasing its presence in the global automotive markets and enhancing its product range and capability through strategic acquisitions and alliances. The Company's goal is to position itself as a major international automotive company by offering products across various markets by combining its engineering and other strengths as well as through strategic acquisitions. The Company's strategy to achieve these goals consists of the following elements:

Continued focus on new product development: The Company's recent product launches and anticipated product launches include the following:

- Xenon Yodha Pickup: The Xenon Yodha is a reliable new Pick-up range, with high levels of performance at a low operating cost.
- SIGNA range of M&HCVs: The SIGNA range offers improved cab experience, connected vehicle-related functionalities and an improved driveline, as compared to prior models. This range is being extended across the heavy product line.
- Magic Mantra: The Magic Mantra is a small passenger vehicle in the SCV segment, which offers performance combined with fuel efficiency and a low cost of ownership.
- Electric and Hybrid Bus range: Tata Motors launched two variants of its emission-free, ultra-quiet and efficient STARBUS ELECTRIC buses and the STARBUS HYBRID diesel-electric hybrid bus. The STARBUS HYBRID is the most advanced bus in India
- Hexa: Contemporary SUV was launched in January 2017.
- Tigor: Subcompact sedan was launched in March 2017
- Nexon: Subcompact SUV is expected to go on sale in Fiscal 2018.
- Jaguar XE: The all new Jaguar XE went on retail sale in the US in May 2016.
- Jaguar XFL: The all new long wheel base Jaguar XFL, specifically designed for the China market, is produced by or China joint venture and went on sale in September 2016.
- Jaguar F-PACE: The Jaguar F-PACE luxury performance SUV went on sale in April 2016.
- Range Rover Evoque: The new Range Rover Evoque convertible went on sale in June 2016.
- Land Rover Discovery: The all new Land Rover Discovery went on sale in February 2017.
- The new Range Rover Velar was revealed to the public in March 2017 and is the fourth Range Rover model positioned between the Range Rover Evoque and the Range Rover Sport. The Velar is due to go on sale during the summer of 2017.
- Production of JLR's in-house 4 cylinder Ingenium petrol engine commenced at the Engine Manufacturing Centre in Wolverhampton in the UK in September 2016 and is now available in the Jaguar XE, XF, F-PACE and in the Land Rover Discovery Sport and the Range Rover Evoque. The Ingenium petrol engine will also be available in the new Range Rover Velar from launch.
- The Jaguar I-PACE concept, JLR's first battery electric vehicle, was revealed to the public in November 2016 and will go on sale in 2018.

Further, during Fiscal 2017, The Company increased its global presence by launching the Super Ace in Vietnam; the Xenon pickup, Super Ace and LCV Truck in Bolivia; the Prima truck in Bhutan and the Kingdom of Saudi Arabia and the Ultra truck in Kenya. The Company also signed orders to supply 562 buses to the Government of Côte d'Ivoire; 67 Winger ambulances to the Government of Sri Lanka and 553 Xenon pickups to POS Malaysia.

The Company's research and development focuses on developing and acquiring the technology, core competencies and skill sets required for the timely delivery of its envisaged future product portfolio with industry-leading features across it's range of commercial and passenger vehicles. For the passenger vehicle product range, the Company's focus is on stunning design, driving pleasure and connected car technologies. For the commercial vehicle product range, the Company's focus is on enhancing fuel-efficiency and minimizing the total cost of ownership. The Company continue to endeavour to adopt technologies for its product range to meet the requirements of a globally competitive market. The Company has also undertaken programs for development of vehicles, which run on alternate fuels such as LPG, CNG, bio-diesel, electric-traction and hydrogen.

The Company has plans to expand the range of its product base further supported by its strong brand recognition in India, its understanding of local consumer preferences, in-house engineering capabilities and extensive distribution network. With growing competition, changing technologies and evolving customer expectations, the Company understand the importance of bringing new platforms to address market gaps and further enhance it's existing range of vehicles to ensure customer satisfaction. The Company's capital expenditures totaled ₹31,750.74 crores and ₹31,425.39 crores during Fiscal 2017 and 2016, respectively, and the Company currently plans to invest approximately ₹400 billion in Fiscal 2018 in capacity, new products and technologies.

Jaguar Land Rover has invested to enhance its technological expertise through in-house R&D activities, including the development of its engineering and design centers, which centralize Jaguar Land Rover's capabilities in product design and engineering. Furthermore, Jaguar Land Rover participates in advanced research consortia that bring together leading manufacturers, suppliers and academic specialists in the United Kingdom and are supported by funding from the UK Government's Technology Strategy Board.

Leveraging the Company's capabilities: The Company believe that the foundation of its growth over the last five decades has been a deep understanding of economic conditions and customer needs, and the ability to translate this understanding into desirable products though research and development. In India, Company's Engineering Research Centre, or ERC, established in 1966, has enabled it to successfully design, develop and produce its own range of vehicles. Jaguar Land Rover's research and development operations are built around state-of-the-art engineering facilities, extensive test tracks, testing centers, design hubs and a virtual innovation center. The Engineering Research Centre, or ERC, in India and Jaguar Land Rover engineering and development operations in the United Kingdom have identified areas to leverage the facilities and resources to enhance the product development process and achieve economies of scale. Furthermore, the Company have a wholly-owned subsidiary, Tata Motors European Technical Centre PLC, or TMETC, in the United Kingdom, which is engaged in automobile research and engineering.

The Company believes that its in-house research and development capabilities, including those of its subsidiaries Jaguar Land Rover, TDCV and Trilix in Italy, TMETC in the United Kingdom and Company's joint ventures with Marcopolo S.A. of Brazil in India, with Thonburi in Thailand and Tata Africa Holdings (SA) (Proprietary) Ltd. in South Africa, will enable it to expand it's product range and extend the Company's geographical reach. The Company continually strive to achieve synergy wherever possible with its subsidiaries and joint ventures.

The Company has continued modernizing its facilities to meet demand for its vehicles. The Company's Jamshedpur plant, which manufactures Company's entire range of M&HCVs, including the Prima, both for civilian and defense uses, was Company's first plant, set up in 1945 to manufacture steam locomotives. It led Company's entry into commercial vehicles in 1954.

The Company's product portfolio of Tata-brand vehicles includes the Nano, Indica, Tiago, Indigo, Sumo, Sumo Grande, Safari, Safari Storme, Aria, Zest, Bolt, Tigor, Hexa and Venture, which enable it to compete in various passenger vehicle market categories. The Company also offer alternative fuel vehicles under the Nano and Indigo brands. The Company also intend to expand its sales reach and volumes in rural areas, where an increase in wealth has resulted in a declining difference between urban and rural automobile purchase volumes.

Jaguar Land Rover invests substantially in the development of new products in new and existing segments by introducing new powertrains and technologies, including CO_2 reduction and electrification that satisfy both customer preferences and regulatory requirements. Jaguar Land Rover also invest in expanding manufacturing capacity in the United Kingdom and internationally to meet customer demand. Jaguar Land Rover expects investment spending to be over GB£ 4 billion (approximately ₹324 billion) in Fiscal 2018 reflecting its growth plans. Of the GB£ 4 billion around half is expected to be spent on research & development with the other half expected to be spent on tangible fixed assets such as facilities, tools and equipment as well as other investments.

In October 2014, Jaguar Land Rover opened its Engine Manufacturing Centre at Wolverhampton, in the West Midlands. The plant currently manufactures Jaguar Land Rover's own in-house 2.0-litre diesel and petrol engines, which are now available across the majority of company's models. Jaguar Land Rover's in-house engines have been engineered to ensure maximum manufacturing efficiency, flexibility to increase the number of engine variants and consistently high quality. In December 2015, Jaguar Land Rover announced initial investment of GB£1.0 billion to build a manufacturing facility in Slovakia (Europe) with annual capacity of 150,000 units and production scheduled to commence from FY 2018. Jaguar Land Rover have the option to investment a further GB£ 500 million to expand capacity to 300,000 units per annum subject to further feasibility studies. In June 2016, Jaguar Land Rover opened it's first wholly owned international manufacturing plant in Brazil, which manufactures the Evoque and Discovery Sport for the local market.

Continuing focus on high quality and enhancing customer satisfaction: One of Company's principal goals is to achieve international quality standards for its products and services. The Company has established a comprehensive purchasing and quality control system that is designed to consistently deliver quality products and superior service. The Company also have a program for assisting vendors from whom the Company purchases raw materials or components to maintain quality. Each vendor is reviewed on a quarterly basis on parameters of quality, cost and delivery and preference is given to vendors with TS 16949 certification.

Through close coordination supported by company's IT systems, the Company monitors quality performance in the field and implement corrections on an ongoing basis to improve the performance of company's products, thereby improving customer satisfaction. The Company believes its extensive sales and service network has also enabled it to provide quality and timely customer service. The Company is encouraging focused initiatives at both sales and service touch points to enhance customer experience and strive to be best in class, and The Company believes that the reach of its sales, service and maintenance network provides it with a significant advantage over its competitors. In India, the Company improved its J.D. Power Asia Pacific 2016 India Customer Service Index (CSI) Study score and the Company moved up from the third ranking last year to the second ranking in that survey.

The Company is committed to satisfying its customers with high quality products and services. As recognition of Company's efforts towards this it won several awards at the Apollo CV awards in February 2017, with the Tata Armoured Personal Carrier winning special CV Application of the Year; Prima 2528.K winning MCV Tipper of the Year; Signa 4923.S tractor winning HCV Tractor Cargo Carrier of the Year and the Tata Double Deck tractor trailer winning CV application builder of the Year. One of Company's dealerships, Cargo Motors, won the Dealership of the Year award.

In passenger vehicles segment, the Tiago received a strong responses and accolades with 18 awards during the year. As a key stakeholder in the Indian trucking industry, the Company launched the "Use Dipper at Night" campaign winning numerous global and regional awards.

Jaguar F-Pace won both the World Car of the Year and World Car design of the year award. Jaguar XF won the Golden Steering Wheel Award in Germany. Jaguar and Land Rover in total received 213 awards from leading international motoring writers, magazines and opinion leaders in Fiscal 2017 as well as numerous other awards, accolades and recognition reflecting the strength of company's model line-up and its design and engineering capabilities.

Environmental performance: Jaguar Land Rover's strategy is to invest in products and technologies that position their products ahead of expected stricter environmental regulations and ensure that they benefit from a shift in consumer awareness of the environmental impact of the vehicles driven by customers. The Company also believe that Jaguar Land Rover are leaders in automotive green technology in the United Kingdom. Jaguar Land Rover's environmental vehicle strategy focuses on new propulsion technology, weight reduction and reducing parasitic losses through the driveline. They have developed diesel hybrid versions of the Range Rover and Range Rover Sport, without compromising the vehicles' off road capability or load space.

Jaguar Land Rover are a global leader in the use of aluminium and other lightweight materials to reduce vehicle weight and improve fuel and CO_2 efficiency, and Jaguar Land Rover believe that it is ahead of many of its competitors in the implementation of aluminium construction. For example, the Jaguar XE is the only vehicle in its class to use an aluminium intensive monocoque. Jaguar Land Rover plan to continue to build on this expertise and extend the application of aluminium construction as they develop a range of new products. The aluminium body architecture introduced on the Jaguar XE is also used in the new lightweight Jaguar XF and the new Jaguar F PACE and the all new Land Rover Discovery uses the same lightweight architecture as the Range Rover and Range Rover Sport.

Jaguar Land Rover are also developing more efficient powertrains and other technologies. This includes smaller and more efficient 2.0 litre diesel and petrol engines (now available across the majority of Company's model range), stop start, mild and plug-in hybrids as well as battery electric propulsion technologies. Jaguar Land Rover's smaller and more efficient family of Ingenium diesel and petrol engines as well the lightweight Range Rover and Range Rover

Sport Diesel Hybrids, powered by downsized and more efficient engines and alternative powertrains have all contributed to the improvement of their carbon footprint.

Jaguar Land Rover's current product line up is the most efficient it has ever been and the environmental performance of their vehicles has been further improved through the launch of new models. The new Land Rover Discovery uses lightweight aluminium construction, which saves 480 kg compared to the old model, delivering enhanced efficiency and reduced CO_2 emissions. The aluminium intensive Jaguar XE is the most fuel efficient Jaguar and the first Jaguar Land Rover vehicle to receive a UK VED Band A rating resulting in a £0/annum tax rate and the aluminium intensive XF delivers improved fuel consumption and CO_2 emission performance. The 2.0-litre Ingenium diesel and petrol engines, now used extensively in the product line-up provide significant CO_2 reductions versus the outgoing powertrains.

Jaguar Land Rover has pledged that by 2020 half of its model will have the option of electrification, a move spearheaded by its first full electric car, the Jaguar I-Pace. On sale in 2018, the I-Pace is a preview of the Jaguar Land Rover's first production battery power car, and demonstrates its ongoing commitment to create exciting and desirable electric vehicles.

Recognizing the need to use resources responsibly, produce less waste and reduce Jaguar Land Rover's carbon footprint, they are also taking measures to reduce emissions, waste and the use of natural resources in all of their operations.

Mitigating cyclicality: The automobile industry is impacted by cyclicality. To mitigate the impact of cyclicality, the Company plans to continually strengthen its operations through gaining market share across different segments, and offering a wide range of products in diverse geographies and segments, such as defence. The Company also plans to continue to strengthen its business operations other than vehicle sales, such as financing of its vehicles, spare part sales, service and maintenance contracts, sales of aggregates for non-vehicle businesses, reconditioning of aggregates and sale of castings, production aids and tooling/fixtures in order to reduce the impact of cyclicality of the automotive industry.

Expanding the Company international business: The Company's international expansion strategy involves entering new markets where it has an opportunity to grow and introducing new products to existing markets in order to grow its presence in such markets. The Company's international business strategy has already resulted in the growth of its international operations in select markets and chosen segments over the last five years. Based on the Company's internal assessments, in recent years, it has grown its market share across various African and Middle East markets such as Tanzania, Saudi Arabia, United Arab Emirates and Qatar in addition to maintaining its dominant market position in the South Asian markets of Bangladesh, Nepal and Sri Lanka based on data compiled by Company's country managers. In keeping with the Company's strategy to enter and grow in new regions, it has focused on business in the ASEAN countries, where in the recent years the Company entered Vietnam, Indonesia, Malaysia and the Philippines. Tunisia has been an example of a success story in a new market where over the last two years, the Company has entered and rapidly ramped up retails and is now a major player in the pickup segment.

The Company has also expanded its range through acquisitions and joint ventures. The Company now offer products in the premium performance car and premium all-terrain vehicle categories with globally recognized brands through Jaguar Land Rover and has diversified its business across markets and product categories. The production of the Range Rover Evoque commenced at the China Joint Venture in October 2014 and went on general retail sale in China in February 2015. Production of the Discovery Sport was also added as the second vehicle to be manufactured at the China joint venture in Fiscal 2016, which went on general retail sale in November 2015, and in September 2016, sales of the long wheelbase Jaguar XFL from Company's China joint venture began. The Company will aim to continue to build upon the internationally recognized brands of Jaguar Land Rover.

The Company's subsidiary, Tata Motors (Thailand) Limited, is also focusing on increasing its geographical reach by introducing Thailand-manufactured pickup trucks in other Asian markets. Thailand-produced pickup trucks were introduced in Malaysia in the beginning of Fiscal 2015. During Fiscal 2017, TMTL exported 317 vehicles to Malaysia.

During Fiscal 2008, the Company established a joint venture Company to undertake manufacture and assembly operations in South Africa, which has been one of its largest export markets from India in terms of unit volume. The joint venture Company, Tata Motors (SA) (Proprietary) Limited, commenced operations in July 2011. Currently, Tata Motors (SA) (Proprietary) Limited caters to the domestic South African market and Mozambique market and, in Fiscal 2017, sold 703 chassis.

Jaguar Land Rover also has ambitious plans to continue to develop the product range, for example the new Range Rover Velar, which goes on sale in the summer of 2017. Jaguar Land Rover intends to expand its global footprint by increasing marketing and its global dealer network as well as expanding its manufacturing base in the United Kingdom and internationally, including the new manufacturing facility in Brazil, which opened in June 2016, and at the new manufacturing plant in Slovakia where production of the Land Rover Discovery is scheduled to commence in Fiscal 2018.

Reducing operating costs: The Company believes that its scale of operations provides it with a significant advantage in reducing costs and it plans to continue to sustain and enhance this cost advantage. The Company's ability to leverage its technological capabilities and its manufacturing facilities among it's commercial vehicle and passenger vehicle businesses enables it to reduce cost. For example, the diesel engine used in its Indica was modified to engineer a new variant for use in the Ace platform, which helped to reduce the project cost. Similarly, platform sharing for the manufacture of pickup trucks and UVs enables the Company to reduce capital investment that would otherwise be required, while allowing it to improve the utilization levels at it's manufacturing facilities. Where appropriate for the Company to do so, it intends to apply its existing low-cost engineering and sourcing capability to Jaguar Land Rover vehicles.

The Company's vendor relationships also contribute to its cost reductions. For example, the Company believes that the vendor rationalization program that it is undertaking will provide economies of scale to its vendors, which would benefit it's cost programs. The Company is also undertaking various internal and external benchmarking exercises that would enable it to improve the cost effectiveness of its components, systems and sub-systems.

The Company is intensified efforts to review and realign its cost structure through a number of measures such as reduction of labour costs and rationalization of other fixed costs The Jaguar Land Rover business continues to focus on cost management initiatives, such as streamlining its purchasing processes and building on its strong relationships with suppliers while increasing employee deployment and flexibility across its sites. In addition, Jaguar Land Rover continues to increase its use of its new modular aluminium architecture across vehicle platforms, which it expect will result in the use of common technology more widely across products lines and a reduction in engineering complexity.

Enhancing capabilities through the adoption of superior processes: Tata Sons and the entities promoted by Tata Sons, including the Company, aim at improving quality of life through leadership in various sectors of national economic significance. In pursuit of this goal, Tata Sons and the Tata Sons-promoted entities have institutionalized an approach, called the Tata Business Excellence Model, which has been formulated along the lines of the Malcolm Baldrige National Quality Award to enable the Company to improve performance and attain higher levels of efficiency in the Company's businesses and in discharging Company's social responsibility. The model aims to nurture core values and concepts embodied in various focus areas such as leadership, strategic planning, customers, markets and human resources, and to translate them to operational performance. The Company's adoption and implementation of this model seeks to ensure that its business is conducted through superior processes.

The Company has deployed a balance scorecard system for measurement-based management and feedback. The Company has also deployed a new product introduction process for systematic product development and a PLM system for effective product data management across its organization. The Company has adopted various processes to enhance the skills and competencies of its employees. The Company has also enhanced it's performance management system, with appropriate mechanisms to recognize talent and sustain its leadership base. The Company believes these will enhance company's way of doing business, given the dynamic and demanding global business environment.

Expanding customer financing activities: With financing a critical factor in vehicle purchases and in light of the rising aspirations of consumers in India, the Company intends to expand it's vehicle financing activities to enhance its vehicle sales. In addition to improving its competitiveness in customer attraction and retention, the Company believes that expansion of its financing business would also contribute toward moderating the impact on it's financial results from the cyclical nature of vehicle sales. To spur growth in the small commercial vehicles category, the Company has teamed up with various public sector and cooperative banks and Grameen banks to introduce new finance schemes. TMFL has increased its reach by opening a number of limited services branches in tier 2 and 3 towns. This has reduced turnaround times and, the Company believes, improved customer satisfaction. TMFL's channel finance initiative and fee-based insurance support business have also helped improve profitability.

Similarly, the Company is working on arranging financing tie-ups in international market, which is critical in ramping up retails.

Continuing to invest in technology and technical skills: The Company believes it is one of the most technologically advanced indigenous vehicle manufacturers in India. Over the years, the Company has enhanced its technological strengths through extensive in-house research and development activities. Further, the Company's research and development facilities at its subsidiaries, such as TMETC, TDCV, TTL and Trilix, together with the two advanced engineering and design centers of Jaguar Land Rover, have increased its capabilities in product design and engineering. The Jaguar Land Rover business is committed to continue to invest in new technologies to develop products that meet the opportunities of the premium market, including developing sustainable technologies (i.e. plug-in hybrids and battery electric vehicles) that improve fuel economy and reduce CO_2 emissions. The Company considers technological leadership to be a significant factor in its continued success, and therefore intends to continue to devote significant resources to upgrade its technological base.

Maintaining financial strength: The Company's cash flow (consolidated basis) from operating activities in Fiscal 2017 and 2016 was ₹30,199.25 crores and ₹37,899.54 crores, respectively. The Company's operating cash flows are primarily due to company's Jaguar Land Rover business, implementation of cost reduction programs, and prudent working capital management. The Company has established processes for project evaluation and capital investment decisions with an objective to enhance its long-term profitability.

Automotive Operations

Automotive operations is the Company's most significant segment, accounting for 99.3% and 99.5% of its total revenues in Fiscal 2017 and 2016 respectively. Revenue from automotive operations before inter-segment eliminations decreased by 1.3% to ₹2,72,692.41 crores in Fiscal 2017 as compared to ₹2,76,221.67 crores in Fiscal 2016.

The Company's automotive operations include:

- activities relating to the development, design, manufacture, assembly and sale of vehicles as well as related spare parts and accessories;
- distribution and service of vehicles; and
- financing of the Company's vehicles in certain markets.

The Company's consolidated total retail sales (including international business sales and Jaguar Land Rover sales, including Chery Jaguar Land Rover) for Fiscal 2017 and 2016 are set forth in the table below:

	Fiscal 2017		Fiscal 2016	
	Units	%	Units	%
Passenger cars	3,19,638	27.6%	2,12,152	19.9%
Utility vehicles	4,42,073	38.2%	4,61,491	43.4%
Light Commercial Vehicles	2,16,222	18.7%	2,05,531	19.3%
Medium and Heavy Commercial Vehicles	1,79,875	15.5%	1,85,422	17.4%
Total	**11,57,808**	**100.0%**	**10,64,596**	**100.0%**

The automotive operations segment is further divided into (i) Tata and other brand vehicles (including vehicle financing) and (ii) Jaguar Land Rover.

Tata and other brand vehicles (including vehicle financing)

India is the primary market for Tata and other brand vehicles (including vehicle financing). During Fiscal 2017, there was a robust and steady pace of economic growth in the geographic markets in which the Tata and other brand vehicles segment has operations.

As per the advance estimates, the Indian economy experienced a GDP growth of 7.1% in Fiscal 2017, compared to 7.9% in Fiscal 2016 (based on data from the Ministry of Statistics and Program Implementation). The Indian automobile industry experienced an increase of 8.2% in Fiscal 2017, as compared to 8.0% in Fiscal 2016. The growth of the automobile sector was affected by demonetization in third quarter of the fiscal and ban on sale and registration of BSIII vehicles in March 2017. This has affected the performance of Tata and other brand vehicles, mainly the Medium and Heavy Commercial vehicles sales. The following table sets forth the Company consolidated total sales of Tata and other brand vehicles:

	Fiscal 2017		Fiscal 2016	
	Units	%	Units	%
Passenger cars	1,40,887	25.3%	1,10,046	21.1%
Utility vehicles	20,018	3.6%	19,512	3.8%
Light Commercial Vehicles	2,16,222	38.8%	2,05,531	39.5%
Medium and Heavy Commercial Vehicles	1,79,875	32.3%	1,85,422	35.6%
Total	**5,57,002**	**100.0%**	**5,20,511**	**100.0%**

The Company's overall sales of Tata and other brand vehicles increased by 7.0% to 5,57,002 units in Fiscal 2017 from 5,20,511 units in Fiscal 2016, and the revenue (before inter-segment elimination) increased by 5.6% to ₹56,448.78 crores during Fiscal 2017, compared to ₹53,462.52 crores in Fiscal 2016.

Vehicle Sales in India

Automobile sales across categories domestically rose by 8.2% in Fiscal 2017. Sale of passenger vehicles grew by 9.6% in Fiscal 2017, as compared to Fiscal 2016 whereas Commercial vehicle sales expanded by 3.2% in Fiscal 2017.

The following table sets forth the Company's (on standalone basis) sales, industry sales and relative market share in vehicle sales in India. Passenger vehicles includes passenger cars and utility vehicles. Commercial vehicles include Medium & Heavy Commercial Vehicles and Light Commercial Vehicles.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016
	Units		%	Units		%	%	
Commercial Vehicles[1]	7,29,360	7,06,819	3.2%	3,24,175	3,26,755	(0.8)%	44.4%	46.2%
Passenger Vehicles[2]	30,34,670	27,68,290	9.6%	1,57,020	1,27,118	23.5%	5.2%	4.6%
Total	**37,64,030**	**34,75,109**	**8.3%**	**4,81,195**	**4,53,873**	**6.0%**	**12.8%**	**13.1%**

Source:
Society of Indian Automobile Manufacturers report and Company Analysis
[1] Commercial vehicles include V2 van sales.
[2] Passenger vehicles include Fiat and Jaguar Land Rover-branded cars.

Passenger Vehicles in India

Sales in the passenger vehicles industry in India increased by 9.6% in Fiscal 2017, primarily attributable to reduced fuel prices, improved consumer sentiments, and lower interest rates. Utility Vehicles sales witnessed significant growth during Fiscal 2017. Further, the van segment is also experiencing growth.

Reflecting the growth in the Indian passenger vehicle sector, the Company's passenger vehicle sales in India increased by 23.5% to 1,57,020 units in Fiscal 2017 from 1,27,118 units in Fiscal 2016, due to new product offerings by the Company.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016
	Units		%	Units		%	%	%
Micro	7,591	21,007	(63.9)%	7,591	21,007	(63.9)%	100.0%	100.0%
Compact	12,68,965	11,87,725	6.8%	1,28,888	84,472	52.6%	10.2%	7.1%
Mid-Size	1,63,567	1,81,450	(9.9)%	-	187	(100.0)%	-	0.1%
Premium and Luxury	4,013	3,266	22.9%	696	1,161	(40.1)%	17.3%	35.5%
Utility Vehicles	7,69,055	5,94,443	29.4%	19,600	19,702	(0.5)%	2.5%	3.3%
Vans[1]	1,59,943	1,49,731	6.8%	245	589	(58.4)%	0.2%	0.4%
Total[2]	**30,34,670**	**27,68,290**	**9.6%**	**1,57,020**	**1,27,118**	**23.5%**	**5.2%**	**4.6%**

Source:
Society of Indian Automobile Manufacturers report and Company Analysis
[1] Excludes V2 van sales.
[2] Total industry numbers includes sale in other segments.

The Company's passenger vehicles category consists of: (i) passenger cars and (ii) utility vehicles. The Company sold 1,37,175 units in the passenger car category in Fiscal 2017, representing an increase of 28.4% compared to 1,06,827 units in Fiscal 2016. In the utility vehicles (including vans), the Company sold 19,845 units in Fiscal 2017, representing a decrease of 2.2% from 20,291 units in Fiscal 2016. During Fiscal 2017, the Company launched Tiago and sold 58,227 units. Hexa, a crossover was launched in January 2017 and Tata Tigor was launched in last week of March 2017. All these new product launches has helped Company increasing its market share and volumes in passenger vehicles category.

Commercial Vehicles in India

The following table sets forth the Company's commercial vehicle sales, industry sales and relative market share in commercial vehicle sales in India.

Category	Industry Sales			Company Sales			Market Share	
	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016	Growth	Fiscal 2017	Fiscal 2016
	Units		%	Units		%	%	%
M&HCV	3,02,402	3,02,556	(0.1)%	1,48,774	1,57,120	(5.3)%	49.2%	51.9%
LCVs[1]	4,26,958	4,04,263	5.6%	1,75,401	1,69,635	3.4%	41.1%	42.2%
Total	**7,29,360**	**7,06,819**	**3.2%**	**3,24,175**	**3,26,755**	**(0.8)%**	**44.4%**	**46.2%**

Source:
Society of Indian Automobile Manufacturers report and Company Analysis
[1] LCVs include V2 van sales

Industry sales of commercial vehicles increased by 3.2% to 729,360 units in Fiscal 2017 from 706,819 units in Fiscal 2016. Industry sales in the medium and heavy commercial vehicle segment remained flat at 302,402 units in Fiscal 2017, as compared to 302,556 in Fiscal 2016. The sector was hit by BSIII ban and demonetization, but improvement in economic conditions brought the sale level back to previous year. Industry sales of light commercial vehicles reported an increase of 5.6% to 4,26,958 units in Fiscal 2017, from 404,263 units in Fiscal 2016. The ban on BSIII vehicles saw unprecedented discounts in prices of vehicles, which resulted in the increase in sales at the end of the fiscal.

However, overall, sales of the Company's commercial vehicles in India declined by 0.8% to 324,175 units in Fiscal 2017 from 326,755 units in Fiscal 2016. The Company's sales in the medium and heavy commercial vehicle category decreased by 5.3% to 148,774 units in Fiscal 2017, as compared to sales of 157,120 units in Fiscal 2016. However, sales in the light commercial vehicles segment increased by 3.4% to 175,401 units in Fiscal 2017, from 169,635 units in Fiscal 2016. The customers in this segment are waiting for clarity about GST, which may bring prices down. The other factors like emission norms, Bus code for safer and comfortable journey, etc. affected this segment.

Tata and other brand vehicles — International Markets

The Company's exports (on standalone basis) grew by 10.6% to 64,221 units in Fiscal 2017 as compared to 58,058 units in Fiscal 2016. The increase of imports in Nepal provided an opportunity for the Company. The launch of new models in the Middle East and Africa region, along with the opening of new markets in these regions, contributed to an increase in international sales volumes. The Company's top five (quantity terms) export destinations for vehicles manufactured in India - Bangladesh, Sri lanka, Nepal, South Africa and Tunisia accounted for approximately 85% of the exports of commercial vehicles and passenger vehicles.

In Fiscal 2017, TDCV's overall vehicles sales increased by 13.2% to 10,317 units, from 9,116 units in Fiscal 2016, mainly due to increase in domestic sales. TDCV continued to have strong performance in the domestic market despite increased competition and increased sales by 25% to 8,795 vehicles, second highest in TDCV history, compared to sales of 7,036 vehicles in Fiscal 2016, primarily due to strong demand from construction sector and replacement demand including factors such as low interest rates and diesel prices. However, the export market was very challenging. Factors, such as- low oil prices, local currency depreciation against the US Dollar, continuing statutory regulations to reduce imports, the slowdown in Chinese economy impacting commodity exporting countries, and increased dealer inventory adversely impacted TDCV's exports in major markets, such as GCC, Russia, Algeria, Vietnam and South Africa. The export sales were 1,522 commercial vehicles, 26.8% lower compared to 2,080 commercial vehicles in Fiscal 2016.

Tata and other brand vehicles — Sales, Distribution and Support

The Company's sales and distribution network in India as at March 2017 comprised approximately 4,538 contact points for sales and service for its passenger and commercial vehicle business. The Company's subsidiary, TML Distribution Company Limited, or TDCL, acts as a dedicated distribution and logistics management Company to support the sales and distribution operations of its vehicles in India. The Company believes this has improved the efficiency of its selling and distribution operations and processes. The Company uses a network of service centers on highways and a toll-free customer assistance center to provide 24-hour roadside assistance, including replacement of parts, to vehicle owners.

TDCL provides distribution and logistics support for vehicles manufactured at the Company's facilities and has set up stocking points at some of Company's plants and at different places throughout India. TDCL helps us improve planning, inventory management, transport management and timing of delivery. The Company has customer relations management system, or CRM, at all of its dealerships and offices across the country, which supports users both at its Company and among its distributors in India and abroad.

The Company markets its commercial and passenger vehicles in several countries in Africa, the Middle East, South East Asia, South Asia, Australia, Latin America, Russia and the Commonwealth of Independent States countries. The Company has a network of distributors in all such countries, where it exports its vehicles. Such distributors have created a network of dealers and branch offices and facilities for sales and after-sales servicing of the Company's products in their respective markets. The Company has also stationed overseas resident sales and service representatives in various countries to oversee its operations in the respective territories.

Through the Company's vehicle financing division and wholly owned subsidiary, TMFL along with Tata Motors Finance Solutions Ltd or TMFSL, the Company provides financing services to purchasers of its vehicles through independent dealers, who act as the Company's agents for financing transactions, and through the Company's branch network. Revenue from the Company's vehicle financing operations (on Consolidated basis as per Ind AS) decreased by 8.4% to ₹2,429.23 crores in Fiscal 2017 as compared to ₹2,240.03 crores in Fiscal 2016.

TMFL disbursed ₹9,298 crores and ₹8,985 crores in vehicle financing during Fiscal 2017 and 2016, respectively. During Fiscal 2017 and 2016, approximately 22% and 23%, respectively, of the Company's vehicle unit sales in India were made by the dealers through financing arrangements where the Company's captive vehicle financing divisions provided the support. Total vehicle finance receivables outstanding as at March 31, 2017 and 2016 amounted to ₹17,563.25 crores and ₹15,751.47 crores, respectively. As at March 31, 2017 and 2016, the Company's customer finance receivable portfolio comprised 552,991 and 584,101 contracts, respectively. The Company follow specified internal procedures, including quantitative guidelines, for selection of its finance customers and assist in managing default and repayment risk in the Company's portfolio. The Company originate all of the contracts through its authorized dealers and direct marketing agents with whom the Company have agreements. All the Company's marketing, sales and collection activities are undertaken through dealers or by TMFL.

Tata and other brand vehicles — Spare Parts and After-sales Activity

The Company's consolidated spare parts and after-sales activity revenue was ₹4,419.90 crores in Fiscal 2017, compared to ₹4,088.74 crores in Fiscal 2016. The Company's spare parts and after-sales activity experienced limited growth due to weak sales of both commercial vehicles and passenger vehicles in recent years.

Tata and other brand vehicles — Competition

The Company faces competition from various domestic and foreign automotive manufacturers in the Indian automotive market. Improving infrastructure and robust growth prospects compared to other mature markets has attracted a number of international companies to India that have either formed joint ventures with local partners or have established independently owned operations in India. Global competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources, and, as a result, competition is likely to further intensify in the future. The Company has designed its products to suit the requirements of the Indian market based on specific customer needs such as safety, driving comfort, fuel-efficiency and durability. The Company believes that its vehicles are suited to the general conditions of Indian roads and the local climate. Its vehicles have also been designed to comply with applicable environmental regulations currently in effect. The Company also offers a wide range of optional configurations to meet the specific needs of its customers and intends to develop and is developing products to strengthen its product portfolio in order to meet the increasing customer expectations of owning world-class products.

Tata and other brand vehicles — Seasonality

Demand for the Company's vehicles in the Indian market is subject to seasonal variations. Demand for the Company's vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year-end.

Jaguar Land Rover

Total wholesales of Jaguar Land Rover vehicles (including Chery

Jaguar Land Rover) with a breakdown between Jaguar and Land Rover brand vehicles, in Fiscal 2017 and 2016 are set forth in the table below:

	Year ended March 31			
	Fiscal 2017		Fiscal 2016	
	Units	%	Units	%
Jaguar	1,78,751	29.8%	1,02,106	18.8%
Land Rover	4,22,055	70.2%	4,41,979	81.2%
Total	**6,00,806**	**100.0%**	**5,44,085**	**100.0%**

In Fiscal 2017, Jaguar Land Rover wholesale volumes were 600,806 units (including unconsolidated sales from the China Joint Venture), up 10% compared to Fiscal 2016 primarily reflecting the introduction of the Jaguar F-PACE and continued strong demand for the Land Rover Discovery Sport partially offset by the production run-out of the Land Rover Defender and Discovery ahead of the start of sales of the all new Discovery in the fourth quarter of Fiscal 2017. Wholesale volumes were up in China (30%), North America (21%), Europe (9%), and the United Kingdom (4%) but down 12% in other overseas markets, which includes Russia, Brazil and South Africa.

Jaguar wholesale volumes were 178,751 units, up 75% compared to Fiscal 2016, reflecting the introduction of the Jaguar F-PACE and the launch of the XE in the US in May 2016. However, Land Rover wholesale volumes were 422,055 units, down 5% compared to the prior fiscal year as continuing strong demand for the Land Rover Discovery Sport, solid sales of the Range Rover Evoque and the start of sales of the all new Discovery were offset by the production run-out of the Defender and the previous Discovery model.

Jaguar Land Rover's performance in key geographical markets on a retail basis

Retail volumes (including retail sales from the China Joint Venture) in Fiscal 2017 increased by 16% to 604,009 units from 521,571 units in Fiscal 2016 following the introduction of the Jaguar F-PACE, the launch of XE in the US and continued strong demand for the Land Rover Discovery Sport which offset the production run-out of Defender and Discovery with retail sales of the all new Discovery only starting in February 2017. Jaguar XF retail volumes were higher supported by the launch of the long wheelbase XFL from Company's joint venture in China.

United Kingdom

Industry vehicle sales rose by 2.1% in Fiscal 2017 in the United Kingdom broadly in-line with economic growth despite the outcome of the Brexit vote. Jaguar Land Rover retail volumes increased by 16% to 124,755 units in Fiscal 2017 from 107,371 units in Fiscal 2016, with a strong sales performance from Jaguar, up 42% in Fiscal 2017, reflecting the introduction of the F-PACE and solid sales of the XF. Land Rover retail volumes increased by 7%, reflecting continued strong demand for Discovery Sport and Evoque as well as solid sales of the Range Rover Sport.

North America

Economic performance in North America was generally favourable in Fiscal 2017 as the labour market approached full employment and the Federal Reserve increased interest rates by another 0.25% in March. Passenger car sales were broadly in-line with the prior year but Jaguar Land Rover retail volumes increased by 24% in Fiscal 2017 to 123,527 units from 99,606 units in Fiscal 2016. Jaguar retail sales were up over 150% in North America with the introduction of the F-PACE and XE at the beginning of the year. Land Rover retailed 81,949 in Fiscal 2017, down slightly 1%, as continued strong demand for the Land Rover Discovery Sport and solid sales of the Range Rover Sport were offset by softer sales of the Range Rover and the Evoque as well as the run-out of the Discovery.

Europe

Passenger car sales increased by 6.9% in Europe supported by positive, albeit lower, economic growth, improving labour markets as well as lower inflation. Jaguar Land Rover retail sales of 141,043 units in Europe were higher than in any of the Company's other key regions in Fiscal 2017, up 13% compared to 124,734 units sold in Fiscal 2016. Jaguar volumes increased by 92% to 40,332 units in Fiscal 2017 compared to 21,051 units in Fiscal 2016, primarily driven by the introduction of the F-PACE and solid sales of XF. Land Rover retails were 100,711 units in Fiscal 2017, down 3% compared to the 103,683 units in Fiscal 2016 as solid sales of the Discovery Sport, Range Rover Sport, Range Rover and Evoque were offset by the production run-out of Defender and the prior Discovery Model.

China

Passenger car sales in China increased by 14.5% in Fiscal 2017 supported by GDP growth in-line with the government's target and a stronger economic performance more recently. Jaguar Land Rover retail volumes (including sales from the China Joint Venture) increased by 32% to 125,207 units in Fiscal 2017 from 95,167 units in Fiscal 2016. Jaguar retail sales in Fiscal 2017 were 29,351 units, up 93% compared to the 15,230 units sold in Fiscal 2016 led by the introduction of the F-PACE and the start of sales of the long wheelbase Jaguar XFL from Company's China joint venture in September 2016 as well as positive sales growth of other Jaguar models. Land Rover retail sales were 95,856 units in Fiscal 2017, up 20% compared to the 79,937 units sold in Fiscal 2016 led by strong sales of the Discovery Sport from company's joint venture in China, and solid sales growth of Range Rover and Range Rover Sport.

Other Overseas markets

Jaguar Land Rover's retail volumes in the other overseas markets declined by 6% to 89,477 units in Fiscal 2017 compared to 94,693 units in the prior year. Jaguar retail volumes were 22,455 units, up 60% compared to the 14,047 units last year with the introduction of the F-PACE and solid sales of Jaguar's XE and XF saloon models. Land Rover retail volumes were 67,022 units, down 17% on the 80,646 units retailed in Fiscal 2016 as solid sales of the Discovery Sport were more than offset by the production run-out of the Defender and Discovery as well as softer sales of Range Rover, Range Rover Sport and Evoque.

Jaguar Land Rover's Sales & Distribution

As at March 31, 2017, Jaguar Land Rover distribute its vehicles in approximately 124 markets for Jaguar and approximately 136 markets for Land Rover globally. Sales locations for vehicles are operated as independent franchises. Jaguar Land Rover are represented in its key markets through its National Sales Company's ("NSC's") as well as third party importers. Jaguar and Land Rover have regional offices in certain select countries that manage customer relationships and vehicle supplies and provide marketing and sales support to their regional importer markets. The remaining importer markets are managed from the United Kingdom.

Jaguar Land Rover products are sold through a variety of sales channels: through its dealerships for retail sales; for sale to fleet customers, including daily rental car companies; commercial fleet customers; leasing companies; and governments. Jaguar Land Rover do not depend on a single customer or small group of customers to the extent that the loss of such a customer or group of customers would have a material adverse effect on its business.

As at March 31, 2017, Jaguar Land Rover global sales and distribution network comprised 20 NSCs, 78 importers, 15 export partners and 1,585 franchise sales dealers, of which 1,097 are joint Jaguar and Land Rover dealers.

Jaguar Land Rover — Competition

Jaguar Land Rover operates in a globally competitive environment and faces competition from established premium and other vehicle manufacturers who aspire to move into the premium performance car and premium SUV markets, some of which are much larger than they are. Jaguar vehicles compete primarily against other European brands such as Audi, Porsche, BMW and Mercedes Benz. Land Rover and Range Rover vehicles compete largely against SUVs from companies such as Audi, BMW, Infiniti, Lexus, Mercedes Benz, Porsche, Volvo and Volkswagen.

Jaguar Land Rover — Seasonality

Jaguar Land Rover volumes are impacted by the biannual change in age related registration plates of vehicles in the United Kingdom, where new age related plate registrations take effect in March and September. This has an impact on the resale value of the vehicles because sales are clustered around the time of the year when the vehicle registration number change occurs. Seasonality in most other markets is driven by introduction of new model year vehicles and derivatives. Furthermore, Western European markets tend to be impacted by summer and winter holidays, and the Chinese market tends to be affected by the Lunar New Year holiday in either January or February, the PRC National Day holiday and the Golden Week holiday in October. The resulting sales profile influences operating results on a quarter to quarter basis.

Other Operations Overview

The Company's other operations business segment mainly includes information technology services, machine tools and factory automation services. The Company's revenue from other operations before inter-segment eliminations was ₹3,184.06 crores in Fiscal 2017, an increase of 7.8% from ₹2,953.89 crores in Fiscal 2016. Revenues from other operations represented 1.2% and 1.1% of total revenues, before inter-segment eliminations, in Fiscal 2017 and 2016.

Research and Development

Over the years, the Company has devoted significant resources toward its research and development activities. The Company's research and development activities focus on product development, environmental technologies and vehicle safety. In India, Company's Engineering Research Centre (ERC), established in 1966, is one of the few in-house automotive research and development centers in India recognized by the Government of India. The ERC is integrated with all of the Tata Motors Global Automotive Product Design and Development Centers in South Korea, Italy and the United Kingdom.

In Fiscal 2017, the focus was on strengthening the Company's product portfolio to address key gaps in existing market, identify white space opportunity in line with changing trends and introduce value-added technologies to improve the attractiveness of the

Company's products. This is in alignment with Tata Motors' efforts to make itself 'FutuReady' by embracing new technologies, fostering higher platform efficiency and offering solutions that connect with the aspirations of the Company's customers. For passenger vehicles, the focus is on great design, great driving experience and features. Therefore, the research and development portfolio is aligned towards developing technologies, core competencies and skill sets in these specific domains to ensure impactful and timely delivery of the envisaged future products with class leading product attributes. For commercial vehicles, in addition to design, the main focus areas are occupant comfort, reducing the total cost of ownership, to be a market leader in fuel efficiency and delivering high performance and reliable products.

In addition to this, the Company also runs several innovation projects in the domains of light weighting, xEVs and Hybrids, Connected vehicles, ADAS features. While all its current products comply with the existing emission norms, the Company is gearing up to be ready with the upcoming BSVI regulations in India. Product competitiveness for the Company's engines/vehicles is targeted through customer value propositions such as best-in-class fuel efficiency, superior performance, better total low cost of ownership, increased service interval, reduced downtime & turn-around time. Application specific technology selection & duty cycle based performance optimization are key enablers to achieve these goals. Enhanced fuel efficiency and thereby reduction in carbon footprint is planned to be achieved through various powertrain as well as vehicle level measures. The Company is investing significantly in development efforts, capital equipment and in infrastructure to meet BSVI requirements for all the Company's products over next 2 to 3 years

In passenger vehicles, the recently launched Hexa and Tigor received critical recognition from Media and customers for its attributes on design, connectivity, driving dynamics. These Innovative products have unique design and offer unique ownership experience to customers. The Super Drive Modes system in Hexa offers seamless integration of Vehicle engine performance, new generation Electronic Stability Program, Torque on demand, and intuitive HMI. Switching between four drive modes - Auto, Comfort, Dynamic and Rough Road, provides enhanced ride comfort & stability over different terrains. The premium acoustic experience is introduced in Hexa and Tigor with ConnectNext Infotainment system along with ConnectNext apps suite to attract young minds.

In commercial vehicles, following developments are encouraging:

- Electric Driveline for various categories of commercial vehicles ranging from last mile passenger transport, mini, midi & large buses to support initiative of green and eco-friendly transport solution and reduce dependency on carbon based fuels.
- Series Hybrid Bus with new generation 5L engine with advanced features for eco-friendly operation as well as best in class features for comfort and convenience for commuter especially elderly and physically challenged people.
- Advanced automated manual transmission for Buses & Trucks for optimum fuel economy and ease of driving and fatigue reduction.
- Advanced safety features such as collision mitigation, lane departure warning to improve the road safety.
- Buses & Trucks to run on LNG as alternate fuel for increasing the fuel efficiency as well as spreading the use of alternate fuels.

During Fiscal 2017, the Company filed 80 Patent Applications and 52 Design applications. In respect of applications filed in earlier years, 22 Patents were granted and 26 Designs were registered. Both filing and grant details include national and international jurisdictions.

The Company plans to continue its endeavour in the research and development space to develop vehicles with reduced cost, time to market and shorter product life cycles. One of the main future initiatives in this direction would be a platform approach of creating bills of material and bills of process that have a high degree of commonality to reduce complexity and enhance ability to the scale. Thus, Advance Modular Platform (AMP) is being developed as next generation, futuristic, scalable & modular platform wherein multiple segment products can be developed with improved economies of scale. This will also enable to reduce number of platform in the long run to make the business FutuReady, reduce complexity and cut costs. Also, the Company aims for timely and successful conclusion of technology projects so as to begin their induction into mainstream products, which will lead to a promising future.

The Company has constantly adopted new technologies and practices in the digital product development domain to improve the product development process. This has led to better front loading of product creation, validation and testing, which results in greater likelihood of timely delivery and ensuring that new products are properly developed from the beginning. Niche integration tools, systems and processes continue to be enhanced in the areas of CAx, knowledge based engineering, or KBE, product lifecycle management, or PLM and manufacturing planning management, or MPM, for more efficient end-to-end delivery of the product development process. To deliver projects which meets customer target and to do the things first time right, the Company is working on one of the critical project known as Requirements Management Design Verification and Validation (RMDV2). This project will bring system engineering approach towards the Company's product development process, which will bring all engineering design rules and standards on one platform to meet the design requirement. In terms of physical assets used for product validation and testing, the Company has state-of-the-art facilities, such as Crash Lab, which is a facility where crash tests are performed, engine development and testing facilities, prototype shop and noise, vibration and harshness refinement facilities. These facilities are used extensively to physically validate the new products in a robust manner before they enter the market.

Jaguar Land Rover's research and development operations are built around state-of-the-art engineering facilities, extensive test tracks, testing centers, design hubs and virtual innovation center. The ERC in India and Jaguar Land Rover's engineering and development operations in the United Kingdom have identified areas in which to leverage the facilities and resources to enhance the product development process and to achieve economies of scale.

Jaguar Land Rover's two design and development centres are equipped with computer-aided design, manufacturing and engineering tools configured to support an ambitious product development cycle plan. In recent years, Jaguar Land Rover has refreshed the entire Jaguar range under a unified concept and design language and has continued to enhance the design of Land Rover's range of all-terrain vehicles. The majority of Jaguar Land Rover's products are designed and engineered in the United Kingdom and Jaguar Land Rover endeavours to implement the best technologies into its product range to meet the requirements of a globally competitive market and to comply with regulatory requirements. Jaguar Land Rover currently offers hybrid technology on some of its models such as the Range Rover and Range Rover Sport and are also developing more efficient powertrains and other alternative propulsion technologies. This includes smaller and more efficient 2.0 litre diesel and petrol engines (now available across the majority of the Company's model range), stop start, mild and plug-in hybrids as well as battery electric vehicles, to satisfy growing customer demand and to further improve the environmental performance of its vehicles including the reduction of CO_2 emissions.

Jaguar Land Rover endeavour to apply the best technologies for their product range to meet the requirements of a globally competitive market and all vehicles and engines are compliant with the prevalent regulatory norms in the respective countries in which they are sold.

Intellectual Property

The Company creates, its own, and maintains a wide array of intellectual property assets throughout the world that are among the Company's most valuable assets. The Company's intellectual property assets include patents, trademarks, copyrights, designs, trade secrets and other intellectual property rights. The Company proactively and aggressively seek to protect its intellectual property in India and other countries.

The Company own a number of patents and have applied for new patents, which are pending for grant in India, as well as in other countries. The Company has also filed a number of patent applications outside India under the Patent Cooperation Treaty, which the Company expects will be effective in other countries going forward. The Company also obtain new patents as part of its ongoing research and development activities.

The Company owns registrations for a number of trademarks and has pending applications for registration of these in India, as well as in other countries. The registrations mainly include trademarks for company's vehicle models and other promotional initiatives. The Company uses the Tata brand, which has been licensed by Tata Sons. The Company believes that establishment of the Tata word mark and logo mark in India and around the world is material to Company's operations. As part of its acquisition of TDCV, the Company has rights to the perpetual and exclusive use of the Daewoo brand and trademarks in South Korea and overseas markets for the product range of TDCV.

As part of the acquisition of the Company's Jaguar Land Rover business, ownership (or co-ownership, as applicable) of core intellectual property associated with Jaguar Land Rover was transferred to the Company; however, such intellectual property is still ultimately owned by Jaguar Land Rover entities. Additionally, perpetual royalty-free licenses to use other essential intellectual property from the third parties have been granted to company for use in Jaguar and Land Rover vehicles. Jaguar Land Rover owns registered designs to protect the design of its vehicles in several countries.

In varying degrees, all of Company's intellectual property is important to it. In particular, the Tata, Jaguar, Land Rover and Range

Rover brands are integral to the conduct of Company's business, a loss of which could lead to dilution of Company's brand image and have a material adverse effect on its business.

Components and Raw Materials

The principal materials and components required for use in Tata and other brand vehicles are steel sheets (for in-house stampings) and plates, iron and steel castings and forgings, alloy wheels, tyres, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables (such as paints, oils, thinner, welding consumables, chemicals, adhesives and sealants) and fuels. The Company also requires aggregates axles, engines, gear boxes and cams for its vehicles, which are manufactured in-house or by its subsidiaries, affiliates, joint ventures and strategic suppliers. The Company has long-term purchase agreements for some critical components such as transmissions and engines. The Company has established contracts with some commodity suppliers to cover its own as well as its suppliers' requirements in order to moderate the effect of volatility in commodity prices. The Company has also undertaken special initiatives to reduce material consumption through value engineering and value analysis techniques.

The Company has reorganized the sourcing department in India under two divisions, namely, Purchasing and Supplier Quality (P&SQ) and Supply Chain Management. P&SQ includes Purchase Programme Management (PPM). The reorganization was done in order to establish and define responsibility and accountability in the sourcing department. Purchasing oversees the commercial aspects of product sourcing; Supplier Quality is primarily responsible for development of new components and maintaining the quality of supplies that the Company purchases; Supply Chain oversees the logistics of the supply and delivery of parts for its vendors while PPM oversees execution of new projects.

As part of the Company's strategy to become a value for money vehicle manufacturer, it has undertaken various initiatives to reduce its fixed and variable costs. The Company uses an e-sourcing initiative to procure supplies through reverse auctions. The Company uses external agencies such as third-party logistics providers. This has resulted in space and cost savings. The Company's initiatives to leverage information technology in supply chain activities have resulted in improved efficiency through real-time information exchanges and processing with its suppliers.

The Company has an established a sixteen-step supplier quality process in order to ensure the quality of outsourced components. The Company formalized the component development process using Automotive Industry Action Group guidelines. The Company also has a programme for assisting suppliers from whom it purchases raw materials or components to maintain quality. Preference is given to suppliers with TS 16949 certification. The Company also maintains a stringent quality assurance programme that includes random testing of production samples, frequent recalibration of production equipment and analysis of post-production vehicle performance, as well as an ongoing dialogue with supplier partners to eliminate production defects.

The Company is also exploring opportunities for increasing the global sourcing of parts and components from low-cost countries, and has in place a supplier management programme that includes supplier base rationalization, supplier quality improvement and supplier satisfaction surveys. The Company has begun to include its supply chain in its initiatives on social accountability and environment management activities, including its Conflict Minerals Compliance Program, supply chain carbon footprint measurement and knowledge sharing on various environmental aspects.

The principal materials and components required for use in Jaguar Land Rover vehicles are steel and aluminum sheets, aluminium castings and extrusions, iron and steel castings and forgings and items such as alloy wheels, tires, fuel injection systems, batteries, electrical wiring systems, electronic information systems and displays, leather-trimmed interior systems such as seats, cockpits, doors, plastic finishers and plastic functional parts, glass and consumables such as paints, oils, thinner, welding consumables, chemicals, adhesives, sealants and fuels. Jaguar Land Rover also requires certain highly functional components such as axles, engines and gear boxes for its vehicles, which are mainly manufactured by strategic suppliers. Jaguar Land Rover has long-term purchase agreements for critical components such as transmissions with ZF Friedrichshafen AG and for engines with Ford and the Ford-PSA joint venture. The components and raw materials in Jaguar Land Rover cars include steel, aluminum, copper, platinum and other commodities. Jaguar Land Rover has established contracts with certain commodity suppliers, such as Novelis, to cover its own and its suppliers' requirements to mitigate the effect of high volatility. Special initiatives are also undertaken to reduce material consumption through value engineering and value analysis techniques.

Jaguar Land Rover works with a range of strategic suppliers to meet its requirements for parts and components and they endeavour to work closely with their suppliers to form short and medium term plans for the business. The Jaguar Land Rover business has established quality control programmes to ensure that externally purchased raw materials and components are monitored and meet its quality standards. Jaguar Land Rover also outsources many of the manufacturing processes and activities to various suppliers. Where this is the case, Jaguar Land Rover provides training to the outside suppliers who design and manufacture the required tooling and fixtures. Such programmes include site engineers who regularly interface with suppliers and carry out visits to supplier sites and ensure that the relevant quality standards are being met. Site engineers are also supported by persons in other functions, such as program engineers who interface with new model teams as well as resident engineers located at the Jaguar Land Rover plants, who provide the link between the site engineers and the Jaguar Land Rover plants. Jaguar Land Rover has in the past worked, and is expected to continue to work, with its suppliers to optimize their procurement of components, including the sourcing of certain raw materials and component requirements from low-cost countries.

Although Jaguar Land Rover have commenced the production of their own "in house" four cylinder diesel and petrol engines, at present they continue to source a significant proportion of their engines from Ford or the joint venture between Ford and PSA on an arm's-length basis.

Suppliers

The Company has an extensive supply chain for procuring various components. The Company also outsources many manufacturing processes and activities to various suppliers. In such cases, it provides training to external suppliers who design and manufacture the required tools and fixtures.

The Company's associate company, Tata AutoComp Systems Ltd., or TACO, manufactures automotive components and encourages the entry of internationally acclaimed automotive component manufacturers into India by setting up joint ventures with them.

The Company's other suppliers include some of the large Indian automotive supplier groups with multiple product offerings, such as the Anand Group, the Sona Group, and the TVS Group, as well as large multinational suppliers, such as Bosch, Continental, Delphi and Denso, Johnson Controls Limited for seats and Yazaki AutoComp Limited for wiring harnesses. The Company continue to work with company's suppliers for its Jaguar Land Rover business to optimize procurements and enhance its supplier base, including for the sourcing of certain of company's raw material and component requirements. In addition, the co-development of various components, such as engines, axles and transmissions also continue to be evaluated, which the Company believes may lead to the development of a low-cost supplier base for Jaguar Land Rover.

In India, the Company has established vendor parks in the vicinity of its manufacturing operations and vendor clusters have been formed at Company's facilities at Pantnagar and Sanand. This initiative is aimed at ensuring availability of component supplies on a real-time basis, thereby reducing logistics and inventory costs as well as reducing uncertainties in the long distance supply chain. Efforts are being taken to replicate the model at new upcoming locations as well as a few existing plant locations. The Company also encourage suppliers to follow sustainability principles and ensuring long-term sustainability.

As part of Company's pursuit of continued improvement in procurement, it has integrated its system for electronic interchange of data with its suppliers. This has facilitated real time information exchange and processing, which enables the Company to manage supply chain more effectively.

The Company has also started working on a new initiative "Auto Data Exchange (autoDX)". It is a collaborative initiative by Society of Indian Automobile Manufacturers (SIAM) and Automotive Components Manufacturers Association (ACMA) developed by IBM. autoDX is delivered on a Business-to-Business Cloud based Platform that has the power to transform the Automotive Industry by accelerating the movement of data & reducing transaction cost.

In 2016, the Company had introduced a comprehensive supplier assessment processes MSA (Manufacturing site assessment). The framework is broadly based on lead measures and lag measures to assess the suppliers capability and for the first time the company have put in place a financial risk assessment that would help in bringing a consistent level of oversight to it.

The Company has established processes to encourage improvements through knowledge sharing among it's vendors through an initiative called the Vendor Council, which consists of the Company's senior executives and representatives of major suppliers. The Vendor Council also helps in addressing common concerns through joint deliberations. The Vendor Council works on four critical aspects of engagement between the Company and the suppliers: quality, efficiency, relationships and new technology development.

The Company import some components that are either not available in the domestic market or when equivalent domestically available components do not meet company's quality standards. The Company also imports some products based on competitive pricing and capacity/lead time where domestic suppliers are not able to meet Company's requirements.

Long-term agreements have been entered into with Ford for technology sharing and joint development providing technical support across a range of technologies focused mainly around powertrain engineering such that the Company may continue to operate according to its existing business plan. This includes the EuCD platform, a shared platform consisting of shared technologies, common parts and systems and owned by Ford, which is shared among Land Rover, Ford and Volvo Cars.

Supply agreements, aligned to the business cycle plan and having end-stop dates to December 2020 at the latest, were entered into with Ford Motor Company for (i) the long-term supply of engines developed by Ford, (ii) engines developed by the Company but manufactured by Ford and (iii) engines developed by the Ford-PSA joint venture. Purchases under these agreements are generally denominated in euro and pounds sterling.

Following the global financial crisis and its cascading effect on the financial health of Company's suppliers, it has commenced efforts to assess supplier financial risk. Suppliers are appraised based on Company's long-term requirements through a number of platforms, such as Vendor Council meetings, council regional chapter meetings, national vendor meets and location-specific vendor meets.

OPPORTUNITIES:

The Union budget of 2017, has provided funds worth ₹6,400 crores for Infrastructure development including highway development has been set up, which is good for Heavy machinery and construction equipment manufacturers.

The Indian economy is slated to prosper along with China (estimated growth rate of more than 5%). This creates opportunity in rise in vehicle ownership. By 2020, transportation will have 23% of private consumer spending which is perfectly synergistic with the fact that automotive sales in Indian market is destined to resonate with global economic shift. India's car market is expected to grow to 6 million plus units annually in next two years.

The Automotive Mission Plan 2016-26 aims at 13% share of automotive industry in GDP, along with implementation of BSIV vehicles in 2019, BSVI Vehicles in 2019 and Increase in Value added services. National Electric Mobility Mission, aims at providing 7 million electric cars 2020, along with concession in manufacturing of selected parts for electric cars. Use of Block chain in Supply chain; augmented reality in designing and manufacturing; 3D printing and Four-cylinder supercar. At a global level, increasing levels of environmental regulations adds up the complexity quotient in design, marked by diverging behaviour.

Jaguar Land Rover intends to grow its business by diversifying its product range to compete in new segments, for example the Jaguar XE sports saloon, the Jaguar F-PACE (on sale since April 2016) and the new Range Rover Velar (goes on sale in the summer of 2017) ensures that Jaguar Land Rover competes in new premium segments with class-leading products that further supports their growth plans.

FINANCIAL PERFORMANCE ON A CONSOLIDATED BASIS

The Company has adopted Indian Accounting Standards on April 1, 2016, with the transition date as April 1, 2015. Accordingly, financial statements for Fiscal 2017 along with the comparatives (Fiscal 2016) have been prepared in accordance with the recognition and measurement principles stated therein, prescribed under section 133 of the Companies Act 2013 read with the relevant rules issued thereunder and the other accounting principles generally accepted in India.

The financial information discussed in this section is derived from the Company's Audited Consolidated Financial Statements.

Overview

The Company income from operations including finance revenues decreased by 1.1% to ₹274,492.12 crores in Fiscal 2017 from ₹277,660.59 crores in Fiscal 2016. The decrease is attributable to ₹27,686 crores impact due to unfavourable currency translation from GB£ to INR. The Company's net income (attributable to shareholders of the Company) declined by 35.6% to ₹7,454.36 crores in Fiscal 2017 from ₹11,579.31 crores in Fiscal 2016. Overall, earnings before other income, finance cost and tax, were ₹15,593.80 crores in Fiscal 2017 compared to ₹21,596.73 crores in Fiscal 2016, a decrease of 27.8%. The decrease in net income was primarily driven by performance at India operations of the Company, foreign exchange losses at Jaguar Land Rover business coupled with higher depreciation and amortization.

The Company has pursued a strategy of increasing exports of Tata and other brand vehicles to new and existing markets. The performance of the Company's subsidiary in South Korea, TDCV, and TTL, its specialized subsidiary engaged in engineering, design and information technology services, contributed to its revenue from international markets. Improved market sentiment in certain countries to which the Company exports and the strong sales performance of Jaguar Land Rover has enabled the Company to increase its sales in these international markets in Fiscal 2017. However, due to unfavourable currency translation from GB£ to INR and also growth in revenue in India in Fiscal 2017, the proportion of the Company's net sales earned from markets outside of India decreased to 82.5% in Fiscal 2017 from 83.4% in Fiscal 2016. The following table sets forth the Company's revenues from its key geographical markets and the percentage of total revenues that each key geographical market contributes for the periods indicated:

Revenue	Fiscal 2017		Fiscal 2016	
	(₹in crores)	%	(₹in crores)	%
India	47,101.21	17.2%	46,027.25	16.6%
United States	42,935.31	15.6%	43,809.17	15.8%
UK	50,588.18	18.4%	46,209.94	16.6%
Rest of Europe*	47,122.48	17.2%	41,575.25	15.0%
China	41,369.40	15.1%	48,760.19	17.6%
Rest of World*	45,375.54	16.5%	51,278.79	18.5%
Total	**274,492.12**	**100.0%**	**277,660.59**	**100.0%**

* The Rest of Europe market is geographic Europe, excluding the United Kingdom and Russia. The Rest of the World market is any region not included above.

The Company's operations is divided into automotive operations and other operations as described further below. The table below sets forth the breakdown in revenues between the Company automotive operations and other operations in Fiscal 2017 and 2016 and the percentage change from period to period.

	Fiscal 2017	Fiscal 2016	Change
	(₹in crores)		%
Automotive operations	272,692.41	276,221.67	(1.3)%
Others	3,184.06	2,953.89	7.8%
Inter-segment elimination	(1,384.35)	(1,514.97)	(8.6)%
Total	**274,492.12**	**277,660.59**	**(1.1)%**

Automotive operations

Automotive operations are the Company most significant segment, accounting for 99.3% of the Company's total revenues in Fiscal 2017 and 99.5% of the Company's total revenue in Fiscal 2016. In Fiscal 2017, revenue from automotive operations before inter-segment eliminations was ₹272,692.41 crores as compared to ₹276,221.67 crores in Fiscal 2016, a decrease of 1.3%.

The following table sets forth selected data regarding the Company's automotive operations for the periods indicated, and the percentage change from period to period (before inter-segment eliminations).

	Fiscal 2017	Fiscal 2016	Change
			%
Total revenue (₹ in crores)	272,692.41	276,221.67	(1.3)%
Earning before other income, interest and tax (₹in crores)	15,324.12	21,244.44	(27.9)%
Earning before other income, interest and tax (% to total revenue)	5.6%	7.7%	

The Company's automotive operations segment is further divided into Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover. In Fiscal 2017, Jaguar Land Rover contributed 79.4% of the Company's total automotive revenue compared to 80.7% in Fiscal 2016 and the remaining 20.6% was contributed by Tata and other brand vehicles in Fiscal 2017 compared to 19.3% in Fiscal 2016.

The Company's revenue from Tata and other brand vehicles (including vehicle financing) and Jaguar Land Rover in Fiscals 2017 and 2016 and the percentage change from period to period (before intra-segment eliminations) is set forth in the table below.

	Fiscal 2017	Fiscal 2016	Change
	(₹in crores)		%
Tata and other brand vehicles	56,448.78	53,462. 52	5.6%
Jaguar Land Rover	216,388.82	222,822.93	(2.9%)
Intra-segment elimination	(145.19)	(63.78)	127.6%
Total	**272,692.41**	**276,221.67**	**(1.3%)**

Other operations

The following table sets forth selected data regarding the Company's other operations for the periods indicated and the percentage change from period to period (before inter-segment eliminations).

	Fiscal 2017	Fiscal 2016	Change (%)
Total revenue (₹ in crores)	3,184.06	2,953.89	7.8%
Earning before other income, interest and tax (₹ in crores)	471.90	436.24	8.2%
Earning before other income, interest and tax (% to total revenue)	14.8%	14.8%	

The other operations business segment includes information technology, machine tools and factory automation solutions. In Fiscal 2017, revenue from other operations before inter-segment eliminations was ₹3,184.06 crores compared to ₹2,953.89 crores in Fiscal 2016. Results for the other operations business segment before other income, finance cost, tax and exceptional items (before inter-segment eliminations) were ₹471.90 crores in Fiscal 2017 as compared to ₹436.24 crores for Fiscal 2016.

Results of Operations

The following table sets forth selected items from the Company's consolidated statement of profit and loss for the periods indicated and shows these items as a percentage of total revenues:

	Fiscal 2017 (%)	Fiscal 2016 (%)
Income from operations	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	60.4	58.8
Excise duty	1.8	1.7
Employee Cost	10.3	10.4
Other expenses (net)	20.2	20.1
Amount capitalized	(6.1)	(6.0)
Total expenditure	86.6	85.0
Other income	0.3	0.3
Profit before exceptional items, Depreciation and amortization expense, Foreign exchange (gain)/loss (net), Finance cost and Tax	13.7	15.4
Depreciation and Amortization (including product development/engineering expenses written off)	7.8	7.3
Finance costs	1.5	1.8
Foreign exchange loss (net)	1.4	0.6
Exceptional Item (gain)/loss (net)	(0.4)	0.6
Profit before Tax	3.4	5.1
Tax expense	1.2	1.1
Profit after Tax	2.2	4.0

Cost of materials consumed (including change in stock)

	Fiscal 2017	Fiscal 2016
	(₹ in crores)	
Consumption of raw materials and components	160,147.12	151,065.61
Basis adjustment on hedge accounted derivatives	(777.57)	2,226.88
Purchase of product for sale	13,924.53	12,841.52
Change in inventories of finished goods, Work-in-progress and products for sale	(7,399.92)	(2,750.99)
Total	**165,894.16**	**163,383.02**

Cost of material consumed increased from 58.8% of total revenue (excluding income from vehicle financing) in Fiscal 2016 to 60.4% in Fiscal 2017. For Tata Motors Standalone (including Joint Operations), costs of materials consumed was 63.8% of net revenue in Fiscal 2017 of total revenue as compared to 61.4% in Fiscal 2016, representing an increase of 240 bps, which was mainly attributable to a change in product mix that includes a relatively lower proportion of M&HCV sales. For Jaguar Land Rover, costs of materials consumed was 60.7% of total revenue in Fiscal 2017 compared to 59.1% in Fiscal 2016, representing an increase of 160 bps, driven by linear volumes and the general weakening of the Euro in Fiscal 2017.

Excise duty were ₹4,799.61 crores in Fiscal 2017 as compared to ₹4,614.99 crores in Fiscal 2016, an increase of 4.0%, primarily due to increase in revenues at the Company's India operations.

Employee Costs were ₹28,332.89 crores in Fiscal 2017 as compared to ₹28,880.39 crores in Fiscal 2016, a marginal decrease of 1.9% primarily due to favourable translation impact of GB£ to INR of Jaguar Land Rover operation of ₹2,765.01 crores. At Jaguar Land

Rover the increase in employee cost is by 7.1% to GB£ 2,495 million (₹21,829.15 crores) in Fiscal 2017 as compared to GBP 2,328 million (₹22,930.37 crores) in Fiscal 2016, primarily reflects the increase in the employee head count to support the higher production volume in Fiscal 2017. For Tata Motors Standalone (including joint operations), the employee cost increased by 11.6% to ₹3,558.52 crores as compared to ₹3,188.97 crores in Fiscal 2016, mainly due to annual increments and wage revisions. Employee costs at TDCV were ₹775.83 crores in Fiscal 2017, as compared to ₹736.98 crores in Fiscal 2016, an increase of 5.3%.

Other Expenses includes all works operations, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have decreased marginally to ₹55,430.06 crores in Fiscal 2017 from ₹55,683.75 crores in Fiscal 2016. Each line item includes the element of foreign currency translation favourable impact of Jaguar Land Rover operations of approximately ₹6,007.94 crores in aggregate in Fiscal 2017. The breakdown is provided below:

	Fiscal 2017	Fiscal 2016	Change
	(₹ in crores)		
Processing charges	1,172.03	1,110.68	61.35
Consumption of stores and spare parts	2,419.11	2,096.19	322.92
Freight, transportation, port charges, etc.	9,754.71	9,754.67	0.04
Power and fuel	1,159.82	1,143.63	16.19
Warranty and product liability expenses	8,064.00	6,791.49	1,272.51
Publicity	8,698.68	8,768.46	(69.78)
Information technology/ computer expenses	2,202.51	2,379.90	(177.39)
Allowance for finance, trade and other receivables	104.78	885.62	(780.84)
Engineering expenses	4,273.72	6,514.76	(2,241.04)
MTM (gain)/loss on commodity derivatives	918.40	(1,155.53)	2073.93
Works operation and other expenses	16,662.30	17,393.88	(731.58)
Other Expenses	**55,430.06**	**55,683.75**	**(253.69)**

The changes are mainly driven by volumes and the size of operations.

i. Processing charges were mainly incurred by Tata and other brand vehicles (including vehicle financing) which, due to higher volumes, led to higher expenditures.

ii. Freight, transportation, port charges etc. have increased, mainly for Jaguar Land Rover, predominantly due to increased sales in certain geographies. As a percentage to total revenue, Freight, transportation and port charges etc. were flat at 3.6% in Fiscal 2017.

iii. Publicity expenses remained flat and represented 3.2% of total revenues in Fiscal 2017 and 2016. In addition to routine product and brand campaigns, the Company incurred expenses relating to new product introduction campaigns for the new Jaguar XE, the all new Jaguar XF, refreshed 2016 Model year the Jaguar XJ, the new Jaguar F-PACE, the Range Rover Evoque (including convertible), the Tiago, Hexa, Tigor, Yodha at Tata Motors.

iv Warranty and product liability expenses represented 2.9% and 2.4% of the Company's revenues in Fiscal 2017 and 2016, respectively. The warranty expenses at Jaguar Land Rover represented 3.31% of the revenue as compared to 2.6% last year, primarily due to product and market mix, whereas Tata Motors India operations represent 1% of revenue for Fiscal 2017 and 2016.

v. Works operation and other expenses have decreased to 6.1% of net revenue in Fiscal 2017 from 6.3% in Fiscal 2016.

vi. Engineering expenses at Jaguar Land Rover reflect investment in the development of new vehicles. A significant portion of these costs are capitalized and shown under the line item "Amount capitalized".

vii. Allowances for finance, trade and other receivables have decreased to ₹104.78 crores in Fiscal 2017, as compared to ₹885.62 crores in Fiscal 2016, mainly reflect provisions for finance receivables, where the collections have improved in Fiscal 2017.

Amount capitalized represents expenditure transferred to capital and other accounts allocated out of employee cost and other expenses, incurred in connection with product development projects and other capital items. The expenditure transferred to capital and other accounts has increased by 1.2% to ₹16,876.96 crores in Fiscal 2017 from ₹16,678.34 crores in Fiscal 2016, mainly due to various product development projects undertaken by the Company for the introduction of new products and the development of engine and products variants.

Other Income decreased by 14.8% to ₹754.54 crores in Fiscal 2017 from ₹885.35 crores in Fiscal 2016. Interest income decreased to ₹562.21 crores in Fiscal 2017, compared to ₹718.98 crores in Fiscal 2016, whereas profit on sale of investment increased to ₹176.14 crores in Fiscal 2017, compared to ₹101.00 crores in Fiscal 2016. The increase is primarily due to profit on the sale of mutual funds, mainly at Tata and other brand vehicles (including vehicle financing).

Profit before finance cost, Depreciation and Amortization expence, Foreign Exchange (gain)/loss, Exceptional Items and Tax is ₹37,666.90 crores in Fiscal 2017, representing 13.7% of revenue in Fiscal 2017 compared to ₹42,661.63 crores in Fiscal 2016.

Depreciation and Amortization expence (including product development / engineering expenses): During Fiscal 2017, expenditures increased by 5.6% to ₹21,318.56 crores from ₹20,179.55 crores in Fiscal 2016. The depreciation has increased by 13.7% to ₹9,048.62 crores as compared to ₹7,959.95 crores in Fiscal 2016 is due to new product launches both at Jaguar Land Rover and Tata and other brand vehicles (including vehicle financing). The amortization expenses have marginally increased by 1.2% to ₹8,856.37 crores in Fiscal 2017 from ₹8,750.83 crores in Fiscal 2016, and are attributable to new products introduced during the year. Expenditure on product development/engineering expenses decreased marginally by 1.6% to ₹3,413.57 crores in Fiscal 2017 from ₹3,468.77 crores in Fiscal 2016.

Finance Cost decreased by 13.3% to ₹4,238.01 crores in Fiscal 2017 from ₹4,889.08 crores in Fiscal 2016. The decrease was mainly achieved by refinancing certain senior notes and other long-term loans with loans with lower interest rates.

Foreign exchange loss increased to ₹3,910.10 crores in Fiscal 2017 from ₹1,616.88 crores in Fiscal 2016. The increase was mainly due to depreciation of GB£ as compared to US$.

Exceptional items

	Fiscal 2017	Fiscal 2016	Change
		(₹ in crores)	
Employee separation cost	67.61	32.72	34.89
Provision for costs associated with closure of operations and impairment of intangibles of a subsidiary company	-	44.31	(44.31)
Impairment of capitalized fixed assets	-	163.94	(163.94)
Provision for BSIII vehicles	147.93	-	147.93
Others	(1,330.10)	1,609.38	(2,939.48)
Total	**(1,114.56)**	**1,850.35**	**(2,964.91)**

The credit of ₹1,330.10 crores (GB£ 151 million) during the Fiscal 2017, relates to the explosion at the port of Tianjin (China) in August 2015. This relates to the receipt of insurance proceeds, recovery of import duties and taxes and to an updated assessment of the condition of the remaining vehicles, which led to a reversal of initial provision recorded in the quarter ended September 30, 2015 in Fiscal 2016.

Consolidated Profit Before Tax (PBT) decreased to ₹9,314.79 crores in Fiscal 2017, compared to ₹14,125.77 crores in Fiscal 2016. The reduction in PBT is primarily driven by less favourable market and model mix, mainly at the Company's India operations, including higher marketing expenses, depreciation and amortization and other operating costs. Further, the reduction was also due to translation impact from GB£ to INR of ₹1,263.04 crores. Furthermore, the decrease in profitability at Jaguar Land Rover operations were due to higher manufacturing expenses and other operating costs including higher marketing expenses, higher depreciation and amortization expenses related to significant capital expenditure incurred in prior periods, more unfavourable revaluation of unrealized foreign currency debt and hedges, offset by lower net finance expenses, favourable revaluation of commodity hedges and further insurance recoveries related to Tianjin.

Tax Expense represents a net charge of ₹3,251.23 crores in Fiscal 2017, as compared to ₹3,025.05 crores in Fiscal 2016. The effective tax rate in Fiscal 2017 was 34.9% as compared to 21.4% in Fiscal 2016. For Tata Motors Ltd and certain subsidiaries, the Company has not recognized deferred tax assets due to uncertainty of future taxable profits. In Fiscal 2017, there was a reduction in the UK Corporation tax from 20% to 19% for Fiscal 2018 to 2020 and to 17% thereafter, resulting in a deferred tax credit. Further, higher tax expenses, reflected the non-recurrence of favourable deferred tax credits in Fiscal 2016 (GB£ 74 million related to UK Patent Box legislation).

Consolidated Profit for the year declined by 35.6% to ₹7,454.36 crores in Fiscal 2017 from ₹11,579.31 crores in Fiscal 2016, after considering the profit from associate companies and shares of minority investees. The decrease was mainly attributable to negative earnings before other income, interest and tax for Tata and other brand vehicles (including financing thereof) of ₹207.05 crores in Fiscal 2017 from ₹2,188.15 crores in Fiscal 2016.

Consolidated Balance Sheet

Property, plant and equipment, Goodwill and other intangible assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Property, plant and equipment (including capital work-in-progress)	69,781.39	71,478.04	63,117.34	(1,696.65)
Goodwill and Other intangible assets (including assets under development)	59,861.53	61,672.66	53,795.60	(1,811.13)
Total	**1,29,642.92**	**1,33,150.70**	**1,16,912.94**	**(3,507.78)**

There is decrease (net of depreciation and amortization) in the intangible and tangible assets in Fiscal 2017, due to unfavourable currency translation impact from GB£ to INR of ₹17,849 crores. The decrease was offset by additions in the Brazil manufacturing facility, tooling and facilities for new Range Rover Velar, Slovakia plant and product development cost at Jaguar Land Rover. At Tata Motors Ltd, the additions were mainly in dies, toolings, and product development cost for new products.

Investments in equity accounted investees were ₹4,606.01 crores as at March 31, 2017, as compared to ₹3,763.95 crores as at March 31, 2016. The increase was mainly due to profits at the Company's joint venture at China of GB£ 159 million (₹1,384.36 crores). During Fiscal 2017, Jaguar Land Rover purchased 32% of CloudCar Inc. for GB£ 12 million (₹107.15 crores).

Investments (Current + Non-current) were ₹15,731.91 crores as at March 31, 2017, as compared to ₹20,003.07 crores as at March 31, 2016. The details are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Mutual Funds	15,065.84	19,233.04	14,068.31	(4,167.20)
Quoted Equity shares	260.29	210.49	210.57	49.80
Unquoted Equity shares	366.98	373.76	373.25	(6.78)
Others	38.80	185.78	191.50	(149.98)
Total	**15,731.91**	**20,003.07**	**14,843.63**	**(4,271.16)**

The decrease in mutual fund investments was mainly at Jaguar Land Rover.

Deferred tax assets / liability: Deferred tax assets represent timing differences for which there will be future current tax benefits due to unabsorbed tax losses and expenses allowable on a payment basis in future years. Deferred tax liabilities represent timing differences where current benefit in tax will be offset by a debit in the statement of profit and loss.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Deferred tax assets	4,457.34	3,957.03	4,049.41	500.31
Deferred tax liability	1,174.00	4,474.78	2,559.49	3,300.78

A deferred tax liability (net) of ₹113.57 crores was recorded in the income statement and ₹3,774.28 crores in other comprehensive income, which mainly includes deferred tax towards post-retirement benefits and cash flow hedges in Fiscal 2017.

Finance receivables (current + non-current) were ₹17,563.25 crores as at March 31, 2017, as compared to ₹15,751.47 crores as at March 31, 2016, an increase of 11.5%, primarily due to decrease in allowances for vehicle financing due to improved collections. The Gross finance receivables were ₹21,160.76 crores as at March 31, 2017, as compared to ₹20,758.16 crores as at March 31, 2016.

Loans and Advances

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Long term loans and advances	753.66	503.88	496.71	249.78
Short term loans and advances	710.45	1,117.10	779.78	(406.65)
Total	**1,464.11**	**1,620.98**	**1,276.49**	**(156.87)**

Loans and advances include advance to suppliers, contractors etc.

Other Financial Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other financial assets - non current	2,911.12	1,825.51	647.64	1,085.61
Other financial assets – current	1,555.94	835.73	1,689.80	720.21
Total	**4,467.06**	**2,661.24**	**2,337.44**	**1,805.82**

These included ₹4,285.52 crores of derivative financial instruments, mainly attributable to Jaguar Land Rover as at March 31, 2017 compared to ₹2,348.54 crores as at March 31, 2016, reflecting notional liability due to the valuation of derivative contracts.

Inventories as at March 31, 2017, were ₹35,085.31 crores as compared to ₹32,655.73 crores as at March 31, 2016, an increase of 7.4%. Inventory at Tata and other brand vehicles (including vehicle financing) was ₹6,923.42 crores as at March 31, 2017 as compared to ₹6,819.13 crores as at March 31, 2016. Inventory at Jaguar Land Rover was ₹28,079.40 crores as at March 31, 2017, an increase of 8.5%, as compared to ₹25,762.35 crores as at March 31, 2016, mainly due to inventory volumes, higher actual costs of all models, due to working of GB£/EUR exchange rate and other overheads. In terms of number of days of sales, finished goods represented 34 inventory days in Fiscal 2017 as compared to 32 days in Fiscal 2016.

Trade Receivables (net of allowance for doubtful debts) were ₹14,075.55 crores as at March 31, 2017, representing an increase of 3.7% compared to ₹13,570.91 crores as at March 31, 2016. Trade Receivables have increased at Tata and other brand vehicles (including vehicle financing) to ₹3,471.93 crores as at March 31, 2017 as compared to ₹3,255.88 crores as at March 31, 2016. Trade receivables at Jaguar Land Rover was ₹10,006.21 crores as at March 31, 2017, as compared to ₹10,024.79 crores as at March 31, 2016. The allowances for doubtful debts were ₹1,377.44 crores as at March 31, 2017 compared to ₹1,274.29 crores as at March 31, 2016.

Cash and cash equivalents were ₹13,986.76 crores, as at March 31, 2017, compared to ₹17,153.61 crores as at March 31, 2016. The Company holds cash and bank balances in Indian rupees, GB£, Chinese Renminbi, etc. The decrease is also attributable to unfavourable currency translation impact from GB£ to INR of ₹2,028 crores.

Other bank balances were ₹22,091.12 crores, as at March 31, 2017, compared to ₹13,306.79 crores as at March 31, 2016. These include bank deposits maturing within one year of ₹21,852.76 crores as at March 31, 2017, compared to ₹12,775.97 crores as at March 31, 2016.

Current tax assets (net) (current + non-current) were ₹1,195.67 crores, as at March 31, 2017, compared to ₹1,412.56 crores as at March 31, 2016.

Other assets

	As at March 31,		As at April 1,	Change
	2017	2016	2015	
	(₹ in crores)			
Other assets - non current	2,847.36	2,309.02	1,983.60	538.34
Other assets – current	6,539.99	5,824.09	5,412.09	715.90
Total	**9,387.35**	**8,133.11**	**7,395.69**	**1,254.24**

These mainly includes prepaid expenses, including rentals on operating lease of ₹2,063.55 crores as at March 31, 2017, as compared to ₹1,774.54 crores as at March 31, 2016. Taxes recoverable, statutory deposits and dues from government were ₹6,030.06 crores as at March 31, 2017, as compared to ₹5,472.15 crores as at March 31, 2016.

Equity attributable to owners of Tata Motors Ltd was ₹58,061.89 crores and ₹78,952.41 crores as at March 31, 2017 and 2016, respectively, a decrease of 26.5%.

Other equity decreased by 26.7% from ₹78,273.23 crores as at March 31, 2016 to ₹57,382.67 crores as at March 31, 2017. Though, the profit for Fiscal 2017 was ₹7,454.36 crores, decrease in other equity of ₹20,890.56 crores was primarily attributable to following reasons:

- Debits for remeasurement of employee benefit plans was ₹6,569.14 in Fiscal 2017.
- Translation loss of ₹9,952.33 crores recognized in Translation Reserve on consolidation of subsidiaries further contributed to a decrease in Reserves and Surplus.
- Further reduction in Hedging Reserves by ₹11,759.48 crores, primarily due to mark-to-market losses on forwards and options in Jaguar Land Rover, primarily due to decline in the US$-GB£ forward rates.

Borrowings:

	As at March 31,		As at April 1,	Change
	2017	2016	2015	
	(₹ in crores)			
Long term borrowings	60,629.18	50,510.39	54,607.14	10,118.79
Short term borrowings	13,859.94	11,450.78	13,154.68	2,409.16
Current maturities of long term borrowings	4,114.86	7,398.79	4,949.04	(3,283.93)
Total	**78,603.98**	**69,359.96**	**72,710.86**	**9,244.02**

- Current maturities of long-term borrowings represent the amount of loan repayable within one year.
- During Fiscal 2017, the Company raised ₹2,700 crores through unsecured non-convertible debentures with a tenor ranging from 2 years to 5 years.
- During Fiscal 2017, Jaguar land rover Automotive plc, issued Euro 650 million (₹4,466.88 crores) Senior Notes maturing in January 2024 at a coupon of 2.20%. Further, it issued GB£ 300 million (₹2,406.52 crores) Senior Notes maturing in January 2021 at a coupon of 2.75%.

Other financial liabilities

	As at March 31,		As at April 1,	Change
	2017	2016	2015	
	(₹ in crores)			
Other financial liabilities - non current	11,409.58	7,943.74	7,994.85	3,465.84
Other financial liabilities – current	25,634.83	21,281.60	19,173.01	4,353.23
Total	**37,044.41**	**29,225.34**	**27,167.86**	**7,819.07**

These included ₹25,517.52 crores of derivative financial instruments, mainly attributable to Jaguar Land Rover as at March 31, 2017 compared to ₹14,226.41 crores as at March 31, 2016, reflecting notional liability due to the valuation of derivative contracts. However, current maturities of long-term borrowings were ₹4,114.86 crores as at March 31, 2017, as compared to ₹7,398.79 crores as at March 31, 2016.

Trade payables were ₹57,698.33 crores as at March 31, 2017, as compared to ₹57,580.46 crores as at March 31, 2016.

Acceptances were ₹4,834.24 crores as at March 31, 2017, as compared to ₹3,981.33 crores as at March 31, 2016.

Provisions (current and non-current) were made towards warranty and employee benefit schemes. Short-term provisions are those, which are expected to be settled during next financial year. The details are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Long term provisions - non-current	9,004.46	7,891.01	6,938.27	1,113.45
Short term provisions – current	5,807.76	5,844.51	4969.12	(36.75)
Total	**14,812.22**	**13,735.52**	**11,907.39**	**1,076.70**

i. Provision for warranty increased to ₹12,031.33 crores as at March 31, 2017, as compared to ₹11,516.43 crores as at March 31, 2016, an increase of ₹514.90 crores.

ii. The provision for employee benefits obligations decreased to ₹801.90 crores as at March 31, 2017, as compared to ₹954.69 crores as at March 31, 2016.

iii. Provision for legal and product liability increased to ₹822.17 crores as at March 31, 2017, as compared to ₹758.37 crores as at March 31, 2016.

Other liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other liabilities - non current	17,392.56	9,886.55	10,948.00	7,506.01
Other liabilities – current	6,401.84	6,187.22	5,105.25	214.62
Total	**23,794.40**	**16,073.77**	**16,053.25**	**7,720.63**

These mainly includes liabilities towards employee benefits obligations of ₹11,984.02 crores as at March 31, 2017, as compared to ₹5,547.24 crores as at March 31, 2016, increase mainly at Jaguar Land Rover, primarily driven by a decline in AA rated UK corprate bond yields. Deferred revenue were ₹6,926.35 crores as at March 31, 2017, as compared to ₹5,609.88 crores as at March 31, 2016. Statutory dues (VAT, Excise, Service Tax, Octroi etc.) were ₹2,658.93 crores as at March 31, 2017, as compared to ₹2,443.43 crores as at March 31, 2016.

Consolidated Cash Flow

The following table sets forth selected items from consolidated cash flow statement:

	Fiscal 2017	Fiscal 2016	Change
	(₹ in crores)		
Cash from operating activity	**30,199.25**	**37,899.54**	**(7,700.29)**
Profit for the year	7,556.56	11,678.19	
Adjustments for cash flow from operations	21,283.55	26,947.95	
Changes in working capital	32,094.35	39,939.32	
Direct taxes paid	(1,895.10)	(2,039.78)	
Cash from investing activity	**(38,079.88)**	**(37,504.43)**	**(575.45)**
Payment for property, plant and equipment and other intangible assets (net)	(30,413.49)	(31,444.15)	
Net investments, short term deposit, margin money and loans given	(8,924.27)	(6,848.93)	
Dividend and interest received	1,257.88	788.65	
Net Cash from / (used in) Financing Activities	**6,205.30**	**(3,795.12)**	**10,000.42**
Proceeds from issue of shares	4.55	7,433.22	
Dividend Paid (including paid to minority shareholders)	(121.22)	(108.11)	
Interest paid	(5,336.34)	(5,715.66)	
Net Borrowings (net of issue expenses)	11,658.31	(5,404.57)	
Net increase / (decrease) in cash and cash equivalent	**(1,675.33)**	**(3,400.01)**	**1,724.68**
Cash and cash equivalent, beginning of the year	17,153.61	19,743.09	
Effect of exchange fluctuation on cash flows	(1,491.52)	810.53	
Cash and cash equivalent, end of the year	**13,986.76**	**17,153.61**	

a) Cash generated from operations before working capital changes was ₹28,840.11 crores in Fiscal 2017, as compared to ₹38,626.14 crores in the previous year, representing a decrease in cash from generated from consolidated operations, consistent with the reduction in profit on a consolidated basis. After considering the impact of working capital changes including the net movement of vehicle financing portfolio, the net cash generated from operations was ₹30,199.25 crores in Fiscal 2017, as compared to ₹37,899.54 crores in the previous year. The increase in trade receivables, inventories and other assets amounting to ₹11,668.00 crores mainly due to increase in sales was offset by increase in trade and other payables and provisions amounting to ₹14,922.24 crores.

b) The net cash outflow from investing activity increased to ₹38,079.88 crores in Fiscal 2017 from ₹37,504.43 crores in Fiscal 2016.

- Capital expenditure (net) was at ₹30,413.49 crores in Fiscal 2017, compared to ₹31,344.15 crores, related mainly to capacity/ expansion of facilities, quality and reliability projects and product development projects.
- Net investments, short-term deposits, margin money and loans given was an outflow of ₹8,924.27 crores in Fiscal 2017 as compared to ₹6,848.93 crores in Fiscal 2016, mainly at Jaguar Land Rover.

c) The net change in financing activity was an inflow of ₹6,205.30 crores in Fiscal 2017 as compared to an outflow of ₹3,795.12 crores in Fiscal 2016.

- During Fiscal 2016, the Company raised ₹7,433.22 crores through rights issue of shares.
- In Fiscal 2017, ₹9,172.39 crores were raised from long-term borrowings (net) as compared to repayment of ₹3,526.78 crores (net) in Fiscal 2016 as described in further detail below
- Net increase in short-term borrowings of ₹2,485.30 crores in Fiscal 2017 as compared to a decrease of ₹1,877.98 crores in Fiscal 2016, mainly at Tata and other brand vehicles (including vehicle financing).

As at March 31, 2017, the Company's borrowings (including short-term debt) were ₹78,603.98 crores, compared to ₹69,359.96 crores as at March 31, 2016.

Principal Sources of Funding Liquidity

The Company finances its capital expenditures and research and development investments through cash generated from operations, cash and cash equivalents, debt and equity funding. The Company also raises funds through sale of investments, including divestment in stakes of subsidiaries on a selective basis.

The Company's cash and bank balances on a consolidated basis were ₹36,077.88 crores as at March 31, 2017, as compared to ₹30,460.40 crores as at March 31, 2016. These enable the Company to cater to business needs in the event of changes in market conditions.

The Company's capital expenditures were ₹31,750.74 crores and ₹31,425.39 crores for Fiscal 2017 and 2016, respectively, and it currently plans to invest approximately ₹400 billion in Fiscal 2018 in new products and technologies. The Company intends to continue to invest in new products and technologies to meet consumer and regulatory requirements. These investments are intended to enable the Company to pursue further growth opportunities and improve the Company's competitive positioning. In December 2015, Jaguar Land Rover announced the initial investment of GB£ 1 billion to build a manufacturing facility in Slovakia with annual capacity of 150,000 units and production scheduled to begin in 2018 (construction of the plant commenced in September 2016) and in November 2016 confirmed that the all new Land Rover Discovery would be the first model manufactured at the plant. In November 2015, Jaguar Land Rover announced additional investment of GB£ 450 million to double capacity at the engine manufacturing facility in Wolverhampton and production of the 2.0l Ingenium petrol engine recently began. The manufacturing partnership with Magna Steyr, an operating unit of Magna International Inc, to build vehicles in Graz, Austria was announced in July 2015 and more recently Jaguar Land Rover announced that their first battery electric vehicle, the Jaguar I-PACE would be produced under the agreement with Magna Steyr from 2018. The Company expects to meet most of its investments out of operating cash flows and cash liquidity available. In order to meet the remaining funding requirements, the Company may be required to raise funds through additional loans and by accessing capital markets from time to time, as deemed necessary.

With the ongoing need for investments in products and technologies, the Company on a standalone basis (Including joint operations) was free cash flow (a non-GAAP measure, measured at cash flow from operating activities, less payment for property, plant and equipment and intangible assets) negative in Fiscal 2017, of ₹2,045.52 crores. The Company expects that with the improvement in macro-economic conditions and business performance, through other steps like raising funds at subsidiary levels, review of non-core investments, and through appropriate actions for raising additional long-term resources at Tata Motors Limited on a standalone basis, the funding gap can be appropriately addressed.

The following table provides information for the credit rating of Tata Motors Limited for short-term borrowing and long-term borrowing from the following rating agencies as at March 31, 2017: Credit Analysis and Research Ltd Ratings, or CARE, Information and Credit Rating Agency of India Ltd, or ICRA, Credit Rating Information Services of India Limited, or CRISIL Ltd, Standard & Poor's Ratings Group, or S&P, and Moody's Investor Services, or Moody's. A credit rating is not a recommendation to buy, sell or hold securities. A credit rating may be subject to withdrawal or revision at any time. Each rating should be evaluated separately of any other rating:

	CARE	ICRA	CRISIL	S&P	Moody's
Long-term borrowings	AA+	AA	AA	BB+	Ba1
Short-term borrowings	—	A1+	A1+	—	—

The Company believes that it has sufficient liquidity available to meet its planned capital requirements. However, the Company's sources of funding could be materially and adversely affected by an economic slowdown, as was witnessed in Fiscal 2009, or other macroeconomic factors in India and abroad, such as in the United Kingdom, the United States, Europe, Russia and China, all of which are beyond the Company's control. A decrease in the demand for the Company's vehicles could affect its ability to obtain funds from external sources on acceptable terms or in a timely manner.

The Company's cash is located at various subsidiaries within the Tata Motors Group. There may be legal, contractual or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans, or advances. Brazil, Russia, South Africa and other jurisdictions have regulatory restrictions, disincentives or costs on pooling or transferring of cash. However, such restrictions have not had and are not estimated to have a significant impact on the Company's ability to meet its cash obligations.

In order to refinance the Company's borrowings and for supporting long-term fund needs, the Company continued to raise funds in Fiscal 2016 and 2017, through issue of various debt securities and Rights issue of shares described below.

During Fiscal 2016, 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. Out of the proceeds of the Rights issue, ₹500 crores have been used for funding expenditure towards plant and machinery, ₹1,500 crores towards research and product development, ₹4,000 crores towards repayment in full or in part of certain long-term and short-term borrowings, and ₹1,401.10 crores towards general corporate purposes.

During Fiscal 2016, TML Holdings Pte. Ltd., a subsidiary of the Company, has

- refinanced an existing unsecured multi-currency loan of US$600 million (US$250 million and SG$62.8 million maturing in November 2017 and US$210 million and SG$114 million maturing in November 2019) with a new unsecured loan of US$600 million (US$300 million maturing in October 2020 and US$300 million maturing in October 2022); and
- refinanced the existing SG$350 million 4.25% Senior notes due in May 2018 with a new syndicated loan of US$250 million maturing in March 2020.

During Fiscal 2016, Tata Motors Finance Limited issued 43,400,000 privately placed, cumulative non-participating compulsory convertible preference shares of ₹100 each convertible after seven years, which qualified as tier 1 capital.

In Fiscal 2016, TMFL, and its subsidiary, TMFSL, through secured and unsecured NCDs raised ₹2,214 crores.

In January 2017, Jaguar Land Rover Automotive plc issued EUR 650 million senior notes due 2024 at a coupon of 2.20% per annum and GB£ 300 million senior notes due 2021 at a coupon of 2.75% per annum. The proceeds were for general corporate purposes, including support for Jaguar Land Rover's ongoing growth and capital spending requirements.

In March 2017, Jaguar Land Rover Automotive plc completed consent transactions to align the terms of its US$ 500 million 5.625% senior notes due 2023, its US$ 700 million 4.125% senior notes due 2018 and its GB£ 400 million 5.000% senior notes due 2022 to bonds it issued after January 2014.

During Fiscal 2017, Tata Motors Limited issued rated, listed, unsecured NCDs of ₹2,700 crores with a tenor ranging from 2 to 5 years. The proceeds have been utilized for general corporate purpose. Tata Motors Limited prepaid ₹300 crores of its Unsecured 8.60% NCD due 2018 in February 2017.

During Fiscal 2017, Tata Motors Finance Limited through its subsidiary Sheba Properties Ltd., issued 22,500,000 privately placed, cumulative non-participating compulsory convertible preference shares of ₹100 each convertible after seven years, which qualifies as tier 1 capital. In Fiscal 2017, Tata Motors Finance Limited, and its subsidiaries, Sheba Properties Ltd and Tata Motors Finance Solutions Ltd, raised NCDs ₹3,161 crores through secured and unsecured NCDS.

The Tata Motors Group funds its short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short-and medium-term borrowings from lending institutions, banks and commercial paper. The maturities of these short-and medium-term borrowings and debentures are generally matched to particular cash flow requirements. The working capital limits are ₹14,000 crores from various banks in India as at March 31, 2017. The working capital limits are secured by hypothecation of certain existing current assets of the Company. The working capital limits are renewed annually.

Jaguar Land Rover Automotive plc currently has a GB£ 1.87 billion revolving credit facility with a syndicate of 30 banks, maturing in 2020. The revolving credit facility remained undrawn as at March 31, 2017.

Some of the Company's financing agreements and debt arrangements set limits on and/or require prior lender consent for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sales of undertakings and investment in subsidiaries. In addition, certain negative covenants may limit the Company's ability to borrow additional funds or to incur additional liens, and/or provide for increased costs in case of breach. Certain of the Company's financing arrangements also include financial covenants to maintain certain debt- to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios.

The Company monitors compliance with its financial covenants on an ongoing basis. The Company also reviews its refinancing strategy and continues to plan for deployment of long-term funds to address any potential non-compliance.

As at March 31, 2017, GB£ 687 million of cash was held by Jaguar Land Rover subsidiaries outside of the UK. The cash in some of these jurisdictions is subject to certain restrictions on cash pooling, intercompany loan arrangements or interim dividends. However, annual dividends are generally permitted and JLR do not believe that these restrictions have, or are expected to have, any impact on Jaguar Land Rover's ability to meet it's cash obligations.

Certain debt issued by Jaguar Land Rover is subject to customary covenants and events of default, which include, among other things, restrictions or limitations on the amount of cash, which may be transferred outside the Jaguar Land Rover group of companies in the form of dividends, loans or investments to the Company and its subsidiaries. These are referred to as restricted payments in the relevant Jaguar Land Rover financing documentation. In general, the amount of cash which may be transferred as restricted payments from the Jaguar Land Rover group to the Company and its subsidiaries is limited to 50% of its cumulative consolidated net income (as defined in the relevant financing documentation) from January 2011. As at March 31, 2017, the estimated amount that is available for dividend payments, other distributions and restricted payments was approximately GB£ 4,841 million.

FINANCIAL PERFORMANCE ON A STANDALONE BASIS

The financial information discussed in this section is derived from the Company's Audited Standalone Financial Statements. These include the Company's proportionate share of income and expenditure in its two Joint Operations, namely Tata Cummins Pvt Ltd and Fiat India Automobiles Pvt Ltd.

	Fiscal 2017	Fiscal 2016
	(%)	(%)
Income from operations	100.0	100.0
Expenditure:		
Cost of material consumed (including change in stock)	63.8	61.4
Excise duty	9.7	9.6
Employee cost	7.2	6.7
Other expenses (net)	17.7	17.4
Amount capitalised	(1.9)	(2.2)
Other income	2.0	3.0
Profit before exceptional items, depreciation and amortisation expenses, foreign exchange (gain)/loss finance costs and tax	5.5	10.1
Depreciation and amortisation expenses (including product development / engineering expenses)	7.0	5.8
Finance costs	3.2	3.4
Foreign exchange (gain)/loss	(0.5)	0.5
Exceptional items – loss	0.7	0.5
Profit before tax	(4.9)	(0.1)
Tax expenses	0.1	-
Profit after tax	(5.0)	(0.1)

Fiscal 2017 has been a challenging and highly volatile year, which followed a period of low demand and inconsistent recovery in the prior year in the automotive sector in India. In addition, the Company also underperformed on many fronts, amplifying the impact of the external environment.

Income from operations of the Company for Fiscal 2017, stood at ₹49,100.41 crores as compared to ₹47,383.61 crores, increased by 3.6%. Total number of vehicles sold were 545,416 units in Fiscal 2017, as compared to 511,931 units in Fiscal 2016, a growth of 6.5%

Cost of materials consumed (including change in stock)

	Fiscal 2017	Fiscal 2016
	(₹ in crores)	
Consumption of raw materials and components	27,654.40	24,997.40
Purchase of product for sale	3,945.97	4,101.97
Change in inventories of finished goods, Work-in-progress and products for sale	(251.43)	10.05
Total	**31,348.94**	**29,109.42**

Cost of material consumed increased from 61.4% of total revenue to 63.8% in Fiscal 2017, representing an increase of 240 bps, mainly due to product mix – relatively lower proportion of M&HCV sales.

Excise duty were ₹4,736.41 crores in Fiscal 2017 as compared to ₹4,538.14 crores in Fiscal 2016, an increase of 4.4%, primarily due to increase in revenues.

Employee Costs were ₹3,558.52 crores in Fiscal 2017 as compared to ₹3,188.97 crores in Fiscal 2016, an increase by 11.6%, mainly due to annual increments and wage revisions at various plant locations.

Other Expenses includes all works operations, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have increased by 5.9% to ₹8,697.42 crores in Fiscal 2017 from ₹8,216.65 crores in Fiscal 2016. The breakdown is provided below:

	Fiscal 2017	Fiscal 2016	Change
	(₹ in crores)		
Processing charges	1,522.44	1,507.21	15.23
Consumption of stores & spare parts	579.09	519.37	59.72
Freight, transportation, port charges, etc.	1,541.88	1,296.71	245.17
Power and fuel	440.03	430.77	9.26
Warranty expenses	486.27	492.11	(5.84)
Information technology/ computer expenses	762.37	631.93	130.44
Publicity	848.36	670.01	178.35
Allowance for finance, trade and other receivables	133.72	138.79	(5.07)
Works operation and other expenses	2,383.26	2,529.75	(146.49)
Other Expenses	**8,697.42**	**8,216.65**	**480.77**

The changes are mainly driven by volumes and the size of operations.

i. Freight, transportation, port charges etc., as a percentage to total revenue, were 3.1% in Fiscal 2017, as compared to 2.7% in Fiscal 2016. The increase was due to rise in diesel prices.

ii. Publicity expenses represented 1.7% of total revenues in Fiscal 2017 and 1.4% in Fiscal 2016. In addition to routine product and brand campaigns, the Company incurred expenses relating to new product introduction campaigns for the Tiago, the Hexa, the Tigor, the Yodha, etc.

iii. Warranty expenses represented 1% of the Company's revenues in Fiscal 2017 and 2016.

iv. Information technology/computer expenses represented 1.6% and 1.3% of the Company's revenues in Fiscal 2017 and 2016, respectively. The increase was mainly due to certain purchases of software for the Company.

v. Works operation and other expenses have decreased to 4.9% of net revenue in Fiscal 2017 from 5.3% in Fiscal 2016.

Amount capitalized represents expenditure transferred to capital and other accounts allocated out of employee cost and other expenses, incurred in connection with product development projects and other capital items. The expenditure transferred to capital and other accounts has decreased by 9.0% to ₹941.55 crores in Fiscal 2017 from ₹1,034.40 crores in Fiscal 2016, mainly due to various product development projects undertaken by the Company for the introduction of new products and variants.

Other Income decreased by 30.2% to ₹978.84 crores in Fiscal 2017 from ₹1,402.31 crores in Fiscal 2016. This includes interest income of ₹184.65 crores in Fiscal 2017, compared to ₹263.79 crores in Fiscal 2016. Dividend income decreased to ₹676.50 crores in Fiscal 2017 from ₹1,061.71 crores in Fiscal 2016, whereas profit on sale of investment increased to ₹116.76 crores in Fiscal 2017, compared to ₹67.48 crores in Fiscal 2016, which are primarily profit on the sale of mutual funds.

Profit before exceptional items, depreciation and amortization expense, finance costs, foreign exchange (gain)/loss and tax is ₹2,679.51 crores in Fiscal 2017, representing 5.5% of revenue in Fiscal 2017 compared to ₹4,767.14 crores in Fiscal 2016.

Depreciation and amortization expense (including product development / engineering expenses): During Fiscal 2017, expenditures increased by 24.6% to ₹3,423.87 crores from ₹2,747.49 crores in Fiscal 2016. The depreciation has increased by 34.1% to ₹1,873.41 crores as compared to ₹1,396.65 in Fiscal 2016 is due to new product launches and change in useful life of certain assets. The amortization expenses have increased by 17.5% to ₹1,095.98 crores in Fiscal 2017 from ₹932.57 crores in Fiscal 2016, and are attributable to new products introduced during the year. Expenditure on product development / engineering expenses decreased by 8.7% to ₹454.48 in Fiscal 2017 from ₹418.27 in Fiscal 2016.

During, Fiscal 2017, the Company has carried out a review of the useful life of its assets, considering the physical condition of the assets and benchmarking analysis. As a result the depreciation and amortization charge is higher by ₹253.29 crores.

Finance Cost was flat at ₹1,590.15 crores in Fiscal 2017 from ₹1,592.00 crores in Fiscal 2016. Though, the borrowings have increased in Fiscal 2017, the decrease was mainly achieved by refinancing certain long-term loans with loans with lower interest rates and reduction in interest rates.

Foreign exchange (gain)/loss (net) of ₹252.45 crores in Fiscal 2017 as compared to loss of ₹221.91 crores in Fiscal 2016. The gain was due to appreciation on INR as compared to USD.

Exceptional items

	Fiscal 2017	Fiscal 2016	Change
	(₹ in crores)		
Employee separation cost	67.61	10.04	57.57
Provision for impairment of investments and cost associated with closure of operations of a subsidiary	-	97.86	(97.86)
Provision for impairment of investment in a subsidiary	123.17	-	123.71
Impairment of capitalized fixed assets	-	163.94	(163.94)
Provision for BSIII vehicles	147.93	-	147.93
Total	**338.71**	**271.84**	**66.87**

i. Employee separation cost: The Company has given early retirement to various employees resulting in an expense both in Fiscal 2017 and 2016.

ii. ₹147.93 crores for Fiscal 2017, relates to provision for inventory of BSIII vehicles as at March 31, 2017.

Loss before tax was ₹2,420.77 crores in Fiscal 2017, compared to ₹67.10 crores in Fiscal 2016. The losses were mainly attributable to reduction in sales volumes of medium & heavy commercial vehicles and competitive pressure on pricing. Further, there was increase in depreciation expenses as a result of additions to plant and facilities in recent years and change in useful life of certain assets; increase in employee cost due to wage revision at various plant locations; increase in publicity expenses due to new product launches. Furthermore, there was reduction in dividend from subsidiary companies and there was provision for BSIII inventory and discounts thereon as at March 31, 2017.

Tax Expense represents a net charge of ₹59.22 crores in Fiscal 2017, as compared to net credit of ₹4.80 crores in Fiscal 2016.

Loss after tax was ₹2,479.99 crores in Fiscal 2017 as compared to ₹62.30 crores in Fiscal 2016.

Standalone Balance Sheet

Property, plant and equipment, Goodwill and Other Intangible assets

	As at March 31,		As at April 1,	Change
	2017	2016	2015	
	(₹ in crores)			
Property, plant and equipment (including capital work-in-progress)	19,235.70	19,131.20	18,906.81	104.50
Goodwill and Other intangible assets (including assets under development)	8,238.81	7,631.14	7,161.54	607.67
Total	**27,474.51**	**26,762.34**	**26,068.35**	**712.17**

There is increase (net of depreciation and amortization) in the intangible and tangible assets in Fiscal 2017. The increase is mainly due to dies and toolings capitalized for new products launched during the year and also product development costs capitalized (under development) during the year.

Investments in subsidiaries, joint ventures and associates were ₹14,778.87 crores as at March 31, 2017, as compared to ₹14,590.41 crores as at March 31, 2016. During Fiscal 2017, the Company converted ₹159 crores of optionally convertible preference shares into equity in one of the associates, namely Tata Hitachi Construction Machinery Co. Ltd.

Investments (Current + Non-current) were ₹2,929.29 crores as at March 31, 2017, as compared to ₹2,372.91 crores as at March 31, 2016. The details are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Mutual Funds	2,400.92	1,745.84	-	655.08
Quoted Equity shares	218.18	144.34	143.53	73.84
Unquoted Equity shares	310.19	310.19	314.87	-
Others	-	172.54	172.54	(172.54)
Total	**2,929.29**	**2,372.91**	**630.94**	**556.38**

There was increase in mutual fund investments in Fiscal 2017. Increase in quoted equity shares were due to increase in market value as at March 31, 2017. Others in Fiscal 2016 included optionally convertible preference shares in one the associates of the Company, which were converted to equity in Fiscal 2017.

Loans and Advances

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Long term loans and advances	389.61	252.93	310.73	136.68
Short term loans and advances	231.35	484.44	342.58	(253.09)
Total	**620.96**	**737.37**	**653.31**	**(116.41)**

Loans and advances include advance to suppliers, contractors etc. Fiscal 2016 included loan to Joint operation, Fiat India Automobiles Pvt Ltd of ₹132.50 crores, which has been repaid in Fiscal 2017. Advance and other receivables decreased to ₹81.94 crores as at March 31, 2017, as compared to ₹166.45 crores as at March 31, 2016.

Other Financial Assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other financial assets - non current	196.32	102.92	158.60	93.40
Other financial assets - current	100.76	125.20	40.47	(24.44)
Total	**297.08**	**228.12**	**199.07**	**68.96**

These included ₹291.11 crores of derivative financial instruments, as at March 31, 2017 compared to ₹159.71 crores as at March 31, 2016, reflecting notional liability due to the valuation of derivative contracts.

Inventories as at March 31, 2017, were ₹5,504.42 crores as compared to ₹5,117.92 crores as at March 31, 2016, an increase of 7.6%. In terms of number of days of sales, finished goods represented 21 inventory days in Fiscal 2017 as compared to 22 days in Fiscal 2016.

Trade Receivables (net of allowance for doubtful debts) were ₹2,128.00 crores as at March 31, 2017, representing an increase of 4.0% compared to ₹2,045.58 crores as at March 31, 2016. The allowances for doubtful debts were ₹693.17 crores as at March 31, 2017 compared to ₹632.10 crores as at March 31, 2016.

Cash and cash equivalents were ₹188.39 crores, as at March 31, 2017, compared to ₹427.07 crores as at March 31, 2016. The decrease was mainly attributable to reduction in balances and deposits with banks.

Other bank balances were ₹97.67 crores, as at March 31, 2017, compared to ₹361.35 crores as at March 31, 2016. These include earmarked balances with banks of ₹86.60 crores as at March 31, 2017, compared to ₹291.28 crores as at March 31, 2016.

Current tax assets (net) (current + non-current) were ₹854.07 crores, as at March 31, 2017, compared to ₹803.47 crores as at March 31, 2016.

Other assets

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other assets - non current	1,856.28	1,679.01	1,612.76	177.27
Other assets – current	1,807.06	1,550.45	1,345.91	256.61
Total	**3,663.34**	**3,229.46**	**2,958.67**	**433.88**

These mainly includes prepaid expenses, including rentals on operating lease of ₹233.09 crores as at March 31, 2017, as compared to ₹218.29 crores as at March 31, 2016. Taxes recoverable, statutory deposits and dues from government were ₹2,433.82 crores as at March 31, 2017, as compared to ₹2,185.49 crores as at March 31, 2016. Capital advances were ₹558.84 crores as at March 31, 2017, as compared to ₹453.47 crores as at March 31, 2016.

Equity was ₹20,809.15 crores and ₹23,262.11 crores as at March 31, 2017 and 2016, respectively, a decrease of 10.5%.

Other equity decreased by 10.9% from ₹22,582.93 crores as at March 31, 2016 to ₹20,129.93 crores as at March 31, 2017, mainly due to losses for Fiscal 2017.

Borrowings

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Long term borrowings	13,686.09	10,599.96	12,234.88	3,086.13
Short term borrowings	5,375.52	3,654.72	8,173.02	1,720.80
Current maturities of long term borrowings	512.37	2,218.66	1,217.85	(1,706.29)
Total	**19,573.98**	**16,473.34**	**21,625.75**	**3,100.64**

- Current maturities of long-term borrowings represent the amount of loan repayable within one year.
- During Fiscal 2017, the Company raised ₹2,700 crores through unsecured non-convertible debentures with a tenor ranging from 2 years to 5 years.

Other financial liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other financial liabilities - non current	1,123.66	2,911.84	3,749.76	(1,788.18)
Other financial liabilities – current	2,465.14	3,784.19	2,324.90	(1,319.05)
Total	**3,588.80**	**6,696.03**	**6,074.66**	**(3,107.23)**

These included ₹2,045.08 crores of financial guarantee contracts as at March 31, 2017 compared to ₹3,391.29 crores as at March 31, 2016. The reduction is due to payments and reversal of provision in Fiscal 2017. Further, current maturities of long-term borrowings were ₹512.37 crores as at March 31, 2017 as compared to ₹2,218.66 crores as at March 31, 2016. Furthermore, interest accrued but not due on borrowings were ₹449.73 crores as at March 31, 2017 as compared to ₹453.41 crores as at March 31, 2016.

Trade payables were ₹7,015.21 crores as at March 31, 2017, as compared to ₹5,141.17 crores as at March 31, 2016, mainly due to sundry creditors for goods supplied and services received, liabilities for variable marketing expenses, wage revisions etc.

Acceptances were ₹4,379.29 crores as at March 31, 2017, as compared to ₹3,887.28 crores as at March 31, 2016.

Provisions (current and non-current) were made towards warranty and employee benefit schemes. Short-term provisions are those, which are expected to be settled during next financial year. The details are as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Long term provisions (Non-current)	850.71	750.89	711.54	99.82
Short term provisions (Current)	467.98	450.27	378.77	17.71
Total	**1,318.69**	**1,201.16**	**1,090.31**	**117.53**

i. Provision for warranty increased to ₹657.38 crores as at March 31, 2017, as compared to ₹597.85 crores as at March 31, 2016, a marginal increase of ₹59.53 crores.

ii. The provision for employee benefits obligations increased to ₹610.92 crores as at March 31, 2017, as compared to ₹575.53 crores as at March 31, 2016, mainly due to changes in actuarial assumptions.

Other liabilities

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	Change
	(₹ in crores)			
Other liabilities - non current	321.24	378.07	380.86	(56.83)
Other liabilities – current	1,864.02	1,704.84	1,299.26	159.18
Total	**2,185.26**	**2,082.91**	**1,680.12**	**102.35**

These mainly includes liability for advance received from customers of ₹849.51 crores as at March 31, 2017, as compared to ₹728.65 crores as at March 31, 2016. Deferred revenue were ₹428.05 crores as at March 31, 2017, as compared to ₹427.58 crores as at March 31, 2016. Statutory dues (VAT, Excise, Service Tax, Octroi etc.) were ₹799.04 crores as at March 31, 2017, as compared to ₹713.83 crores as at March 31, 2016.

Deferred tax liability represent timing differences where current benefit in tax will be offset by a debit in the statement of profit and loss. The amount increased to ₹97.95 crores as at March 31, 2017, as compared to ₹71.39 crores as at March 31, 2016.

Standalone Cash Flow

	Fiscal 2017	Fiscal 2016	Change
	(₹ in crores)		
Net cash from operating activities	**1,381.47**	**2,702.98**	**(1,321.51)**
Profit/(Loss) for the year	(2,479.99)	(62.30)	
Adjustments for cash flow from operations	4,028.96	3,564.72	
Changes in working capital	(73.75)	775.94	
Direct taxes paid	(93.75)	(23.50)	

Net cash used in investing activities	**(2,737.98)**	**(3,264.22)**	**526.24**
Payment for Assets (net)	(3,411.58)	(3,249.21)	
Net investments, short term deposit, margin money and loans given	(259.01)	(1,311.37)	
Dividend and interest received	932.61	1,296.36	
Net Cash from/(used in) financing activities	**1,119.21**	**(78.87)**	**1,198.08**
Proceeds from issue of shares	4.55	7,433.22	
Dividend Paid	(73.00)	-	
Interest paid	(1,957.59)	(2,085.91)	
Net Borrowings (net of issue expenses)	3,145.25	(5,426.18)	
Net increase / (decrease) in cash and cash equivalent	**(237.30)**	**(640.11)**	
Cash and cash equivalent, beginning of the year	427.07	1,066.47	
Effect of exchange fluctuation on cash flows	(1.38)	0.71	
Cash and cash equivalent, end of the year	**188.39**	**427.07**	

a) Decrease in net cash from operations reflects loss in Fiscal 2017. The cash from operations before working capital changes was ₹1,548.97 crores in Fiscal 2017 compared to ₹3,502.42 crores in Fiscal 2016. There was net outflow of ₹73.75 crores in Fiscal 2017 towards working capital changes.

b) The net cash used in investing activities was ₹2,737.98 crores in Fiscal 2017 compared to ₹3,264.22 crores in Fiscal 2016, mainly attributable to:

- Investments in mutual funds in Fiscal 2017 was ₹537.40 crores as compared to ₹1,669.02 crores in Fiscal 2016.
- The cash used for payments for fixed assets was ₹3,411.58 crores (net) in Fiscal 2016 compared to ₹3,249.21 crores in Fiscal 2016.
- Inflow by way of divestments in subsidiary companies resulting in cash inflow of ₹746.90 crores in Fiscal 2016.
- Inflow due to dividends and interest in Fiscal 2017 was ₹932.61 crores as compared to ₹1,296.36 crores in Fiscal 2016.
- There was an inflow (net) of ₹264.29 crores in Fiscal 2017 compared to an outflow of ₹227.49 crores for Fiscal 2016 towards Fixed / restricted deposits.
- There was an outflow (net) of ₹139.08 crores in Fiscal 2017 compared to inflow of ₹613.81 crores for Fiscal 2016 towards investments in subsidiary, joint arrangements and associate companies.

c) The net change in financing activity was an inflow of ₹1,119.21 in Fiscal 2017 against outflow of ₹78.87 crores in Fiscal 2016. The outflow is attributable to:

- Long-term borrowings (net) – inflow of ₹1,474.30 crores in Fiscal 2017 as compared to outflow of ₹949.90 crores.
- Short-term borrowings (net) – inflow of ₹1,670.95 crores in Fiscal 2017 as compared to outflow of ₹4,476.28 crores.
- During Fiscal 2016, the Company raised ₹7,433.22 crores through rights issue of shares.
- In Fiscal 2017, the Company paid dividend of ₹73.00 crores.
- In Fiscal 2017, interest payment was ₹1,957.59 crores as compared to ₹2,085.91 crores in Fiscal 2016.

FINANCIAL PERFORMANCE OF JAGUAR LAND ROVER (AS PER IFRS)

The financial statements of Jaguar Land Rover are prepared in accordance with International Financial Reporting Standards (IFRS) applicable in the United Kingdom. This information is given to enable the readers to understand the performance of Jaguar Land Rover on a consolidated basis for the Jaguar Land Rover group.

Revenues for Jaguar Land Rover for Fiscal 2017 were GB£24,339 million, an increase of 9.2% compared to GB£22,286 million in Fiscal 2016, driven primarily by increased wholesale volumes and a more favourable foreign exchange environment with the weaker pound following Brexit.

Material and other cost of sales in Fiscal 2017 were GB£15,071 million were 12.4% higher compared to the GB£13,405 million in Fiscal 2016 (and increased as a proportion of revenue to 61.9% in Fiscal 2017 compared to 60.1% in Fiscal 2016) primarily driven by the increase in sales volumes and the weaker pound.

Employee costs increased by 7.3% to GB£2,490 million in Fiscal 2017 compared to GB£2,321 million in Fiscal 2016, primarily reflecting increased headcount in manufacturing (to support the increase in production volumes) and product development to support Jaguar Land Rover's plans to launch new models.

Other expenses (net of income) increased by 9.9% to GB£4,997 million in Fiscal 2017 compared to GB£4,546 million in Fiscal 2016 primarily reflecting higher costs related to freight and distribution, warranty, selling and fixed marketing expense and launch costs.

In Fiscal 2017 there was an accounting policy change to reclassify gains and losses on revenue and cost hedges from "Other Expense" to "Revenue" and "Material and Other Cost" respectively which the Company believe more appropriately reflects the intent of these hedges. This change is also reflected in the financial statements of the prior year.

Product development costs capitalized increased by 14.8% to GB£1,426 million in Fiscal 2017 compared to GB£1,242 million in Fiscal 2016 due primarily to expenditure on the development of future products and technologies.

EBITDA was GB£2,955 million (12.1% margin) in Fiscal 2017, down 6.1% compared to the EBITDA of GB£3,147 million (14.1% margin) in Fiscal 2016 due to the factors described above.

EBIT was GB£1,458 million (6.0% margin) in Fiscal 2017, down 18.7% compared to the EBIT of GB£1,793 million (8.0% margin) in Fiscal 2016 due to the lower EBITDA as well as an increase in depreciation and amortization, partially offset by higher profits from company's China joint venture.

Profit before tax ("PBT") increased by 3.4% to GB£1,610 million in Fiscal 2017 compared to GB£1,557 million in Fiscal 2016, reflecting the lower EBIT and more unfavourable revaluation of unrealized foreign currency debt and hedges, offset by lower net finance expense, favourable revaluation of commodity hedges and GB£151 million of further insurance and other recoveries related to Tianjin (compared to the GB£157 million net charge incurred in Fiscal 2016).

Profit after tax ("PAT") decreased by 3.0% to GB£1,272 million in Fiscal 2017 compared to GB£1,312 million in Fiscal 2016. However, the effective tax rate of 21.0% in Fiscal 2017 was higher than the 15.7% in Fiscal 2016 primarily reflecting the non-recurrence of favourable deferred tax credits in Fiscal 2016 (£74 million related to UK Patent Box legislation).

Net cash generated from operating activities was GB£3,160 million in Fiscal 2017 compared to GB£3,556 million in Fiscal 2017 driven by solid profitability, positive working capital and non-cash accruals of GB£467 million (positive working capital and non-cash accruals of GB£547 million in Fiscal 2016) and a GB£68 million dividend received from the China joint venture partially offset by GB£199 million of tax paid. After GB£3,070 million of total investment spending (excluding GB£368 million of research & development already expensed through the income statement) and GB£110 million of other income (primarily interest received and foreign exchange gains on deposits) free cash flow before financing was GB£295 million. Increases in debt of GB£841 million primarily reflects the approx. GB£857 million of bonds issued in January 2017 and a GB£45 million increase in the utilization of the invoice discounting facility offset by the redemption of the remaining US$84 million (GB£57 million) 8.125% notes due 2021 and lease payments of GB£4 million. Finance expenses and fees, primarily relating to interest payments on outstanding bonds and fees relating to financing facilities were GB£150 million and a dividend of GB£150 million was also paid to Tata Motors in June 2016. As at March 31, 2017, Jaguar Land Rover had a total cash balance of GB£5,487 million (comprised of GB£2,878 million of cash and cash equivalents and GB£2,609 million of financial deposits) compared to GB£4,651 million of total cash at March 31, 2016 (which comprised of GB£3,399 million of cash and cash equivalents and GB£1,252 million of financial deposits). With total cash of GB£5,487 million and an undrawn revolving credit facility of GB£1,870 million, total liquidity available to Jaguar Land Rover was GB£7,357 million at March 31, 2017, compared to GB£6,521 million at March 31, 2016.

FINANCIAL PERFORMANCE OF TATA MOTORS FINANCE LTD (AS PER INDIAN GAAP)

During Fiscal 2017, TMFL earned a total income of ₹2,721.25 crores compared to ₹3,228.57 crores earned in Fiscal 2016, reflecting a decrease of 15.7%. The expansion of spoke branches (Tier 2 and 3 towns) has helped in reaching out to the customer more quickly and in improving customer satisfaction. The loss before tax was ₹698.56 crores in Fiscal 2017 as compared to a profit of ₹301.64 crores in Fiscal 2016. The loss after tax was ₹1,182.29 crores in Fiscal 2017, as compared to a profit of ₹267.03 crores in previous year.

FINANCIAL PERFORMANCE OF TATA DAEWOO COMMERCIAL VEHICLES (AS PER KOREAN GAAP)

In Fiscal 2017, TDCV's total revenue increased by 17.3% to KRW1,031.77 billion (₹5,986 crores) compared to KRW879.66 billion (₹5,096 crores) in Fiscal 2016, mainly due to lower export sales partially offset by increase in domestic sales. The profit after tax was KRW50.25 billion (₹290 crores) compared to KRW45.56 billion (₹264 crores) of previous year. Better profitability of Euro 6 Vehicles, better mix, favorable exchange realizations, continuous material cost reduction, various cost control and inventory initiatives helped in improving profits.

FINANCIAL PERFORMANCE OF TATA TECHNOLOGIES LTD

The consolidated revenue of TTL in Fiscal 2017 increased 4.4% to ₹2,801.95 crores, compared to ₹2,683.38 crores in Fiscal 2016. The profit before tax decreased by 2.3% to ₹452.77 crores in Fiscal 2017, compared to ₹463.53 crores in Fiscal 2016. The profit after tax decreased by 7.8% to ₹353.59 crores in Fiscal 2017, as compared to ₹383.56 crores in Fiscal 2016.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Some significant features of the internal control of systems are:

- The Audit Committee of the Board of Directors, comprising of independent directors and functional since August 1988, regularly reviews the audit plans, significant audit findings, adequacy of internal controls, compliance with accounting standards as well as reasons for changes in accounting policies and practices, if any;
- Documentation of major business processes and testing thereof including financial closing, computer controls and entity level controls, as part of compliance programme towards Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange;
- An ongoing programme, for the reinforcement of the Tata Code of Conduct is prevalent across the organization. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflicts of interest's review and reporting of concerns.
- State-of-the-art Enterprise Resource Planning, supplier relations management and customer relations management connect the Company's different locations, dealers and vendors for efficient and seamless information exchange. The Company also maintains a comprehensive information security policy and undertakes continuous upgrades to its IT systems;
- Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about compliance with internal controls and the efficiency and effectiveness of operations as well as the key process risks. The scope and authority of the Internal Audit division is derived from the Internal Audit Charter, duly approved by the Audit Committee; and Anti-fraud programmes including whistle blower mechanisms are operative across the Company.

The Board takes responsibility for the overall process of risk management throughout the organization. Through an Enterprise Risk Management programme, the Company's business units and corporate functions address risks through an institutionalized approach aligned to the Company's objectives. This is facilitated by internal audit. The Business risk is managed through cross-functional involvement and communication across businesses. The results of the risk assessment are presented to the senior management. The Risk Management Committee reviews business risk areas covering operational, financial, strategic and regulatory risks.

During Fiscal 2017, the Company conducted an assessment of the effectiveness of the Internal Control over Financial Reporting and has determined that the Company's Internal Control over Financial Reporting as at March 31, 2017 is effective.

HUMAN RESOURCES / INDUSTRIAL RELATIONS

The Company considers its human capital a critical factor to its success. Under the aegis of Tata Sons and the Tata Sons promoted entities, the Company has drawn up a comprehensive human resource strategy, which addresses key aspects of human resource development such as:

- The code of conduct and fair business practices;
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates employees by performance level;
- Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through job rotation among the entities;
- Evolution of performance based compensation packages to

attract and retain talent within Tata Sons and the Tata Sons promoted entities; and

- Development and delivery of comprehensive training programs to impact and improve industry- and/or function-specific skills as well as managerial competence.

In line with the Company human resource strategy, it has implemented various initiatives in order to build better organizational capabilities that the Company believe will enable it to sustain competitiveness in the global marketplace. The Company's focus is to attract talent, retain the better and advance the best. Some of the initiatives to meet this objective include:

- Development of an agile organization through process modification, delayering and structure alignment and increase in customer facing roles;
- Changed organization structure has empowered teams, across each product lines, which will manage the product lifecycle and be accountable for the Profit and Loss;
- Extensive process mapping exercises to benchmark and align the human resource processes with global best practices;
- Outsource transactional activities to an in house back office (Global Delivery Center), thereby reducing cost and time of transaction;
- Talent management process redesigned with a stronger emphasis on identifying future leaders;
- Build strategic partnerships with educational institutions of repute to foster academia based research and provide avenues for employees to further their educational studies;
- Enhance company's image and desirability amongst the target engineering and management schools, to enable it to attract the best;
- Functional academies setup for functional skills development; and
- Skill development of all Blue collared workforce to enable them to effectively meet the productivity and quality deliverables.

The Company employed approximately 80,389 and 76,598 permanent employees as at March 31, 2017 and 2016, respectively. The average number of flexible (temporary, trainee and contractual) employees for Fiscal 2017, was approximately 38,692 (including joint operations) compared to 40,205 in Fiscal 2016.

The following table set forth a breakdown of persons employed by the Company's business segments and by geographic location as at March 31, 2017 and 2016.

	As at March 31,	
	2017	**2016**
Segment	No. of Employees	
Automotive	71,428	68,089
Other	8,130	8,509
Total	**79,558**	**76,598**
Location	No. of Employees	
India	42,991	42,238
Abroad	36,567	34,360
Total	**79,558**	**76,598**

Training and Development The Company has committed to the development of its employees to strengthen their functional and leadership capabilities. The Company have a focused approach with the objective of addressing all capability gaps and preparing its employees to adopt to fast changing external environment in order to meet its strategic objectives.

To achieve this, the Company has established the Tata Motors Academy, which addresses development needs of various segments of its workforce through a structured approach. The Tata Motors Academy focuses on three functional pillars – customer excellence, product leadership, and operational excellence – and one pillar on management education, all of which are aligned with the Company-level strategic objectives. The emphasis of functional academies is to strengthen knowledge, skills and expertise with an in depth approach, and the emphasis of management education is developing general management skills.

In addition to the Tata Motors Academy, the Company's Learning Advisory Council, which includes senior leaders from different parts of organization, aims to more closely align its learning and development efforts with its business needs and priorities. The Learning Advisory Council is responsible for designing, implementing and reviewing the learning agenda.

The Company is now migrating from a trade-based training approach to a process-based training approach, which emphasizes team members' knowledge as related to their actual work, in addition to the general trade-based skills, which are learned at training institutes. These skills are very specific and not currently taught at the training institutes. To accomplish this, the Company is implementing a fundamental skills training initiative throughout organization. Its objective is to address key employee performance issues, such as inconsistent quality, poor craftsmanship, high frequencies of repair reworking and low productivity levels through training of front-line team members.

Union Wage Settlements The Company has labour unions for operative grade employees at all its plant across India, except Dharwad plant. The labour union at Sanand plant has recently been registered and the first settlement is yet to be done. The Company has generally enjoyed cordial relations with its employees at its factories and offices and have received union support in the implementation of reforms that impact safety, quality, cost erosion and productivity improvements across all locations.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three to four years) at different locations. The expiration dates of the wage agreements with respect to various locations/subsidiaries are as follows:

Location/subsidiaries	Wage Agreement valid until
Pune commercial vehicles	August 31, 2019
Pune passenger vehicles	March 31, 2016#
Jamshedpur	March 31, 2016#
Mumbai	December 31, 2015#
Lucknow	March 31, 2017#
Pantnagar	March 31, 2019
Jaguar Land Rover	October 31, 2017

Under negotiation

An amicable settlement has been arrived at the Pantnagar plant in May 2016 and in Pune CVBU Plant in March 2017. Negotiations are underway for new wage agreements at locations where it has expired. In the interim, the wages set forth in the previous wage agreements will continue until a new settlement is reached.

The Company's wage agreements link an employee's compensation to certain performance criteria that are based on various factors such as quality, productivity, operating profit and an individual's performance and attendance. The Company has generally received union support in its implementation of reforms that impact quality, cost erosion and productivity improvements across all locations.

OUTLOOK

The Company expects to take advantage of being an established automaker and reap benefits from the expected growth of GDP and also form the proposed increase in automobile sector impact in GDP. Also, increase impact in global market is expected with increase of Indian automobile sector's global market size. The Company is preparing to align with National Electric Mobility Mission 2017 and also with Automobile Mission 2017, in BS5 and BS6 standards.

With government providing financing infrastructure in rural areas, the Company plans to take better advantage of this opportunity. Also, improvements in highway infrastructure will benefit the Company's subsidiaries like TATA Hitachi.

The Company is prepared with BSIV standard infrastructure and plans to proactively work for BSV and BSVI standards to be applicable in 2019 and 2023, respectively.

The Company is preparing itself to be efficient in not only BSIV, BSV and BSVI, but also plans to take a holistic approach towards environment regulations and stay ahead in Industry. The emergence of diverging markets and mis-alignment in production and supply at global level, will be strategically dealt with the help of wide network of subsidiaries and Joint ventures. The emergence of digital platforms for purchasing the Automobiles gives an opportunity to venture into an unexplored sector.

Continued investment, by Jaguar Land Rover, in new products and technologies as well as expanding its production capacity in appropriate strategic locations, while balancing production with sales, is key for the success of the Company.

CAUTIONARY STATEMENT

Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates and expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company operations include, among others, economic conditions affecting demand/supply and price conditions in the domestic and overseas markets in which the Company operates, changes in government regulations, tax laws and other statutes and incidental factors.

REPORT ON CORPORATE GOVERNANCE

COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a Tata Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. As a global organization, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board along with its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence and the Balanced Scorecard methodology for tracking progress on long term strategic objectives. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees is supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). The Company's Depositary Programme is listed on the New York Stock Exchange and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US companies listed on US Exchange) which cast upon the Board of Directors and the Audit Committee, onerous responsibilities to improve the Company's operating efficiencies. Risk management and the internal control process focus areas, continue to meet the progressive governance standards.

The Company has adopted Governance Guidelines on Board Effectiveness based on current and emerging best practices from both within and outside the Tata Group of companies.

BOARD OF DIRECTORS

The Board of Directors along with its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of 10 Directors out of which 7 Directors (70%) are Non-Executive Directors. As at March 31, 2017 the Company has a Non-Executive Chairman and 4 Independent Directors consequent to the retirement of Mr Subodh Bhargava, an Independent Director on March 29, 2017. The Company appointed Mr Om Prakash Bhatt on May 9, 2017 and presently the Independent Directors comprise more than half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149 of the Companies Act, 2013 ("Act").

All the Directors have made necessary disclosures regarding their directorships as required under Section 184 of the Act and on the Committee positions held by them in other companies. None of the Directors on the Company's Board hold the office of Director in more than 20 companies, including 10 public companies and none of the Directors of the Company are related to each other. In accordance with Regulation 26 of the SEBI Listing Regulations none of the Directors are members in more than 10 committees or act as chairperson of more than 5 committees [the committees being, Audit Committee and Stakeholders' Relationship Committee] across all listed entities in which he/she is a Director. All Non-Executive, Non Independent Directors, are liable to retire by rotation. The appointment of the Managing Director and Executive Directors, including the tenure and terms of remuneration are also approved by the members at the first meeting after the said appointment.

The required information, including information as enumerated in Regulation 17(7) read together with Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors, for discussions and consideration at Board Meetings. The Board reviews the declaration made by the CEO & Managing Director and the Group Chief Financial Officer ("CFO") regarding compliance with all applicable laws on a quarterly basis, as also steps taken to remediate instances of non-compliance, if any.

Pursuant to Regulation 27(2) of the SEBI Listing Regulations, the Company also submits a quarterly compliance report on Corporate Governance to the Indian Stock Exchanges including details on all material transactions with related parties, within 15 days from the close of every quarter. The CEO & Managing Director and the CFO have certified to the Board on *inter alia*, the accuracy of the financial statements and adequacy of internal controls for financial reporting, in accordance with Regulation 17(8) read together with Part B of Schedule II of the SEBI Listing Regulations, pertaining to CEO and CFO certification for the Financial Year ended March 31, 2017. During the year under review, 10 Board Meetings were held on May 30, 2016, August 6, 2016, August 26, 2016, October 5, 2016, November 14, 2016 November 23, 2016, December 12, 2016, January 24, 2017, February 14, 2017 and March 30, 2017. The maximum time-gap between any two consecutive meetings did not exceed 120 days. All the agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application, specifically designed for this purpose, thereby eliminating circulation of printed agenda papers. The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting (AGM), number of directorships (including Tata Motors), memberships/chairmanships of the Board and Committees of public companies and their shareholding as at March 31, 2017 in the Company are as follows:

Name of the Director	Director Identification Number	Director Category	No. of Board Meetings attended in the year	Attendance (%)	Attendance at the last AGM	Directorships[1]		Committee positions[2]		Holding in shares and other convertible instruments
						Chairman	Member	Chairman	Member	
Mr Cyrus Mistry [3] [4]	00010178	Non-Executive, Chairman	7	100	Yes	10	-	-	-	15,855 Ordinary Shares
Mr Natarajan Chandrasekaran [5]	00121863	Non-Executive, Chairman	3	100	NA	6	-	-	-	-
Mr Nusli Wadia [4] [6]	00015731	Non-Executive, Independent	6	86	Yes	4	4	-	-	1,000 Ordinary Shares
Dr R A Mashelkar	00074119	Non-Executive, Independent	9	90	Yes	-	6	1	3	-
Mr S Bhargava [7]	00035672	Non-Executive, Independent	9	100	Yes	3	5	1	4	-
Mr N Munjee	00010180	Non-Executive, Independent	9[8]	90	Yes	2	8	5	1	-
Mr V K Jairath	00391684	Non-Executive, Independent	10	100	Yes	-	7	3	5	-
Ms Falguni Nayar	00003633	Non-Executive, Independent	9	90	Yes	-	9	1	5	-
Mr Om Prakash Bhatt [9]	00548091	Non-Executive, Independent	NA	NA	NA	-	4	2	3	-
Dr Ralf Speth	03318908	Non-Executive	10	100	Yes	-	2	-	-	-
Mr Guenter Butschek	07427375	CEO and Managing Director	9[8]	90	Yes	-	1	-	1	-
Mr Ravindra Pisharody	01875848	Executive Director (Commercial Vehicles)	10	100	Yes	-	5	-	2	-
Mr Satish B Borwankar	01793948	Executive Director (Quality)	10	100	Yes	1	2	-	1	500 Ordinary Shares

(1) Excludes Directorships in private companies, foreign companies, Section 8 companies and alternate directorships.
(2) Includes only Audit and Stakeholders' Relationship Committees.
(3) Resigned as the Non-Executive Chairman and Director of the Company with effect from December 19, 2016.
(4) Number of Directorships, Committee positions and shareholding details are as on the date of cessation as director.
(5) Appointed as an Additional Director and Non-Executive Chairman of the Company with effect from January 17, 2017.
(6) Removed as an Independent Director by the Shareholders at the Extraordinary General Meeting of the Company held on December 22, 2016.
(7) Retired on March 29, 2017, upon attaining the age of 75 years in accordance with the Company's Governance Guidelines on Board Effectiveness.
(8) Excludes 1 meeting attended via audio conference facility.
(9) Appointed as a Non-Executive Independent Director of the Company with effect from May 9, 2017 and disclosures above are as on date.

The Company actively uses the facility of video conferencing permitted under Section 173(2) of the Act read together with Rule 3 of the Companies (Meetings of Board and its Powers) Rules, 2014, thereby saving resources – cost to the Company and valued time of the Directors.

Independent Directors' Meeting: As per Regulation 25(1) of the SEBI Listing Regulations, none of the Independent Directors serves as Independent Directors in more than 7 listed entities and in case of whole-time directors in any listed entity, then they do not serve as Independent Directors in more than 3 listed entities. During the year 3 Meetings of Independent Directors were held on November 14, 2016, December 12, 2016 and March 30, 2017, the attendance whereat is as follows:

Composition	Meetings attended	Attendance (%)
Mr Nusli Wadia [1]	2	100
Dr R A Mashelkar	2	67
Mr Nasser Munjee	2 [2]	67
Mr Subodh Bhargava [3]	2	100
Mr Vinesh Kumar Jairath	3	100
Ms Falguni Nayar	3	100

(1) Removed as Independent Director by the Shareholders at the Extraordinary General Meeting of the Company held on December 22, 2016.
(2) Excludes 1 meeting attended via audio conference facility.
(3) Retired in accordance with the Company's Governance Guidelines on Board Effectiveness on March 29, 2017, upon attaining the age of 75 years.

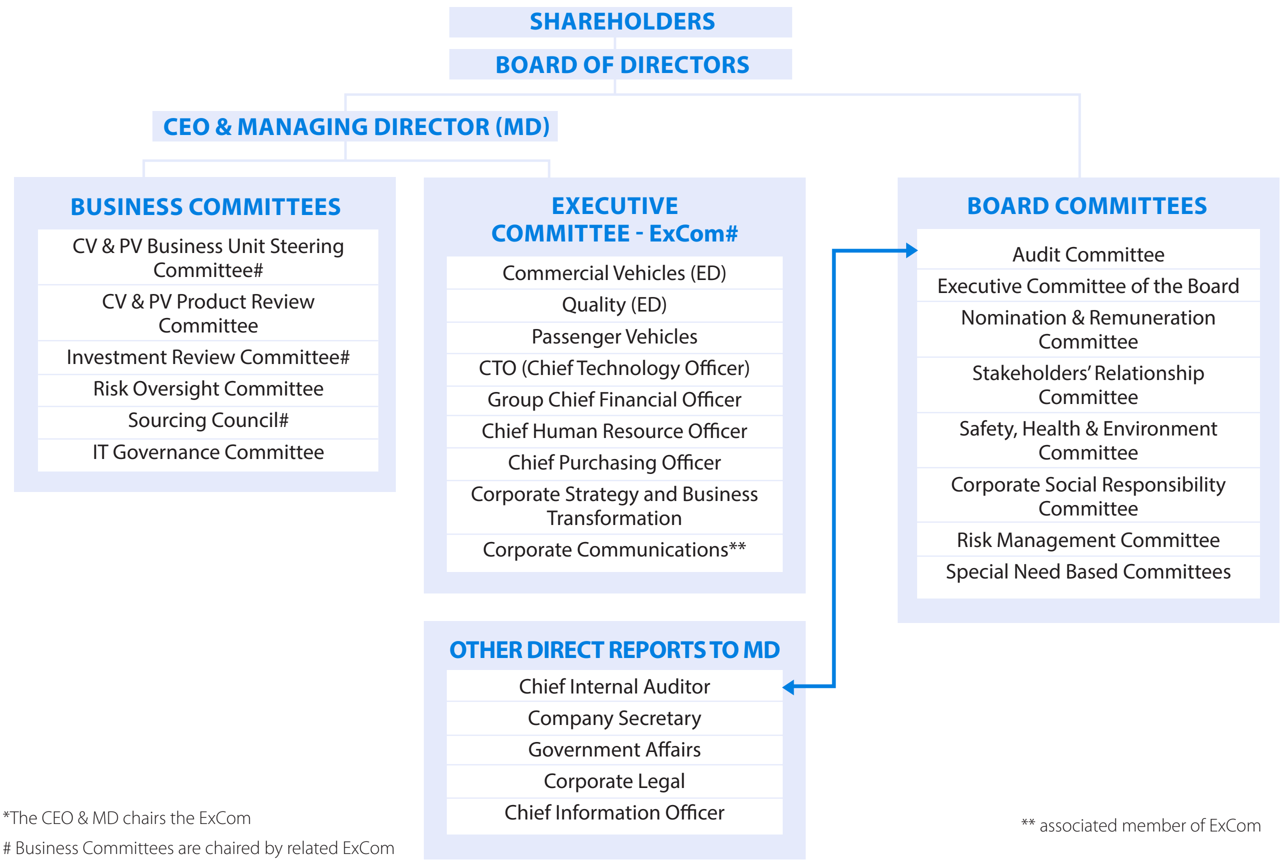
An Independent Directors meeting in accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and 25(4) of the SEBI Listing Regulations was convened on March 30, 2017, to review the performance of the Non-Independent Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole.

Board Effectiveness Evaluation: Pursuant to provisions of Regulation 17(10) of the SEBI Listing Regulations and the provisions of the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details pertaining to the same kindly refer to the Board's Report.

Familiarisation Programme: Kindly refer to the Company's website for details of the familiarisation programme for Independent Directors on their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters.

COMMITTEES OF THE BOARD

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set / actions directed by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The Board of Directors and the Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. An Organisation Chart depicting the relationship between the Board of Directors, the Committees and the senior management functions as at March 31, 2017 is illustrated below:



*The CEO & MD chairs the ExCom

Business Committees are chaired by related ExCom member where indicated, otherwise by the CEO & MD

** associated member of ExCom

AUDIT COMMITTEE

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with Section 177 of the Act, Regulation 18(3) read with Part C of Schedule II of the SEBI Listing Regulations and US regulations applicable to the Company and is reviewed from time to time. Whilst, the full Charter is available on the Company's website, given below is a gist of the responsibilities of the Audit Committee:

i. Reviewing with the management, quarterly/annual financial statements before submission to the Board, focusing primarily on:

- Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
- Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
- Compliance with accounting standards and changes in accounting policies and practices as well as reasons thereof;
- Major accounting entries involving estimates based on exercise of judgment by Management;
- Draft Audit Report, qualifications, if any and significant adjustments arising out of audit;
- Analysis of the effects of alternative GAAP methods on the financial statements;
- Compliance with listing and other legal requirements concerning financial statements;
- Scrutinise inter corporate loans and investments; and
- Disclosures made under the CEO and CFO certification and related party transactions to the Board and Shareholders.

ii. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.

iii. Review Management letters/Letters of internal control weakness issued by the statutory auditors.

iv. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, statement of deviations both quarterly and annual, if any, and making appropriate recommendations to the Board to take up steps in this matter.

v. Recommending the appointment/removal of the statutory auditor, cost auditor, fixing audit fees, name of Audit firm and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceedings relating to professional misconduct, if any. It shall also ensure that the cost auditors are independent, have arm's length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.

vi. Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the chief internal auditor, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.

vii. Discussing with the internal auditor and senior management, significant internal audit findings and follow-up thereon.

viii. Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.

ix. Discussing with the statutory auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.

x. Reviewing the Company's financial controls and risk management systems.

xi. Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company.

xii. Reviewing the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.

xiii. Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.

xiv. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.

xv. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.

xvi. Engage a registered valuer in case valuations are required in respect of any property, stocks, shares, debentures, securities, goodwill, undertaking or assets, liabilities or net worth of the Company.

xvii. Review and suitably reply to the report(s) forwarded by the auditors on the matters where auditors have sufficient reason to believe that an offence involving fraud, is being or has been committed against the Company by officers or employees of the Company.

xviii. Review the system of storage, retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law.

xix. Approve all or any subsequent modification of transactions with related parties.

xx. To approve policies in relation to the implementation of the Tata Code of Conduct for Prevention of Insider Trading and Code of Corporate Disclosure Practices ('Code') and to supervise implementation of the Code.

xxi. To note and take on record the status reports, detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis and to provide directions on any penal action to be initiated, in case of any violation of the Code, by any person.

During the year, the Committee reviewed key audit findings covering operational, financial and compliance areas. It also reviewed the internal control system in subsidiary companies, status on compliance of its obligations under the Charter and confirmed that it fulfilled its duties and responsibilities. The Committee, through self-assessment, annually evaluates its performance. The Chairman of the Audit Committee briefs the Board members about significant discussions at Audit Committee meetings.

The Committee comprises of 4 Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr Munjee is the Financial Expert. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Audit Committee also attended the last Annual General Meeting of the Company. During the period under review, 10 Audit Committee meetings were held on April 4, 2016, May 27, 2016, July 8, 2016, August 11, 2016, August 24, 2016, October 4, 2016, November 11, 2016, January 12-13, 2017, February 13, 2017 and March 30, 2017. The maximum gap between any two meetings was less than 120 days. Each Audit Committee meeting which considers financial results is preceded by a meeting of the Audit Committee members along with the Auditors only.

The composition of the Audit Committee and attendance at its meetings is as follows:

Composition	Meetings attended	Attendance (%)
Mr N Munjee (Chairman)	10	100
Dr R A Mashelkar	9	90
Mr V K Jairath	10	100
Ms Falguni Nayar	9	90

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by the CEO & Managing Director, Executive Directors, CFO, Company Secretary, Chief Internal Auditor, Statutory Auditors and Cost Auditors on need based basis. The Business and Operation Heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary of the Audit Committee, as well as all the other Committees of the Company. The Chief Internal Auditor reports directly to the Audit Committee to ensure independence of the Internal Audit function.

The Committee relies on the expertise and knowledge of the management, the internal auditors and the Statutory Auditor, in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal controls.

Deloitte Haskins & Sells LLP, Mumbai (ICAI Firm Registration No.117366W/W – 100018), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee (NRC) of the Company functions according to its Charter, that defines its objective, composition, meeting requirements, authority and power, responsibilities, reporting and evaluation functions in accordance with Section 178 of the Act and SEBI Listing Regulations, which are reviewed from time to time. The broad terms of reference of the NRC are as follows:

- Recommend to the Board the set up and composition of the Board and its Committees including the "formulation of the criteria for determining qualifications, positive attributes and independence of a director". The Committee periodically reviews the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Devise a policy on Board diversity.
- Recommend to the Board the appointment or reappointment of Directors, including Independent Directors, on the basis of Report on performance evaluation of Independent Directors.
- Support the board in matters related to set-up, review and refresh of the Committees.
- Recommend to the Board on voting on resolutions for appointment and remuneration of Directors on the Boards of its material subsidiary companies and provide guidelines for remuneration of Directors on material subsidiaries.
- Identify and recommend to the Board appointment of Key Managerial Personnel ("KMP" as defined by the Act) and executive team members of the Company (as defined by this Committee). The Committee shall consult the Audit Committee before recommending the appointment of the CFO.
- Carry out evaluation of every Director's performance and support the Board, its Committees and individual Directors, including "formulation of criteria for evaluation of Independent Directors and the Board".
- Oversee the performance review process for the KMP and executive team of the Company with a view that there is an appropriate cascading of goals and targets across the Company and on an annual basis, recommend to the Board the remuneration payable to the Directors, KMP and executive team of the Company.
- Recommend the Remuneration Policy for Directors, KMP, executive team and other employees.
- Review matters related to voluntary retirement and early separation schemes for the Company.
- Oversee familiarization programmes for Directors.
- Oversee HR philosophy, HR and people strategy and efficacy of HR practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for the Board, KMP and executive team).
- Performing such other duties and responsibilities as may be consistent with the provisions of the Committee Charter.

The Committee presently comprises of 3 Independent Directors and 1 Non-Executive Director. During the year under review, four meetings of the Committee were held on May 30, 2016, August 12, 2016, November 14, 2016 and March 30, 2017. The Board also inducted Mr O P Bhatt, Inependent Director as a Member of the NRC with effect from May 16, 2017. The decisions are taken by the Committee, at meetings or by passing circular resolutions. The composition of the Nomination and Remuneration Committee and attendance at its meeting is as follows:.

Composition	Meetings attended	Attendance (%)
Mr Nusli Wadia (1)	3	100
Mr Cyrus Mistry (2)	3	100
Mr N Chandrasekaran (3)	1	100
Mr S Bhargava (4)	3	100
Dr R A Mashelkar	3	75
Mr N Munjee (5)	1	100

1. *Removed as Independent Director by the Shareholders at the Extraordinary General Meeting of the Company held on December 22, 2016.*
2. *Resigned as the Non-Executive Chairman and Director of the Company with effect from December 19, 2016.*
3. *Appointed as an Additional Director and Non-Executive Chairman of the Company with effect from January 17, 2017.*
4. *Retired in accordance with the Company's Governance Guidelines on Board Effectiveness on March 29, 2017, upon attaining the age of 75 years.*
5. *Appointed as a Member with effect from March 29, 2017.*

Remuneration Policy

The Company has in place a Remuneration Policy for Directors, KMP and other employees, in accordance with the provisions of the Act and the SEBI Listing Regulations. For details on Remuneration Policy for Directors, KMP and other employees, kindly refer to Annexure 4 of the Board's Report.

Remuneration of Directors

Non-Executive Directors

- A sitting fee of ₹60,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee of the Board, NRC and for Independent Directors Meeting; and ₹20,000/- for attendance at each meeting of Stakeholders' Relationship Committee, Safety, Health & Environment Committee, the Corporate Social Responsibility Committee, Risk Management Committee, Fund Raising Committee and other special need based committees, is paid to its Members (excluding Managing Director and Executive Directors) and also to Directors attending by invitation. The sitting fees paid/payable to the Non Whole-time Directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.

- The remuneration by way of commission to the Non-Executive Directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings. The Members had, at the Annual General Meeting held on August 21, 2013, approved the payment of remuneration by way of commission to the Non Whole-time Directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Act for a period of 5 years commencing April 1, 2013, respectively.

  No Commission was paid to any Non-Executive Director for FY 2016-17 in view of inadequacy of profits.

  The performance evaluation criteria for Non-Executive Directors, including Independent Directors, is determined by the NRC. An indicative list of factors that were evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behaviour and judgement.

  Given below are the Sitting Fees paid/ payable by the Company to Non-Executive Directors during FY 2016-17:

₹ in lakhs

Name	Sitting Fees
Mr Cyrus Mistry (1)	6.60
Mr N Chandrasekaran (2)	2.40
Mr N N Wadia (3)	6.60
Dr R A Mashelkar	15.60
Mr N Munjee	14.40
Mr S Bhargava (4)	9.00
Mr V K Jairath	15.80
Ms Falguni Nayar	14.40
Dr Ralf Speth (5)	-
Total	**84.80**

(1) Resigned as the Non-Executive Chairman and Director of the Company with effect from December 19, 2016.

(2) Appointed as an Additional Director and Non-Executive Chairman of the Company with effect from January 17, 2017.

(3) Removed as an Independent Director by the Shareholders at the Extraordinary General Meeting of the Company on December 22, 2016

(4) Retired in accordance with the Company's Governance Guidelines on Board Effectiveness upon attaining 75 years of age on March 29, 2017.

(5) Dr Ralf Speth is a Non-Executive Director and is not paid any commission or sitting fees for attending Board meetings of the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

  Some of the aforementioned Directors are also on the Board of the Company's subsidiaries and associates, in a non-executive capacity and are paid remuneration and sitting fees for participating in their meetings. Other than the above, the Non-Executive Directors have no pecuniary relationship or transactions with the Company, its subsidiaries and associates.

Managing and Executive Directors

The remuneration paid to the CEO & Managing Director and the Executive Directors commensurates with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

The NRC, reviews and recommends to the Board the changes in the managerial remuneration, generally being increment in basic salary and commission/incentive remuneration of the Managing and Executive Directors on a yearly basis. This review is based on the Balance Score Card that includes the performance of the Company and the individual director on certain defined qualitative and quantitative parameters such as volumes, EBITDA, cashflows, cost reduction initiatives, safety, strategic initiatives and special projects as decided by the Board vis-a-vis targets set in the beginning of the year. This review also takes into consideration the benchmark study undertaken by reputed independent agencies on comparative industry remuneration and practices.

The variable portion of the CEO & Managing Directors remuneration comprises of incentive remuneration in the form of performance linked bonus and long-term incentive. The target performance linked bonus would be €550,000 per annum upto a maximum of €825,000 per annum. With the objective of achieving long-term value creation, through retention and continuity in leadership, a long term incentive plan is provided, with a value intended target of €550,000 per annum upto a maximum of €825,000 per annum. For the period from the date of joining upto March 31, 2017, the amount for the performance linked bonus and long-term incentive will be the target annual performance amount of €550,000 for each of the aforesaid 2 components, prorated for the actual period worked.

The variable portion of the Executive Directors remuneration comprises a profit-linked commission and/or merit based incentive remuneration. The profit-linked commission is awarded at the discretion of the NRC and the Board of Directors, based on the net profits of the Company for that financial year, subject to the overall ceiling limits stipulated in Section 197 of the Act, but in any case not exceeding 400% of the basic salary. In case the Net Profits of the Company are inadequate for payment of profit-linked commission in any financial year, an incentive remuneration, not exceeding 200% of the basic salary, may be paid at the discretion of the Board.

Given below are details pertaining to certain terms of appointment and payment of Managerial Remuneration to the CEO & Managing Director and Executive Directors for FY 2016-17:

₹ in lakhs

Particulars	Mr Guenter Butschek CEO & Managing Director	Mr Ravindra Pisharody Executive Director (Commercial Vehicles)	Mr Satish Borwankar Executive Director (Quality)
Basic Salary	241.88	72.00	57.00
Benefits, Perquisites & Allowance	1,314.06(1)	70.51	82.27(2)
Incentive Remuneration (3)	670.18	69.00	60.00
Retirement Benefits	29.03	19.44	15.39
Total Remuneration	**2,255.15**	**230.95**	**214.66**

Note: No Commission was paid to the Executive Directors for FY 2016-17 in view of inadequacy of profits.

(1) Includes reimbursement of pension benefits of ₹149.53 lakhs.

(2) Includes leave encashment

(3) Incentive remuneration shall be paid to the Directors after the forthcoming Annual General Meeting of the Company.

Terms of Appointment	CEO & Managing Director (MD)	Executive Directors
Severance Notice Period and Fees	- The Contract with the CEO & MD may be terminated earlier, without any cause by either giving to the other party six months' notice of such termination or the Company paying six months' remuneration which shall be limited to provision of basic salary, benefits, perquisites and allowances (including Living Allowance) and any pro-rated incentive remuneration, in lieu of such notice. Additionally, in case of termination initiated by the Company before the end of the term for the reasons other than Tata Code of Conduct ("TCoC"), the MD shall be entitled to severance pay for a period of 12 months or balance term of the agreement whichever is less and which shall be limited to provision of basic salary, living allowance and any pro-rated incentive remuneration. - This appointment may not be terminated by the Company without notice or payment in lieu of notice except for reasons of breach of TCoC. In case of breach of TCoC, the CEO & MD shall not be entitled to Severance. - In the event the CEO & MD is not in a position to discharge his official duties due to any physical or mental incapacity, he shall be entitled to receive notice pay and the severance as mentioned above and this contract shall stand terminated.	- This appointment may be terminated by either party by giving to the other party six months' notice of such termination or the Company paying six months' remuneration in lieu of the Notice. - The employment of the Executive Director, may be terminated by the Company without notice or payment in lieu of notice: • if the Executive Director, is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which he is required by the Agreement to render services; or • in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the Executive Director, of any of the stipulations contained in the Agreement to be executed between the Company and the Executive Director; or • in the event the Board expresses its loss of confidence in the Executive Director. - In the event the Executive Director is not in a position to discharge his official duties due to any physical or mental incapacity, the Board shall be entitled to terminate his contract on such terms as the Board may consider appropriate in the circumstances.

The Company does not have an Employee Stock Option Scheme for any of its employees or directors.

Retirement Policy for Directors

The Company has adopted the Tata Group Governance Guidelines on Board Effectiveness, wherein the Managing and Executive Directors retire at the age of 65 years. The Executive Director, who have been retained on the Company's Board beyond the age of 65 years as Non-Executive Directors for special reasons may continue as Directors at the discretion of the Board but in no case beyond the age of 70 years. The Company has also adopted a Policy for Managing and Executive Directors, which has also been approved by the Members of the Company, offering special retirement benefits, including pension, ex-gratia and medical. In addition to the above, the retiring Managing Director (except where he is an expat) is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the NRC.

Section 149 of the Act provides that an Independent Director shall hold office for a term of upto 5 consecutive years on the Board of a Company and would not be liable to retire by rotation pursuant to Section 152 of the Act. An Independent Director would be eligible to be re-appointed for another 5 years on passing of a Special Resolution by the Company. However, no Independent Director shall hold office for more than 2 consecutive terms, but would be eligible for appointment after the expiration of 3 years of ceasing to become an Independent Director. Provided that, during the said period of 3 years, he/she is not appointed in or associated with the Company in any other capacity, either directly or indirectly. The retirement age for Independent Directors is 75 years as per the Governance Guidelines on Board Effectiveness. Accordingly, all Independent Directors have a tenure of 5 years each or upon attaining the retirement age of 75 years, whichever is earlier, as approved by the Members at the Annual General Meeting held on July 31, 2014.

STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee functions in accordance with Section 178 of the Act and Regulation 20 read with Part D of Schedule II of the SEBI Listing Regulations. The Committee comprising of 2 Independent Directors and the CEO & Managing Director, is empowered to:

- Review statutory compliances relating to all security holders.
- Consider and resolve the grievances of security holders of the Company, including complaints related to transfer of securities, non-receipt of annual report/ declared dividends/ notices/ balance sheet.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Oversee and review all matters related to the transfer of securities of the Company.
- Approve issue of duplicate certificates of the Company.
- Review movements in shareholding and ownership structures of the Company.
- Ensure setting of proper controls and oversee performance of the Registrar and Share Transfer Agent.
- Recommend measures for overall improvement of the quality of investor services.

During the year under review, 2 Committee meetings were held on August 9, 2016 and January 13, 2017. The composition of the Stakeholders' Relationship Committee and attendance at its meetings is as follows:

Composition	Meetings attended	Attendance (%)
Mr V K Jairath (Chairman)	2	100
Ms Falguni Nayar	-	0
Mr Guenter Butschek	2	100

Compliance Officer

Mr H K Sethna, Company Secretary, who is the Compliance Officer, can be contacted at: Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400001, India.

Tel: 91 22 6665 8282, 91 22 6665 7824; Fax: 91 22 6665 7260; Email: inv_rel@tatamotors.com.

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Transfer Agents – M/s TSR Darashaw Limited at csg-unit@tsrdarashaw.com, whereas complaints or queries relating to the public fixed deposits can be forwarded to the Registrars to the Fixed Deposits Scheme – M/s TSR Darashaw Limited at tmlfd@tsrdarashaw.com.

Complaints or queries relating to the Rights Issue launched by the Company vide Letter of Offer dated March 30, 2015 of Ordinary and 'A' Ordinary Shares, can be forwarded to Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre and post-Issue related queries / complaints including those relating to the Applications Supported by Blocked Amount (ASBA) process. Tel: (91 22) 6171 5400 / 9167779196 /97; Fax: (91 22) 2596 0329; Website: www.linkintime.co.in; Email: tatamotors.rights@linkintime.co.in; Contact Person: Mr Sachin Achar.

The status on the total number of investors' complaints during FY 2016-17 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	71
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	49
Complaints redressed out of the above	112
Pending complaints as on 31.03.2017	8*
Other queries received from shareholders and replied	7,787

* *The SEBI complaints have been replied to within 4 days but the same has been reflected as unresolved as at March 31, 2017, as per the condition for complete resolution defined by SEBI.*

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY 2016-17 is shown in the following table:

	Number	%
Total number of correspondence received during FY 2016-17	7,907	100.00
Replied within 1 to 4 days of receipt	3,957	50.00
Replied within 5 to 7 days of receipt	1,660	21.00
Replied within 8 to 15 days of receipt	1,572	20.00
Replied after 15 days of receipt [(1)]	642	8.00
Received in last week of March 2017 have been replied in April 2017	76	1.00

(1) *These correspondence pertained to court cases which involved retrieval of case files, cases involving retrieval of very old records, co-ordination with the Company/Advocates etc, partial documents awaited from the Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to Stock Exchange and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within the statutory limit of 30 days.*

There were no pending share transfers pertaining to the Financial Year ended March 31, 2017. Out of the total number of complaints mentioned above, 49 complaints pertained to letters received through Statutory/Regulatory bodies and those related to the Court/ Consumer forum matters, fraudulent encashment and non-receipt of dividend.

On recommendations of the Stakeholders' Relationship Committee, the Company has taken various investor friendly initiatives like organising Shareholders' visit to Company's Works at Pune, sending reminders to investors who have not claimed their dues, sending nomination forms etc.

OTHER COMMITTEES

The Executive Committee of the Board reviews capital and revenue budgets, long-term business strategies and plans, the organizational structure of the Company, real estate and investment transactions, allotment of shares and/or debentures, borrowing and other routine matters. The Committee also discusses the matters pertaining to legal cases, acquisitions and divestment, new business forays and donations. During the year under review, 1 Committee meeting was held on September 16, 2016. The Executive Committee of Board presently comprises of 1 Independent Director, 1 Non-Executive Director and 3 Whole-time Directors. The composition of the Executive Committee of Board and attendance at its meetings is given hereunder:

Composition	Meetings attended	Attendance (%)
Mr Cyrus Mistry [(1)]	1	100
Mr N Chandrasekaran (Chariman) [(2)]	-	NA
Mr N N Wadia [(3)]	-	0
Mr N Munjee	-	0
Mr S Bhargava [(4)]	1	100
Mr R Pisharody	1	100
Mr S B Borwankar	1	100
Mr Guenter Butschek	1	100

1. *Resigned as the Non-Executive Chairman and Director of the Company with effect from December 19, 2016.*
2. *Appointed as an Additional Director and Non-Executive Chairman of the Company with effect from January 17, 2017.*
3. *Removed as an Independent Director by the Shareholders at the Extraordinary General Meeting of the Company held on December 22, 2016. The meeting was attended via audio conference.*
4. *Retired in accordance with the Company's Governance Guidelines on Board Effectiveness on March 29, 2017, upon attaining the age of 75 years.*

The Safety, Health and Environment (SHE) Committee was constituted with the objective of reviewing Safety, Health and Environment practices. The terms of reference of the Committee include the following:

- to take a holistic approach to safety, health and environmental matters in decision making;
- to provide direction to Tata Motors Group in carrying out its safety, health and environment function;
- to frame broad guidelines/policies with regard to safety, health and environment;
- to oversee the implementation of these guidelines/policies; and
- to review the policies, processes and systems periodically and recommend measures for improvement from time to time.

The Committee comprises of 2 Independent Directors including the Chairman of the Committee and 3 Whole-time Directors viz Dr R A Mashelkar (Chairman), Mr V K Jairath, Mr Ravindra Pisharody, Mr S B Borwankar and Mr Guenter Butschek. During the year under review, two meetings of the Committee were held on May 27, 2016 and October 4, 2016, wherein all the members were present at the said meetings.

Corporate Social Responsibility (CSR) Committee was constituted by the Board in accordance with the Act to:

(a) Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Act;

(b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

(c) Monitor the Corporate Social Responsibility Policy of the Company from time to time.

The CSR Policy is uploaded on the Company's website as required under the provisions of Section 135 of the Act and Rule 9 of the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The CSR committee comprises of 2 Independent Directors and 2 Whole-time Directors. During the year under review, 3 meetings of the Committee were held on May 27, 2016, October 4, 2016 and March 30, 2017.The composition of the CSR Committee and attendance at its meetings is given hereunder:

Composition	Meetings attended	Attendance (%)
Dr R A Mashelkar (Chairman)	3	100
Ms Falguni Nayar	3	100
Mr S B Borwankar	3	100
Mr Guenter Butschek	3	100

Risk Management Committee (RMC) is constituted and functions as per Regulation 21 of the SEBI Listing Regulations. The Committee comprises 4 Independent Directors namely, Mr Nasser Munjee, as Chairman, Dr Mashelkar, Mr V K Jairath and Ms Falguni Nayar as members. The terms of reference enumerated in the Committee Charter are as follows:

- Principles and objectives inter alia include assisting the Board in overseeing the Company's risk management process and controls, risk tolerance, capital liquidity and funding etc. and its periodic update to the Board.
- Committee shall act and have powers in accordance with the terms of reference specified in writing by the Board and shall be responsible for reviewing the Company's risk governance structure, assessment, practice, guidelines etc.
- The Committee will report to the Board periodically on various matters and shall undergo an annual self-evaluation of its performance and report the results thereof to the Board.

During the year under review 5 meetings of the Committee were held on April 4, 2016, July 8, 2016, October 4, 2016, December 5, 2016 and January 12, 2017. The composition of the RMC and attendance at its meeting is given hereunder:

Composition	Meetings attended	Attendance (%)
Mr N Munjee	5	100
Dr R A Mashelkar	3	60
Mr V K Jairath	5	100
Ms Falguni Nayar	5	100

Apart from the above, the Board of Directors also constitutes Committee(s) of Directors and/or Executives with specific terms of reference, as it deems fit.

CODE OF CONDUCT

Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted a Tata Code of Conduct for Non-Executive Directors and Independent Directors. Pursuant to Regulation 26(5) of the SEBI Listing Regulations, all members of senior management have confirmed that there are no material, financial and commercial transactions wherein they have a personal interest that may have a potential conflict with the interest of the Company at large. Pursuant to Regulation 26(3) of the SEBI Listing Regulations, all the Board members and senior management of the Company as on March 31, 2017 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the CEO and Managing Director is annexed hereto.

GENERAL BODY MEETINGS

Annual General Meeting (AGM)

Date of AGM	Year	Special Resolutions passed	Venue and Time
August 9, 2016	2015-2016	▪ Appointment of Mr Guenter Butschek as the Chief Executive Officer and Managing Director ▪ Re-appointment of Mr Ravindra Pisharody – Executive Director (Commercial Vehicles) and payment of remuneration ▪ Re-appointment of Mr Satish Borwankar – Executive Director (Quality) and payment of remuneration ▪ Offer or invite for Subscription of Non-Convertible Debentures on private placement basis	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400020 at 3:00 p.m.
August 13, 2015	2014-2015	Offer or invite for Subscription of Non-Convertible Debentures on private placement basis	
July 31, 2014	2013-2014	Invitation and acceptance of Fixed Deposits from the Members and Public	

Extraordinary General Meeting (EGM)

Upon the Requisition and Special Notice received from Tata Sons Limited, the Company's Shareholder, for the removal of Mr Cyrus P Mistry and Mr Nusli N Wadia as Director's of the Company, an EGM was convened, as detailed below:

Date and Time of EGM	Ordinary Resolutions	Outcome	Venue
December 22, 2016 at 3:00 p.m.	1. Removal of Mr Cyrus P Mistry as a Director	Resolution was rendered infructuous, as Mr Mistry had submitted his resignation as a Director on December 19, 2016	Yashwantrao Chavan Prathishtan Auditorium, Y. B. Chavan Centre, General Jagannath Bhosle Marg, Next to Sachivalaya Gymkhana, Mumbai 400021
	2. Removal of Mr Nusli N Wadia as a Director	Resolution was passed with requisite majority	

All resolutions moved at the last AGM and EGM were passed by means of electronic and physical voting, by the requisite majority of members attending the meeting. None of the businesses proposed to be transacted at the ensuing AGM require the passing of a special resolution by way of postal ballot.

There were no resolutions passed by Postal Ballot by the Company during the year under review.

MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with SEBI Listing Regulations and are generally published in the Indian Express, Financial Express and the Loksatta (Marathi). The Company has emailed to the Members who had provided email addresses, the half yearly results of the Company. The information regarding the performance of the Company is shared with the shareholders vide the Annual Report. The official news releases, including on the quarterly and annual results and presentations made to institutional investors and analysts are also posted on the Company's website (www.tatamotors.com) in the 'Investors' section.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of Board Meetings and other relevant information of the Company are posted through BSE Listing Centre and NSE Electronic Application Processing System (NEAPS) portals for investor information

Green Initiative:

In support of the "Green Initiative" undertaken by the Ministry of Corporate Affairs, the Company had during FY 2016-17 sent various communications including intimation of dividend and Half Yearly Communiqué by email to those shareholders whose email addresses were registered with the depositories or the Registrar and Transfer Agents.

All agenda papers for the Board and Committee meetings are disseminated electronically on a real-time basis, by uploading them on a secured online application specifically designed for this purpose.

In line with the SEBI Listing Regulations, the Company has emailed soft copies of its Annual Report to all those shareholders who have registered their email address for the said purpose. We would greatly appreciate and encourage more Members to register their email address with their Depository Participant or the Registrar and Transfer Agent of the Company, to receive soft copies of the Annual Report, Postal Ballot Notices and other information disseminated by the Company, on a real-time basis without any delay.

GENERAL INFORMATION FOR MEMBERS

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1945PLC004520.

ANNUAL GENERAL MEETING

Date and Time	Tuesday, August 22, 2017 at 3:00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400020

FINANCIAL CALENDAR (TENTATIVE)

Financial Year	ending March 31

Results for the Quarter ending

June 30, 2017	On or before August 14, 2017
September 30, 2017	On or before November 14, 2017
December 31, 2017	On or before February 14, 2018
March 31, 2018	On or before May 30, 2018
Date of Dividend payment	No divident was announced and recommended by the Board for FY 2016-17

LISTINGS

The Company's shares are listed on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

Type	Ordinary Shares	'A' Ordinary Shares
ISIN	INE155A01022	IN9155A01020
BSE – Stock Code	500570	570001
NSE – Stock Code	TATAMOTORS	TATAMTRDVR

BSE - Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400001; www.bseindia.com
NSE - Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400051; www.nseindia.com

The Company has paid Annual Listing fees for FY 2017-18 to all the Stock Exchanges (both domestic and international) where the Company's securities are listed.

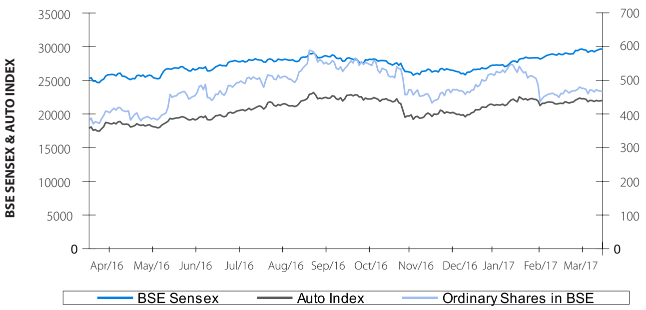
Attention is also drawn to foreign listing and listing of debt securities of the Company as mentioned under Outstanding Securities below.

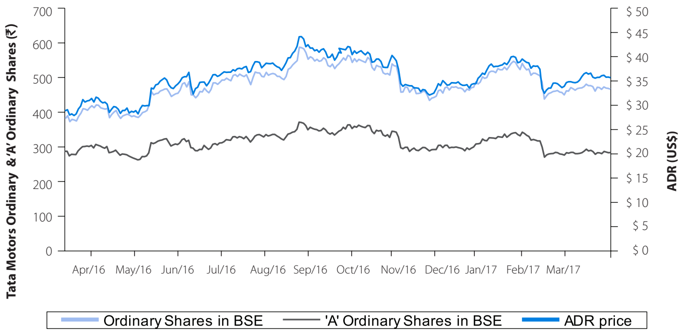
MARKET INFORMATION

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares and 'A' Ordinary Shares on the said exchanges is given hereunder:-

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares	High (₹)	Low (₹)	No. of Shares
Apr-16	419.30	370.50	9162156	419.05	370.50	124230334	306.55	272.05	1974851	306.50	271.25	34228686
May-16	458.20	380.10	18347837	459.65	379.85	310845164	311.65	260.10	5196859	314.50	259.90	56057627
Jun-16	488.00	440.35	23047496	487.95	440.40	242209799	323.85	287.40	12546218	324.70	287.55	74359259
Jul-16	510.10	455.25	15269479	510.10	455.15	130370299	330.00	291.25	7251939	330.65	290.95	40167587
Aug-16	537.45	479.15	19255368	537.70	478.40	158425947	343.10	313.65	6330649	343.55	313.40	39381756
Sep-16	589.35	526.20	19454513	588.70	526.00	164094093	373.35	334.70	2769462	373.50	335.10	37243000
Oct-16	565.70	521.85	9415442	565.70	522.00	108142885	365.45	338.75	2827255	366.15	338.80	30945237
Nov-16	540.20	453.05	13558398	540.20	452.35	169878493	348.45	285.55	2570880	348.55	285.30	50489432
Dec-16	472.80	433.05	10279248	473.15	432.90	181549238	304.10	287.05	1296757	304.60	287.75	29997642
Jan-17	548.00	481.25	10130929	548.90	481.10	110527645	341.75	307.95	2154717	341.85	308.40	26577374
Feb-17	541.70	436.55	14480959	542.25	436.45	163811534	343.30	268.15	3132935	344.75	268.30	52622569
Mar-17	480.40	449.10	12098007	480.95	449.45	134165992	292.40	274.60	8732943	292.85	274.55	54498816

The Performance of the Company's stock price vis-a-vis BSE Sensex, Auto Index and ADR:





The monthly high and low of the Company's ADRs is given below:

(in US $)

Month	High	Low	Month	High	Low
April 2016	35.86	33.54	October 2016	43.66	38.72
May 2016	38.26	34.36	November 2016	44.16	42.03
June 2016	38.23	35.44	December 2016	43.21	37.39
July 2016	40.39	36.88	January 2017	49.22	39.09
August 2016	43.38	35.40	February 2017	48.91	43.64
September 2016	44.40	40.66	March 2017	47.28	41.83

Each Depositary Receipt represents 5 underlying Ordinary Shares of face value of ₹2/- each.

REGISTRAR AND TRANSFER AGENTS

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Limited quoting their folio no./DP ID & Client ID at the following addresses:

1. For transfer lodgement, delivery and correspondence: TSR Darashaw Limited, Unit: Tata Motors Limited, 6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road, (Nr. Famous Studios) Mahalaxmi, Mumbai – 400011. Tel: 022-6656 8484; Fax: 022- 6656 8494; e-mail : csg-unit@tsrdarashaw.com; website:www.tsrdarashaw.com

2. For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Limited:

   (i) **Bangalore:** 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560001.
   Tel: 080 – 25320321, Fax: 080 – 25580019,
   e-mail: tsrdlbang@tsrdarashaw.com

   (ii) **Jamshedpur:** Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831001.
   Tel: 0657 – 2426616, Fax: 0657 – 2426937,
   email : tsrdljsr@tsrdarashaw.com

   (iii) **Kolkata:** Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700071.
   Tel: 033 – 22883087, Fax: 033 – 22883062,
   e-mail: tsrdlcal@tsrdarashaw.com

   (iv) **New Delhi:** Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110002.
   Tel : 011 – 23271805, Fax : 011 – 23271802,
   e-mail : tsrdldel@tsrdarashaw.com

   (v) **Ahmedabad: Agent of TSRDL** – Shah Consultancy Services Pvt. Limited: 3-Sumathinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad -380006.
   Tel: 079-2657 6038,
   e-mail: shahconsultancy8154@gmail.com

For Fixed Deposits: the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSR Darashaw Limited at the same addresses as mentioned above or send an e-mail at tmlfd@tsrdarashaw.com. Tel : 022-66568484

For Rights Issue related matters: The Company launched a Rights Issue vide Letter of offer dated March 30, 2015 and Members are requested to correspond with Link Intime India Private Limited, the Registrar to the Issue, for addressing any pre-Issue/ post-Issue related matter, including all grievances relating to the ASBA process. Contact details: C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (West), Mumbai 400078;

Tel: (91 22) 6171 5400 / 9167779196 /97 /98/ 99; Fax: (91 22) 2596 0329; Website: www.linkintime.co.in;

Email: tatamotors.rights@linkintime.co.in; Contact Person: Sachin Achar.

SHARE TRANSFER SYSTEM

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgment, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. The Executives of the Registrar are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days. The following compliances pertain to share transfers, grievances, etc.:

1. Pursuant to Regulation 7(3) of the SEBI Listing Regulations, certificates are filed with the stock exchanges on half yearly basis by the Compliance Officer and the representative of the Registrar and Share Transfer Agent for maintenance of an appropriate share transfer facility.

2. Pursuant to Regulation 13(2) of the SEBI Listing Regulations, a statement on the pending investor complaints is filed with the stock exchanges and placed before the Board of Directors on a quarterly basis.

3. A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit on a quarterly basis to reconcile the total admitted capital with depositories viz National Securities Depository Limited (NSDL) and Central Depository Services Limited (CDSL) and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

4. Pursuant to Regulation 61(4) read together with Regulation 40(9) of the SEBI Listing Regulations, a Company Secretary-in-Practice certificate is filed with the stock exchanges within one month from the end of each half of the financial year, certifying

that all certificates are issued within thirty days of the date of lodgement for transfer, sub-division, consolidation, renewal, exchange or endorsement of calls/ allotment monies

Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund (IEPF):

(i) During the year, the Ministry of Corporate Affairs had notified Sections 124 and 125 of the Act and the Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules"). As per the said Act and the IEPF Rules all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as principal amount of debentures and deposits, sale proceeds of fractional shares, redemption amount of preference shares, etc. pertaining to the Company remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have to be transferred to the IEPF Authority established by the Central Government.

Furthermore, the IEPF Rules mandate companies to transfer shares of shareholders whose dividends remain unpaid / unclaimed for a period of 7 consecutive years to the demat account of the IEPF Authority. The Company strongly recommends shareholders to encash / claim their respective dividend within the period given below:

Financial Year	Date of Declaration	Last date for claiming dividend
2009-10	September 1, 2010	October 1, 2017
2010-11	August 12, 2011	September 11, 2018
2011-12	August 10, 2012	September 9, 2019
2012-13	August 21, 2013	September 20, 2020
2013-14	July 31, 2014	August 30, 2021
2014-15	No dividend declared	
2015-16	August 9, 2016	September 8, 2023

The Company has sent individual communication to the concerned shareholders at their registered address, whose dividend remains unclaimed and whose shares are liable to be transferred to the IEPF.

(ii) While the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report. The data on unpaid / unclaimed dividend and other unclaimed monies is also available on the Company's website under the head (http://www.tatamotors.com/investor/iepf/). Investors of the Company who have not yet encashed their unclaimed/unpaid amounts are requested to correspond with the Company's Registrar and Transfer Agents, at the earliest.

Members may refer to the Refund Procedure for claiming the aforementioned amounts transferred to the IEPF Authority as detailed on http://iepf.gov.in/IEPFA/refund.html.

(iii) Upto March 31, 2017, the Company transferred ₹22,48,23,214.34 to IEPF, including the following amounts during the year.

(in ₹)

Particulars	FY 2016-17
Unpaid dividend amounts of the Company	88,64,667.00
Application moneys received for allotment of any securities and due for refund	-
Unpaid matured deposit with the Company	1,54,000.00
Unpaid matured debentures with the Company	-
Interest accrued on application money due for refund, unpaid matured deposits and debentures with the Company	6,65,177.00
Sale proceeds of fractional shares arising out of issuance of bonus shares, merger and amalgamation	3,97,703.00
Redemption amount of preference shares	-
Grants and donation	-
Others	-
Total	**1,00,81,547.00**

(iv) Other facilities of interest to shareholders holding shares in physical form:

- As per Regulation 39(4) read with Schedule VI of the SEBI Listing Regulations, the Company has sent 9915 reminders in February 2013 and 8994 reminders in August 10, 2015 to those shareholders whose certificates have been returned undelivered. These certificates are currently lying with the Registrar and Transfer Agents of the Company. Members, holding Company's shares in physical form, are requested to tally their holding with the certificates in their possession and revert in case of any discrepancy in holdings. In case there is no response after three reminders, the unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

- Nomination facility: Shareholders, who hold shares in single name or wish to make/change the nomination in respect of their shares as permitted under the Act, may submit in the prescribed form to the Registrars and Transfer Agents.

DISTRIBUTION OF SHAREHOLDING AS AT MARCH 31, 2017

Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	41,898,993	0.19	1.26	1.45	435,202	7.06	79.03	86.09
501 – 1000	21,851,490	0.15	0.61	0.76	30,047	1.15	4.79	5.94
1001 – 2000	28,028,792	0.18	0.79	0.97	19,640	0.74	3.15	3.89
2001 – 5000	42,116,645	0.23	1.23	1.46	13,726	0.43	2.28	2.72
5001 – 10000	26,317,226	0.11	0.80	0.91	3,809	0.09	0.67	0.75
Above 10000	2,727,135,282	0.20	94.25	94.45	3,079	0.04	0.57	0.61
Total	**2,887,348,428**	**1.06**	**98.94**	**100.00**	**505,503**	**9.51**	**90.49**	**100.00**

'A' Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of shares	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	9,421,919	0.02	1.83	1.85	91,477	0.94	86.71	87.65
501 – 1000	4,064,228	0.01	0.79	0.80	5,486	0.06	5.20	5.26
1001 – 2000	4,499,431	0.01	0.88	0.89	3,126	0.03	2.97	3.00
2001 – 5000	7,017,220	0.00	1.38	1.38	2,215	0.01	2.12	2.12
5001 – 10000	5,948,180	0.00	1.17	1.17	843	0.00	0.80	0.81
Above 10000	477,551,313	0.00	93.91	93.91	1,214	0.00	1.16	1.16
Total	**508,502,291**	**0.04**	**99.96**	**100.00**	**104,361**	**1.04**	**98.96**	**100.00**

For details on the Shareholding pattern, kindly refer Form MGT-9 appended to the Directors' Report of this Annual Report.

DEMATERIALISATION OF SHARES

The electronic holding of the shares as on March 31, 2017 through NSDL and CDSL are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2017	2016	2017	2016
NSDL	97.71	97.43	97.75	97.45
CDSL	1.23	1.45	2.21	2.50
Total	**98.94**	**98.88**	**99.96**	**99.95**

OUTSTANDING SECURITIES

Outstanding Depositary Receipts/Warrants or Convertible instruments, conversion / maturity date and likely impact on equity as on March 31, 2017 are as follows:

- Depositary Receipts: The Company has 10,60,99,256 ADSs listed on the New York Stock Exchange as on March 31, 2017. Each Depository Receipts represents 5 underlying Ordinary Shares of ₹2/- each.

Listing on Foreign Stock Exchange	New York Stock Exchange (NYSE)
Security Type	American Depositary Receipts (ADRs)
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005

Overseas Depositary	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400051

Listing on Foreign Stock Exchange	New York Stock Exchange (NYSE)
Security Type	American Depositary Receipts (ADRs)
ISIN	US8765685024
Stock Code / Ticker	TTM
Address	NYSE, 20 Broad Street, New York, NY 10005

- Senior Unsecured Notes: In October 2014, the Company issued a dual tranche of Senior Unsecured Notes aggregating US$ 750 million, details of which are given herein under:

Security Type	ISIN	Issue Size (US$ million)	Yield per annum (%)	Date of Maturity	Listing
Senior Unsecured Notes	XS1121907676	500	4.625%	April 30, 2020	Singapore Stock Exchange
Senior Unsecured Notes	XS1121908211	250	5.750%	October 30, 2024	

- There are no outstanding warrants or any other convertible instruments issued by the Company.
- The following Non-Convertible Debentures (NCD) are listed on NSE and BSE under Wholesale Debt Market Segment*:

Series No.	Stock Exchange Listing	ISIN	Principal Amount (₹ in crores)	Yield to Maturity (%)	Date of Maturity
E 22	NSE	INE155A07219	200	9.95	March 2, 2020
E 22A	NSE	INE155A07227	500	10.25	- Rs.100 crores on April 30, 2022 and April 30, 2023 - Rs.150 crores on April 30, 2024 and April 30, 2025
E 23A	NSE	INE155A08043	150	9.90	May 7, 2020
E 23B	NSE	INE155A08050	100	9.75	May 24, 2020
E 23C	NSE	INE155A08068	150	9.70	June18, 2020
E 24A	NSE	INE155A08076	250	10.00	May 26, 2017
E 24B	NSE	INE155A08084	110	10.00	May 28, 2019
E 24E	NSE	INE155A08118	200	9.69	March 29, 2019
E 24F	NSE	INE155A08126	200	9.45	March 29, 2018
E26A	NSE	INE155A08183	190	10.30	November 30, 2018
E26B	NSE	INE155A08191	300	9.81	August 20, 2024
E26C	NSE	INE155A08209	200	9.77	September 12, 2024
E26D (Option - I)	NSE	INE155A08217	300	9.71	October 1, 2019
E26D (Option - II)	NSE	INE155A08225	400	9.73	October 1, 2020
E26E	NSE & BSE	INE155A08233	400	9.60	October 29, 2022
E26F	NSE & BSE	INE155A08241	400	9.35	November 10, 2023
E26G	NSE & BSE	INE155A08258	300	9.02	December 10, 2021
E27A	NSE & BSE	INE155A08274	300	8.25	January 28, 2019
E27B	NSE & BSE	INE155A08282	300	8.40	May 26, 2021
E27C	NSE & BSE	INE155A08290	400	8.13	July 18, 2018
E27D	NSE & BSE	INE155A08308	400	8.00	August 1, 2019
E27E	NSE & BSE	INE155A08316	300	7.50	October 20, 2021
E27F	NSE & BSE	INE155A08324	500	7.71	March 3, 2022
E27G	NSE & BSE	INE155A08332	500	7.84	September 27, 2021

**Detailed information on the above debentures is included in the 'Notes to Accounts'.*

Vistra ITCL (India) Limited (formerly IL&FS Trust Company Limited) situated at the IL&FS Financial Centre, 7th Floor, East Quadrant, Plot C- 22, G Block, Bandra Kurla Complex, Bandra (E), Mumbai 400051, are the debenture trustees for all the aforementioned NCD's issued by the Company,. They may be contacted at Tel.: +91 22 26593612, Fax : + 91 22 2653 3297, Email id: itcl@ilfsindia.com.

PLANT LOCATIONS

Location	Range of Products Produced
Pimpri, Pune – 411018; Chikhali, Pune – 410501; Chinchwad, Pune – 411033	Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (UVs) and Cars
Jamshedpur – 831010	Intermediate Commercial Vehicles (ICVs) and M&HCVs
Chinhat Industrial Area, Dewa Road, Chinhat, Lucknow – 226019	ICVs, M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udhamsingh Nagar, Uttarakhand – 263145	LCVs, M&HCVs and UVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580011	Small Commercial Vehicles (SCVs) and LCVs

ADDRESS FOR CORRESPONDENCE

For Investor Queries	
Retail / HNI Investors Mr H K Sethna, Company Secretary Bombay House,24, Homi Mody Street, Mumbai - 400001, INDIA Phone : 91-22- 6665 7824; Fax : 91-22- 6665 7260 E-Mail : inv_rel@tatamotors.com	**Institutional Investors** Mr V B Somaiya, Head (Treasury & Investor Relations) 3rd Floor, Nanavati Mahalaya,18, Homi Mody Street, Mumbai - 400001, INDIA Phone : 91-22-66658282 E-Mail : ir_tml@tatamotors.com
For Fixed Deposit, Rights Issue and other Share related queries	
Kindly refer details mentioned herein above under the head 'Registrar and Transfer Agents'	

SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company. However, the following Independent Directors of the Company, are also present in an independent capacity, on the Board of the below mentioned subsidiary companies:

Common Independent Directors	Presence on the Board of Subsidiary Companies
Mr N Munjee	Jaguar Land Rover Automotive Plc and Tata Motors Finance Limited
Dr R A Mashelkar	TAL Manufacturing Solutions Limited
Mr V K Jairath	Concorde Motors (India) Limited, TML Distribution Company Limited and Tata Motors Finance Solutions Limited
Ms Falguni Nayar	Tata Marcopolo Motors Limited, and Tata Technologies Limited

The Company adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to Regulation 16(1)(c) of the SEBI Listing Regulations. This policy is available on the Company's website pursuant to Regulation 46(2) of the SEBI Listing Regulations.

The Audit Committee also has a 2-day meeting wherein the CEO and CFO of subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings of the Company.

The Minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically.

DISCLOSURES

i. Details of relevant Related Party Transactions entered into by the Company are included in the Board's Report and in the Notes to Accounts. The Company has in place a Policy on Related Party Transactions setting out (a) the materiality thresholds for related parties and (b) the manner of dealing with transactions between the Company and related parties, including omnibus approvals by Audit Committee based on the provisions of the Act and Regulation 23 of the SEBI Listing Regulations. During the year, there were no materially significant transactions with related parties, as per the Policy adopted by the Company that have potential conflict with the interests of the Company at large. All transactions with related parties entered into by the Company were in the normal course of business on an arm's length basis and were approved by the Audit Committee.

ii. The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.

iii. In accordance with the provisions of the Act and Regulation 22 of the SEBI Listing Regulations the Company has in place a Vigil Mechanism and a Whistle-Blower Policy duly approved by the Audit Committee which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

iv. The Company has complied with all the mandatory requirements of corporate governance as specified in sub-paras (2) to (10) of Part C of Schedule V of the SEBI Listing Regulations.

v. The Company also fulfilled the following non-mandatory requirements as specified in Part E of the Schedule II of the SEBI Listing Regulations:

- **The Board:** The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.
- **Shareholder Rights:** Details are given under the heading "Means of Communications".
- **Modified opinion in Audit Report:** During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.
- **Separate posts of Chairman and CEO:** The post of the Non- Executive Chairman of the Board is separate from that of the Managing Director/CEO.
- **Reporting of Internal Auditor:** The Chief Internal Auditor reports to the Audit Committee of the Company, to ensure independence of the Internal Audit function.

vi. Commodity price risk or foreign exchange risk and hedging activities:
During the FY 2016-17, the Company had managed the foreign exchange risk and hedged to the extent considered necessary. The Company enters into forward contracts for hedging foreign exchange exposures against exports and imports. The details of foreign currency exposure are disclosed in Note No. 41(c)(i)(a) to the Standalone Financial Statements.

vii. The Company is in compliance with the disclosures required to be made under this report in accordance with regulation 34(3) read together with Schedule V(C) to the SEBI listing regulations.

viii. Disclosures on compliance with corporate governance requirements specified in Regulations 17 to 27 have been included in the relevant sections of his report. Appropriate information has been placed on the Company's website pursuant to clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations.

Information on the Company's website regarding key policies, codes and charters, adopted by the Company:

Name of Policy, Code or Charter	Brief Description	Web Link
Terms of Appointment of Independent Directors	Relevant extracts form the appointment letter issued to Independent Directors detailing the broad terms and conditions of their appointment.	http://www.tatamotors.com/investors/pdf/Terms-of-Appointment-ID.pdf
Board Committees	The composition of various committees of the Board	http://www.tatamotors.com/about-us/leadership/
Tata Code of Conduct	Represents the values and core principles that guide the conduct of every Tata business. The Code lays down the ethical standards that Tata colleagues need to observe in their professional lives.	
	a) For Whole-time Directors & Employees:	http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf
	b) For Non-Executive Directors and Independent Directors	http://www.tatamotors.com/investors/pdf/ned-id.pdf
Whistleblower Policy (Vigil Mechanism)	The Whistleblower policy has been formulated for Directors and employees of the Company to report concerns about unethical behavior, actual or suspected fraud or violation of the Tata Code of Conduct.	http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf

Name of Policy, Code or Charter	Brief Description	Web Link
Policy on Related Party Transactions	A policy on materiality of related party transactions and regulates all transactions between the Company and its related parties.	http://www.tatamotors.com/investors/pdf/rpt-policy.pdf
Policy for determinimg Material Subsidiaries	This policy is determine material subsidiaries and material non-listed Indian subsidiaries of the Company and to provide governance framework for them.	http://www.tatamotors.com/investors /pdf/material.pdf
Familiarisation Programme	For Independent Directors through various programmes/ presentations.	http://www.tatamotors.com/investors/pdf/familiarisation-programme-independent-directors.pdf
Unpaid Dividend Account Details	Statement of unclaimed and unpaid amounts to be transferred to the IEPF	http://www.tatamotors.com/investor/iepf/
Corporate Social Responsibility Policy	The policy outlines the Company's strategy to bring about a positive impact on society through programmes focusing on Health, Education, Employability and Environment interventions for relevant target groups, ensuring diversity and giving preference to needy and deserving communities inhabiting urban India.	http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf
Audit Committee Charter	Inter alia outlines the terms of reference, composition, quorum, meeting requirements, authority and responsibility of the Audit Committee of the Company.	http://www.tatamotors.com/investors/ pdf/audit_committee_charter.pdf
Policy on determination of Materiality for Disclosure of Event / Information	This policy applies to disclosures of material events affecting the Company and its subsidiaries. This policy is in addition to the company's corporate policy.	http://www.tatamotors.com/investors/pdf/materiality.pdf
Content Archiving Policy	The policy provides guidelines for archiving of corporate records and documents as statutorily required by the Company.	http://www.tatamotors.com/investors/pdf/content-archiving-policy.pdf
Code of Corporate Disclosure Practices	This policy is aimed at providing timely, adequate, uniform and universal dissemination of information and disclosure of Unpublished Price Sensitive Information outside the Company in order to provide accurate and timely communication to our shareholders and the financial markets.	http://www.tatamotors.com/investors /pdf/CodeCorporateDisclosure.pdf
Dividend Distribution Policy	This policy outlines the financial parameters and factors that are considered whilst declaring dividend.	http://www.tatamotors.com/investors/pdf/dividend-distribution-policy.pdf

On behalf of the Board of Directors

N CHANDRASEKARAN

Chairman

(DIN: 00121863)

Mumbai,
May 23, 2017

DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE TO THE CODE OF CONDUCT

Pursuant to Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2017.

For Tata Motors Limited

Guenter Butschek
CEO and Managing Director
Mumbai, May 23, 2017

PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE TO THE MEMBERS OF TATA MOTORS LIMITED

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited ('the Company') for the year ended on March 31, 2017, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") for the period April 1, 2016 to March 31, 2017.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, as adopted by the Company for ensuring compliance to the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For Parikh & Associates
Practising Company Secretaries

P. N. PARIKH
FCS: 327 CP: 1228
Mumbai, May 23, 2017

BUSINESS RESPONSIBILITY REPORT

[Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations]

INTRODUCTION

With a legacy of over six decades, the Company continues to be India's largest automobile company with total income of ₹2,75,246.66 crores in Fiscal 2017. The Company is the first Indian company in engineering sector to be listed in the New York Stock Exchange. As leaders in commercial vehicles, and among top six in passenger vehicles in India, the Company is present across all segments with over 6,600 dealership points - sales, services and spare parts globally. With the ethos of 'Corporate Social Responsibility' and 'Sustainability' strongly embedded in its DNA, the Company continues to nurture the core value of 'giving back to society'.

The Business Responsibility disclosures in this Report illustrate the Company's efforts towards creating enduring value for all stakeholders in a responsible manner. This Report is aligned with National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, and is in accordance with Regulation 34 (2) (f) of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations 2015. This report provides an overview of the activities carried out by the Company under each of the nine principles as outlined in NVG.

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1 **Corporate Identity Number (CIN)** of the Company: L28920MH1945PLC004520

2. **Name of the Company:** Tata Motors Limited

3. **Registered address:** Bombay House, 24, Homi Mody Street, Mumbai - 400001

4. **Website:** http://www.tatamotors.com/

5. **E-mail id:** inv_rel@tatamotors.com

6. **Financial Year reported:** 2016-17

7. **Sector(s) that the Company is engaged in (industrial activity code-wise)**

NIC Code	Description
2910	Manufacture of motor vehicles
2920	Manufacture of bodies(coachwork) for motor vehicles
2930	Manufacture of parts and accessories for motor vehicles
4530	Sale of motor vehicle parts and accessories

8. **List three key products/services that the Company manufactures/provides (as in balance sheet)**
   i) Passenger Cars
   ii) Commercial Vehicles
   iii) Vehicles sales and service

   (Please refer to the Company's website www.tatamotors.com for complete list of its products)

9. **Total number of locations where business activity is undertaken by the Company**
   i. **Number of International Locations (Provide details of major 5):** Through subsidiaries, the Company operates in over 175 markets and has over 6,600 sales and service touch points. The Company has manufacturing facilities in the UK, South Korea, Thailand, South Africa, Brazil and Indonesia. Please refer "Global Footprint" section of the Company's Annual Report Fiscal 2017 for complete list of the Company's global operations.

   ii. **Number of National Locations** – The Company manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka).

10. **Markets served by the Company - Local/State/National/ International**

    The Company vehicles and services cater to entire Indian market. The Company's commercial and passenger vehicles are already being marketed in several countries in North America, Central and South America, Africa, Europe, Asia and Oceania. Please refer "Global Footprint" section of the Company's Annual Report Fiscal 2017 for complete list of the Company's global operations.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR):** ₹ 679.22 crores

2. **Total Turnover (INR):** ₹ 48,319.90 crores (Standalone basis without joint operations)

3. **Total Profit After Taxes (INR):** Loss of ₹ 2,597.62 crores (Standalone basis without joint operations)

4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Total expenditure reported is ₹ 25.94 crores (Standalone basis without joint operations).

5. **List of activities in which expenditure in 4 above has been incurred: -**

The Company has been regularly conducting a community engagement strategy, which revolves around four focus themes:

i) **Arogya (Health):** The focus is to work on addressing child malnutrition, health awareness for females. This initiative provides preventive & curative health services to community.
In Fiscal 2017, 361,983 members benefited from the Company's health initiatives.

ii) **Vidyadhanam (Education):** This initiative aims to improve the quality of education in schools by offering scholarship to meritorious and needy secondary school students, organizing special coaching classes to improve academic performance in Class X Board exam, supporting school infrastructure and organizing co-curricular activities for well-rounded personality development.

In Fiscal 2017, 86,922 students have been benefitted through the education program.

iii) **Kaushalya (Employability):** This program has been developed considering enhanced skill development among youth. It includes infusing marketable skills in school dropout youth in auto sector, non-auto trades, agriculture and allied activities. It also, strengthens the Industrial Training Institutes by offering domain expertise of automotive skills through knowledge partnership.

In Fiscal 2017, the Company has trained 87,751 youth marketable vocational skills.

Through the AA policy initiatives, this year the Company has added 5 new SC/ST entrepreneurs in the supply chain totaling to 27 Nos and extended business of ₹10.99 crores to them.

iv) **Vasundhara (Environment):** The Company's approach to improve environment included promotion of renewable energy, creation of carbon sinks through large scale sapling plantation, construction of water conservation structures and building awareness among the community members. More than 100,000 saplings have been planted in the Company's various programs under this initiative and 43,546 people participated in various environment awareness initiatives.

Please refer 'Corporate Social Responsibility' section of Company's Annual Report FY 2016-17 and Company's Annual CSR Report 2016-17 for detailed community engagement strategy and key initiatives. The reports are available on the Company's website www.tatamotors.com.

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?**

The Company has seventy-eight direct and indirect subsidiaries in India and abroad as at 31.03.2017.

2. **Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**

The Company positively influences and encourages its subsidiaries to adopt Business Responsibility (BR) initiatives. All the Company's subsidiaries are guided by Tata Code of Conduct (TCoC) to conduct their business in an ethical, transparent and accountable manner. It encompasses suppliers, customers and other stakeholders. It also addresses key BR issues like Quality and Customer value, Corruption and Bribery, Health & Safety, Environment, Human Rights and Employee well-being. Key subsidiaries like Jaguar Land Rover Automotive Plc. releases the sustainability report every year. The scope of this report is defined each year. For the Fiscal 2017, the Company has extended its reporting boundary to include the performance of three subsidiary companies and one Joint Arrangement (JA) operating out of its premises.

3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]**

Suppliers, distributors are critical to the Company's operations and supply chain sustainability issues can impact its operations. The Company engage with suppliers through various channels for operational issues and also focus on emerging and futuristic technologies through Technology Day events. Project Sankalp – a supplier transformation initiative is underway in which cross functional team of domain experts work with suppliers at their plant location on improving quality, productivity, SHE and profitability. The suppliers and vendors are provided awareness on environmental and social issues. The vendor meets are used as a platform to raise awareness on health & safety, environmental and community initiatives of the Company. The vendors situated in the vendor parks at Pantnagar and Sanand manufacturing locations actively participate in the site health & safety, environmental and CSR programmes. Special emphasis is laid on skill development and up-gradation of the dealer and channel partner resources. Currently less than 30% of value chain entities participate in the Company's BR initiatives and there is a constant effort by the Company to extend these initiatives to larger value chain base.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

a) **Details of the Director/Directors responsible for implementation of the BR policy/policies.**

SN	Particulars	Details
1.	DIN Number (if applicable)	01875848
2.	Name	Mr. Ravindra Pisharody
3.	Designation	Executive Director (Commercial Vehicles)
4.	Telephone	022-66657837
5.	E-mail id	ravi.pisharody@tatamotors.com

SN	Particulars	Details
1.	DIN (if applicable)	01793948
2.	Name	Mr Satish B Borwankar
3.	Designation	Executive Director (Quality)
4	Telephone	020-66132257
5.	E-mail id	sbborwankar@tatamotors.com

b) Details of the BR head

SN	Particulars	Details
1.	DIN Number (if applicable)	N.A
2.	Name	Mr Arvind Bodhankar
3.	Designation	Head – Safety, Health, Environment and Sustainability
4	Telephone	022-66158538
5.	E-mail id	arvind.bodhankar@tatamotors.com

2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

The National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business released by the Ministry of Corporate Affairs has adopted nine areas of Business Responsibility. These are as follows:

P1 – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

P2 – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

P3 – Businesses should promote the well-being of all employees.

P4 – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

P5 – Businesses should respect and promote human rights.

P6 – Businesses should respect, protect, and make efforts to restore the environment.

P7 – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

P8 – Businesses should support inclusive growth and equitable development.

P9 – Businesses should engage with and provide value to their customers and consumers in a responsible manner.

SN	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have policy/policies for?	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national /international standards? If yes, specify? (The policies conformance to the spirit of international standards like ISO 9000, ISO 14000, OHSAS 18000, SA 8000, UNGC guidelines and ILO principles and meet the regulatory requirements such as SEBI Listing Regulations, Sarbanes Oxley Act etc. The policies reflects Tata group's commitment to improve the quality of life of the communities it serves and practice of returning to society what it earns)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/CEO/appropriate Board Director?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Has the policy been formally communicated to all relevant internal and external stakeholders?	The policies have been communicated to all internal stakeholders. Tata Code of Conduct and other policies are communicated to suppliers, vendors, dealers and channel partners based on their relevance.								
7.	Does the company have in-house structure to implement the policy/policies	The Company has established in-house structures to implement these policies.								
8.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/policies?	The whistle blower mechanism provides employees to report any concerns or grievances pertaining to any potential or actual violation of Tata Code of Conduct, which covers all aspects of BRR. An Investor grievance mechanism is in place to respond to investor grievances. The Customer Complaints mechanism records the grievances of customers on product and service quality and other issues of interest to them. The supplier, vendor, dealer and channel partner forums and ongoing communication captures their concerns and grievances. The continual community engagement, needs assessments, impact assessments serve as means for communities to represent their concerns and grievances.								

9.	Has the company carried out independent audit/evaluation of the working of this policy by an internal or external agency?	The implementation of Tata Code of Conduct and other policies are reviewed through internal audit function/ethics counsellor. External assessment of Tata Business Excellence Model (TBEM) covers the review of implementation of all Company policies. The Quality, Safety & Health and Environmental policies are subject to internal and external audits as part of certification process.

* All the policies are signed by the Managing Director or an Executive Director.

All the policies in the Company are carved from its Guiding Principles and Core Values. These policies are mapped to each principle hereunder:

Principle	Applicable Policies	Link for policies
Principle1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Whistle Blower Policy	http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf
Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Environment Policy, Quality Policy	http://www.tatamotors.com/about-us/corporate-governance/policies/ http://www.tatamotors.com/about-us/corporate-governance/policies/
Principle 3: Businesses should promote the well-being of all employees.	Safety Policy	http://www.tatamotors.com/about-us/corporate-governance/policies/
Principle 4: Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	CSR Policy Tata Affirmative Action Policy	http://www.tatamotors.com/investors/pdf/csr-policy-16-17.pdf http://www.tata.com/sustainability/articlesinside/Tata-Affirmative-Action-Programme
Principle 5: Businesses should respect and promote human rights.	Tata Code of Conduct Whistle Blower Policy	http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pdf http://www.tatamotors.com/investors/pdf/whistle-blower-policy.pdf
Principle 6: Businesses should respect, protect, and make efforts to restore the environment.	Environment Policy Sustainability Policy	http://www.tatamotors.com/about-us/corporate-governance/policies/ http://www.tatasustainability.com/tataSustainabilityPolicy.aspx
Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Tata Code of Conduct	http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pd
Principle 8: Businesses should support inclusive growth and equitable development.	CSR Policy	http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wpcontent/uploads/2015/10/12061154/csr-policy-15-161.pdf
Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Tata Code of Conduct Quality Policy	http://corp-content.tatamotors.com.s3-ap-southeast-1.amazonaws.com/wp-content/uploads/2015/10/tata-code-of-conduct.pd http://www.tatamotors.com/about-us/corporate-governance/policies/

3. GOVERNANCE RELATED TO BR

(a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year

Executive Committee reviews and assesses the various aspects of BR performance of the Company. The frequency of Executive Committee meetings for BR Review is 3-6 months.

Please refer to "Corporate Governance" section of the Company's Annual Report Fiscal 2017 for various Board Committees and their roles and responsibilities.

(b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The Company has been publishing annual Sustainability Reports in accordance with globally renowned Global Reporting Initiative (GRI) framework. These reports also serve as the Company's Communication on Progress (COP) as part United Nations Global Compact (UNGC) signatory reporting obligations and have been aligned with the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business, released by Ministry of Corporate Governance. The Company also published Annual CSR Report this year to highlight the community engagement strategy and performance. The Company's Sustainability and CSR Reports can be viewed at http://www.tatamotors.com/sustainability/sustainability.php.

SECTION E: PRINCIPLE-WISE PERFORMANCE

PRINCIPLE 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/ NGOs/ Others?

The Company has adopted the Tata Code of Conduct (TCoC) to remain consistently vigilant and ensure ethical conduct of its operations. All internal and external stakeholders of the Tata Group are expected to work within boundaries of the TCoC. The Company ensures compliance of ethical standards by its vendors and contractors through appropriate clauses in its work contracts to which they are obligated. Generally, the contract includes clauses in relation to Human Rights Protection, Corruption practices and other things related to ethics. Training and awareness on TCoC is provided to all employees and relevant stakeholders are also made aware of the same from time to time.

The Company also has a whistle blower mechanism, which is being governed by the Whistle Blower Policy. Through this it has placed mechanisms for ensuring confidentiality and protecting the whistle blower from any harassment/ victimization. The policy covers instances pertaining to any unfair practice like retaliation, threat or intimidation of termination/suspension of service, disciplinary action, transfer, demotion, refusal of promotion, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties/functions including making further Protected Disclosure. The policy is directly monitored by the Chairman of the Audit Committee and the Group Ethics Officer.

Ethics Helpline:

The Company has an ethics helpline where employees can place anonymous complaints against ethics violations as per the policy of the Company. The ethics helpline can be reached in the following ways:

Ethics Hotline: 1800 224440/ 022-2287 1839.

Oral reports will normally be documented by the Chief Ethics Counselor / Chairman of the Audit Committee accessing the voice mail by a written transcription of the oral report.

Written application to Ethics and compliance:

All concerns can be reported to Chief Ethics Counselor / Chairman of the Audit Committee in Hindi, English or any regional language.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders Complaint Received	74
Stakeholders Complaint Resolved	66
Percentage of Stakeholders Complaint Resolved	89

*Includes TCoC concerns, investor complaints and customer complaints

The Company has setup an investor grievance mechanism to respond to investor grievances in a timely and appropriate manner. The investor grievances are also reviewed at the Board level by an Investors' Grievance Committee and immediate action is taken to resolve the same. The Tata Code of Conduct concerns are resolved through internal review mechanism by Ethics Counselor and Senior Management. Both the Commercial Vehicles Business unit and Passenger Vehicles Business Unit have established robust customer care systems, which track customer complaints and responds to them in the minimum time possible.

PRINCIPLE 2: Product Life Cycle Sustainability

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/ or opportunities.

The Company is a leading automobile manufacturer of India and has played a significant role over the years in contributing to economic growth through its commercial vehicles and passenger cars which transport people, goods and help deliver services on time. The Company realizes its responsibility as a growth enabler and endeavors to create vehicles which will promote entrepreneurship. The Company is also cognizant of the environmental impacts caused during production and lifecycle of its products and continually strives to innovate to reduce such impacts. The Company has signed a contract to supply 25 nos. of the Tata Starbus Diesel Series Hybrid Electric Bus with Full Low floor configuration, with the Mumbai Metropolitan Region Development Authority (MMRDA) – the single largest order awarded for Hybrid Electric vehicle technology. Below are few of the products which have been designed to address social or environmental concerns, risks and/or opportunities.

Products	Social or Environmental Benefits
Buses for Public Transport – Tata Starbus Fuel Cell, Tata Ultra Electric Bus	World's first commercially produced CNG Hybrid Bus
	3 Times more fuel efficiency than Gasoline
	Ensures 50% reduction in fuel consumption
	Fast refueling ensures reduced downtime
	ZERO Pollution, Zero Noise bus
	BS IV compliant, CMVR (Central Motor Vehicles Rules), 1989 & UBS – II (Urban Bus Specification) norms
Small Commercial Vehicles (SCV) and Pickup range- Tata Xenon YODHA	Available in BSIII and BS IV
	Better mileage, smart pick-up, reliable and rugged gearbox aids in better pick up in loaded conditions, ensuring lesser gearshifts.
	Additional strong suspension – 6-leaves at the front & 9-leaves at rear, ensures better safety in loaded conditions and at high speeds.
	Unique three-layered body construction, crumple zones, a collapsible steering column, retractable seatbelts and side intrusion beams, which will protect passengers in the event of a side impact collision.
	vehicle is fitted with antiroll bars for better stability in loaded conditions, at high speeds and off road conditions too
Passenger Cars –Utility Vehicle- HEXA	Fuel and Emission norms - Diesel, BS IV Engine
	6 Airbags- absolute safety for every occupant.
	Hill Descent Control (HDC) for added safety.
	Perfect balance of power and mileage with optimized fuel utilization.
	Ice cube patterned Striking Daylight Running Lights (DRLs) integrated with fog lamps for added safety.
	ABS with Electronic Brake-force Distribution optimizes braking distance and warrants vehicle stability,
	SMOKED PROJECTOR HEADLAMPS- for focused illumination and better visibility.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product (optional):

(a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

In order to reduce the vehicular weight, the focus of the company is on the new and improved technologies so as to achieve higher fuel efficiency as well as it should reduce the environmental impact created by the vehicle, including its material sourcing, production, use and end-of-life stages. Also in order to reduce the fuel consumption, the Company focuses on researching, developing and producing new technologies, such as hybrid engines, electric cars, fuel-cell vehicles. Various development programs to reduce the consumption of fuel, like the use of lightweight materials, reducing parasitic losses through the driveline and improvements in aerodynamics are also studied and implemented by the Company. At the sourcing stage, the Company work with its suppliers in order to reduce the environmental impacts like, by making use of returnable and recyclable packing solutions for majority of the components thereby managing the cost and the quality, as well as reducing the material use and avoiding waste generation. Some key areas that the Company is currently exploring are the use of hollow camshafts, low density polyamides and magnesium alloys, in order to target the Product sustainability. The Company continuously strives to achieve the sustainability in the Life Cycle of the Product.

(b) **Reduction during usage by consumers (energy, water) has been achieved since the previous year?**

The class leading fuel efficiencies of the Company's vehicles enable the customers to achieve fuel savings which translate into cost savings as well. The launch of all new REVOTRON engine which epitomizes the FuelNext philosophy of the Company is developed under Futuready philosophy of the Company. It is developed using a range of eco-friendly and future oriented technologies. It also incorporates latest know-how like multi drive modes, allowing the best of economy and driving pleasure. The Company's value proposition in the commercial vehicles is aimed to create vehicles with lowest overall cost of ownership. The Recon business, which reconditions aggregates, extends the life of the aggregates and eliminates the use of fresh resources that might have been consumed for new aggregates.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably?**

The Company continually works with its vendors and suppliers to reducing the environmental impacts of sourcing. The Company has an Environment Procurement Policy to engage with its value chain partners on environmental sustainability. Significant initiatives have been taken to reduce the packaging impacts in the supply chain by using recycled / returnable packaging solutions for various components sourced. Transportation and logistics optimization is an ongoing activity to reduce the related environmental impacts. The Pantnagar and Sanand plants have created a vendor park model, wherein the key vendors are situated surrounding the plant. This not only enables to optimize the production related costs but also significantly reduces the environmental impact of transportation of components.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

During the year, the Company has procured 50.88% of the materials (by value) from local sources, where local is defined as the State in which the manufacturing plant is established.

The Company takes significant initiatives in enhancing the capabilities of local and small vendors. Through the AA policy initiatives, this year the Company has added 5 new SC/ST entrepreneurs in the supply chain totaling to 27 in number and extended business of ₹10.99 crores to them.

To ensure reliable and responsible suppliers for automotive production and service parts, the Company expects all its suppliers to adopt the ISO 9001/TS 16949 quality management system frameworks. The Company also encourage its dealers to adopt quality, environmental and safety management systems.

The Company conducts awareness sessions for suppliers on social and environmental issues. Suppliers are provided with managerial and technical assistance to train them on practices and procedures that will ensure improvements in Productivity, Quality, Cost, Delivery, Safety, Moral and Environment (PQCDSME).

5. **Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.**

It is the Company's ongoing endeavor to have a mechanism to recycle its products and limit the waste arising out of production of vehicles. The Company has initiated well defined program Prolife. The Company's objective is to reduce the waste and to minimize the need of raw materials to produce a brand new item. In Fiscal 2017, total of 24065 components were reconditioned. The re-conditioned long blocks are also being exported to international markets. Hazardous waste is disposed as per regulatory requirements through the Common Hazardous Waste Treatment, Storage & Disposal Facilities (CHWTSDF), Authorized Re-cyclers and co-processing in cement plants.

PRINCIPLE 3 Employee Wellbeing

1. **Please indicate the Total number of employees.**

47,920 as at March 31, 2017 (includes permanent, temporary, trainee and contractual employees)

2. **Please indicate the Total number of employees hired on temporary/ contractual/ casual basis.**

21,885 as at March 31, 2017

3. **Please indicate the Number of permanent women employees.**

806 as at March 31, 2017

4. **Please indicate the Number of permanent employees with disabilities**

13 as at March 31, 2017

5. **Do you have an employee association that is recognized by management?**

The manufacturing plants at Jamshedpur, Pune, Lucknow, Pantnagar and Sanand have employee unions recognized by the management. The Company enters into long term wage settlements with these recognized unions.

6. **What percentage of your permanent employees is members of this recognized employee association?**

Around 94% of the operative employees at Jamshedpur, Pune, Lucknow, Pantnagar & Sanand plants are members of these employee unions. These employees represent around 52% of the total permanent employees at these five plants. The Company do not have an Employees Union at the Company's Dharwad Plant presently.

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

SN	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour / forced labour / involuntary labour	-	-
2	Sexual harassment	4	-
3	Discriminatory Employment	-	-

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

(a) Permanent Employees

(b) Permanent Women Employees

(c) Casual/Temporary/Contractual Employees

(d) Employees with Disabilities

Safety is of paramount importance to the Company. All employees of the Company are provided with safety training as part of the induction programme. The safety induction programme is also a critical requirement for contract workforce before they are inducted into the system. The Company has a structured safety training agenda on an on-going basis to build a culture of safety across its workforce.

The Company believes in continual learning of its employees and has institutionalized a continual learning model for skill upgradation, especially at the shop-floor level. The learning and development needs of management cadre employees are met through the Company's L&D structure which includes various training delivery mechanisms

PRINCIPLE 4: Stakeholder Engagement

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders. It uses both formal and informal mechanisms to engage with various stakeholders to understand their concerns and expectations. Individual departments within the organization have roles and responsibilities identified and defined to engage with various stakeholders.

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes, the Company's AA policy is specially designed to address the socially disadvantaged sections of the society, Scheduled Castes and Tribes. Within the broader stakeholder group of communities, the Company works towards women empowerment and education of children. Every year, the Company participate in TAAP (Tata Affirmative Action Program) Assessment, developed on the lines of TBEM (Tata Business Excellence Model).

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company's CSR programmes and projects are aimed at serving the needy, deserving, socio-economically backward and disadvantaged communities aimed at improving the quality of their lives. Under Tata Affirmative Action Programme (TAAP), the company continues to serve the SC and ST communities in inter alia Education, Employability and Entrepreneurship.

Area	Stakeholder (SC/ST community)Benefits
Education	SC/ST students are also benefitted from the Company's CSR Vidyadhanam programme in Fiscal 2017. The projects include IIT-JEE & competitive exams coaching; co-curricular activities; Financial Aid Program for Engineering Students at IIT Bombay; Scholarships for Secondary school students and Govt. Engineering College at Pune, School Infra Improvement and Special Coaching classes in Std. 8th, 9th and 10th.
Employability	The programme has benefitted SC/ST youths across different locations in the country in Fiscal 2017. The skilling projects include: Novice Drivers Training, agriculture & allied training, ITI partnership & allied-auto trades; Motor Mechanic Vehicle (MMV) and Training in marketable trades such as Retail, Tally, White goods repair, etc.
Health	In Fiscal 2017, more than 3.6 Lakh community members benefited from the Company's health initiatives including those who inhabit rural/tribal areas.

PRINCIPLE 5: Human Rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

   The Company respects human rights and has established a Policy on Human Rights. The policy details the Company's approach towards human rights and sets the Company's expectations of its Channel Partners and Contractors to adhere to principles of human rights. The Company encourage its suppliers, vendors, contractors and other business partners associated with the Company to follow the principles laid out in the Tata Code of Conduct.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

   During the year, 74 concerns have been received towards actual or potential violation of Tata Code of Conduct, of which 66 of the complaints were satisfactorily resolved as at March 31, 2017.

PRINCIPLE 6: Environmental

1. **Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/others.**

   Sustainability is built into the Company's business processes through well-defined Tata Group's Sustainability Policy. This policy reaffirms value system committed to social expenditure, environmental preservation and governance structure that engages employees and other stakeholders.

   The Company also has Environmental Procurement Policy which is applicable to all its vendors, contractors and service providers.

2. **Does the company have strategies/initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.**

   Yes, the Company has adopted Tata Group's Climate Change policy to guide the organizational efforts towards mitigating and adapting to climate change. The Company approach towards climate change mitigation and pursuing low carbon growth is three-fold – develop cleaner and more fuel efficient vehicles, reduce environmental impacts of manufacturing operations and build awareness among stakeholders. It has also continually working on alternate fuel technologies like electric vehicles, hybrid vehicles and fuel cell technologies.

   The Tata group became part of the Prime Minister's low carbon committee and was a member in the steering committee of the 'Caring for Climate' initiative of the United Nations Global Compact and United Nations Environment Programme. Ahead of the crucial global climate change talks that concluded in Paris, global corporate leaders signed an open letter on climate change.

3. **Does the company identify and assess potential environmental risks? Y/N**

   Yes, the Company has an Environmental Policy which guides the Company's efforts to manage its environmental impacts and continually improve its environmental performance. All manufacturing plants in India are certified to ISO 14001 Environmental Management Systems (EMS) standard. As part of EMS implementation, potential environmental risks are identified and appropriate mitigation strategies are planned.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if yes, whether any environmental compliance report is filed?**

   None of the Company's plants have undertaken Clean Development Mechanism projects during the Fiscal 2017.

5. **Has the company undertaken any other initiatives on - clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

   In Fiscal 2017, the Company continued to work on improving energy efficiency, introduction of clean technology and increasing its renewable energy consumption in line with its commitment to RE100 which is a collaborative, global initiative of influential businesses committed to 100% renewable electricity for operations.

   As at March 31, 2017, the Company installed capacity for RE (wind and solar) generation includes:

   - 21.95 MW Captive Wind Power project at Supa and Satara in Maharashtra;
   - 2 MW Roof-top Solar PV plant at Sanand Works;
   - 1.8 MW Roof-top Solar PV plant at Pune Works;
   - 25 kWp Solar PV Plant at Lucknow Works;
   - 18.5 kWp Solar PV Plant at Pant Nagar Works; and
   - 7.2 kW hybrid wind and solar energy system at Dharwad Works.

   The Company source off site wind power at its Pune, Sanand and Dharwad Works through Power Purchase Agreements (PPA) with Third Party Wind Power Generators. The Company will continue to source renewable electricity from grid in line with favorable regulatory policies / frameworks and tariffs in the States where it operates.

   In Fiscal 2017, the Company generated / sourced a total of 75,703 MWh of renewable electricity for its manufacturing operations. Further, the Company carried out significant Energy Conservation projects across its manufacturing plants and offices.

   - Pune Plants made progress on energy efficient lighting by replacing around 6,000 fluorescent tube-lights with energy efficient LED tube-lights. Also, nine high masts fitted with conventional sodium-vapor lamps were replaced with LED fittings. All light fittings in offices and shops, are being progressively replaced with LED fixtures.

- Jamshedpur and Pantnagar Plant also made progress on energy efficient LED lighting by installing around 2,500 and 1,325 energy efficient LED lights respectively in areas such as streetlights, vehicle storage pads, office and Shop floor areas.
- In addition, Jamshedpur also installed 20 light pipes to harness natural day light in manufacturing areas.
- Lucknow Plant implemented Waste Heat Recovery System for Ovens and SCADA Control for high bay lights and man coolers in Paint Shop.

Please refer Annexure to Board's Report of the Company Annual Report Fiscal 2017, 'Energy and Climate Change' and 'Environmental Stewardship' sections of the Tata Motors Sustainability Report 2016-17 for details on the Company's energy efficiency and cleaner production initiatives.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

The Company is in compliance within the prescribed permissible limits as per CPCB/SPCB for air emissions, effluent quality and discharge, solid and hazardous waste generation and disposal.

7. **Number of show cause/ legal notices received from CPCB/ SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

There is no show cause /legal notice pending resolution by CPCB/SPCB.

PRINCIPLE 7: Policy Advocacy

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

The Company is member of various trade and chamber associations:

1) The Company actively participate in all WP29 UNECE group activities.
2) The Company also participate in the following National Committees which are working on formulating policies and regulations for improvement of environment including GHG reduction throughout the country;

I. Standing Committee on Emissions (SCOE)

II. Sub-committee on CO emission norms of Union Ministry of Shipping, Road Transport and Highways of India, along with Automotive Research Association of India (ARAI).

III. Expert committee to define "Heavy Duty Vehicle Fuel Economy Norms for India under Ministry of Shipping, Road Transport and Highways of Government of India (GoI) & Petroleum Conservation Research Association (PCRA).

IV. Expert committee on Fuel Economy Labeling of Passenger Cars under Bureau of Energy Efficiency under Ministry of Power (GoI).

V. Interministerial committee for upcoming emission norms (BSV,BSVI) for Motor Vehicles of Ministry of Shipping, Road Transport and Highways, Ministry of Heavy Industries, Ministry of Petroleum & Natural Gas (GoI).

VI. Working group on Quadricycle Emission Norms for India.

VII. Ministry of New & Renewable Energy, GoI, is promoting and assisting technology development for GHG reduction by way of increased usage of Biodiesel. The Company is engaged in this initiative of GoI and currently running number of engine and vehicle programs to commercialize usage of Biodiesel as soon as the same is made available to the general public by oil marketing companies.

VIII. Working Group on Energy for Sub-Group on DST's XIIth plan on Technology Development Program (TDP).

IX. National Electric Mobility Mission Plan - The Company has been actively participating in forming hybrid performance criteria along with SIAM-FTG group and helped government to launch FAME scheme. Now the Company is building two types of hybrid and electric vehicles under Technical Advisor Group under R&D scheme.

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

The Company, through various industry associations, participates in advocating matters advancement of the industry and public good. It supports various initiatives of the SIAM which include aspects of product safety, alternate fuel vehicles, environment, fuel policies, customer information and education, to name a few. The Company's AA policy is a progressive step towards inclusive development.

PRINCIPLE 8 : Inclusive Growth

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Inclusive growth is at the core of the Company's community development strategy. **Ankur**, the Company's community engagement strategy, is percolated to each manufacturing plant through a detailed community development plan. The plant specific plan addresses the local needs and the corporate cell drives some company-wide strategic community development initiatives such as driver training. The initiatives primarily focus on **Arogya (Health), Vidyadhanam (Education), Kaushalya (Employability) and Vasundhara (Environment)**. Seva, the employee volunteering initiative provides the Company's employees with a platform to be a part of its community initiatives. The Company along with its employees also supports **Sumant Moolgaonkar Development Foundation (SMDF)** towards implementing **Amurtdhara**, a National Drinking Water Project to provide safe drinking water to communities. Through adoption of **Tata Group Affirmative Action (AA) Policy**, the Company works toward inclusion of socially disadvantaged and marginalized sections of society (Scheduled Castes and Scheduled Tribes). The AA interventions focus on Education, Health, Employability and Entrepreneurship.

Please refer the Company's 'Annual CSR Report 2016-17' and 'Community Development' section of Tata Motors Sustainability Report FY 2016-17 for detailed community engagement strategy and key initiatives.

2. **Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

CSR Programmes and Projects are deployed by company: directly; through its own company-promoted societies/NGOS; partnering with government and collaborating with reputed, external non-profit organizations under different models

Area	Partners Involved
Education	Action Aid, Agastya International Foundation, Avanti Fellows, Block Resource Centre EDUCATION DEPT.(SSA), CATHEDRAL CHURCH SANAND, Center for Youth Development & Activities, Children's Movement for Civic Awareness, College of Engineering Pune, GANATAR, Global Education Trust, Gram Vikas Kendra, IIT Bombay Alumni Association, Manav Seva Education Trust, Moinee Foundation, Nav Jagrat Manav Samaj, Paryawaran Evam Jan Kalyan Samiti, Rotary Club of Nigdi, Samaj Vikas Kendra, Samata Shikshan Sanstha, SANAND LIONS FOUNDATION TRUST, Seva Sahyog Foundation, Shanti Seva Nidhi Trust, Shiksha Prasar Kendra, SHRI SHAKTI KELAVNI UTTEJAK TRUST, Society for Human Environmental Development, Suprabhat Mahila Mandal, Swami Vivekananda Youth Movement, Swaroopwardhinee, Tata Institute of Social Sciences, Tata Motors Gruhini Social Welfare Society, The Jai Narayan Charitable Trust, Urmee Charitable Trust, Vidya Poshak, Vikas Samities
Employability	Ahmedabad Dist. Cooperative Milk Producers Union Ltd, Ambika Motor Driving School, Centre for Civil Society, CII, Gram Vikas Kendra, LAURUS EDUTECH LIFE SKILLS PVT LTD, Manikbag Automobile Pvt Ltd, MITCON Foundation, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Pratham Education Foundation, Ramkrishna Mission Sakwar, Samaj Vikas Kendra, Sambhav Foundation, SANAND EDUCATION TRUST, Shashwat, Skill For Progress, SUVIDHA, Vedanta Foundation, Vigyan Ashram (IIE), Vikas Samities
Health	Action Aid, CHETNA, Family Planning Association of India, Gram Vikas Kendra, Jan Parivar Kalyan Sansthan, Manav Seva Education Trust, NAMASTE LIFE, Nav Jagrat Manav Samaj, Parivar Kalyan Sansthan, Paryawaran Evam Jan Kalyan Samiti, Prasad Chikitsa, Seth G S Medical College and KEM Hospital, Sneh Foundation, Snehdeep Jankalyan Foundation, Sumant Moolgaonkar Development Foundation, Sterling Hospital, Swadhar, Vikas Samities
Environment	Bansilal Ramntath Agarwal Charitable Trust, Bombay Natural History Society, COLLEGE OF SOCIAL WORK (NIRMALA NIKETAN INSTITUTE), GANATAR, Gram Vikas Kendra, Green Thumb, Manav Seva Education Trust, Paryawaran Evam Jan Kalyan Samiti, Samaj Vikas Kendra, Sarvodhaya Maha Sangh, Terre Policy Center, Tree Public Foundation, Vikas Samities, Wildlife Research and Conservation Society

Please refer the Company's 'Annual CSR Report 2016-17' and 'Community Development' section of Tata Motors Sustainability Report 2016-17 for details on various community development programme partnerships.

3. **Have you done any impact assessment of your initiative?**

Yes. The Company has adopted 'Tata CS Protocol' to assess the impact of the various community interventions. Periodic impact assessments are conducted and the outcome forms a critical input to the community development plan preparation and implementation.

Please refer the Company's 'Annual CSR Report 2016-17' and 'Community Development' section of Tata Motors Sustainability Report 2016-17 for details on community impacts created and assessed

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

Total expenditure reported is ₹25.94 crores. The details of projects:

1. **Arogya (Health)** build awareness on malnourishment and other health problems in the community, provides ferry mobile medical van to look into curative and preventive health care.
2. **Vidyadhanam (Education)** supporting for infrastructure, skills development, training and Institutionalized need based scholarships.
3. **Kaushalya (Employability)** Industrial Training to school dropout youth in auto sector, non-auto trades, agriculture and allied activities.
4. **Vasundhara (Environment)** large scale sapling plantation,

construction of water conservation structures and building awareness about environment and renewable energy sources. Please refer to the Company's Annual CSR Report and 'Community Development' section of Tata Motors Sustainability Report 2016-17 for details on various community development programmes undertaken.

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Yes, the Company adopts a collaborative and participatory approach with communities/beneficiaries in conceiving and deploying CSR projects. Partial beneficiary contribution is sought, wherever feasible, for project deployment / asset creation, maintenance for them to have greater ownership of the projects - which the Company believes is crucial for sustainability of its initiatives. Training and capacity building of communities and relevant stakeholders to successfully adopt & carry forward these initiatives is done from time to time.

   Please refer the Company's Annual CSR Report and 'Community Development' section of Tata Motors Sustainability Report 2016-17 for details on various community development programme implementation models.

PRINCIPLE 9: Customer Value

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year.**

   The Company provides customers with the best in class after sales service. The Company hear its customers through various mediums such as 24X7 Call center toll free no, website.

   The Company's Servicerests on three core 'Service Promises' – 'Responsive', 'Reliable' and 'Best value'. A host of distinctive facilities and services are being offered to deliver each of these promises to customers in the Company's nationwide service network.

	Passenger Vehicle Business Unit	Commercial Vehicle Business Unit	Total
Percentage of Consumer Cases Pending as at March 31, 2017	0.45	0.14	0.16

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A./ Remarks (additional information)**

   The Company displays all the requisite product information and safety guidance on the product label as required by the local laws. Over and above the mandatory requirements, the Company also subscribes to guidance by SIAM (Society of Indian Automobile Manufacturers) of various customer information requirements such as the Fuel Economy Customer Information. The vehicle manual is an important source of information for customers which contains product information, safety guidance, customer support details and tips on efficient use of the vehicle.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so**

   There have been no cases relating to unfair trade practices, irresponsible advertising and/or anti-competitive behavior against the Company in the last five years.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   The Company's new Hozionext philosophy puts customer at the core of the business strategy. Customer engagement processes have been aligned across the value chain to monitor customer satisfaction and feedback. Regular customer satisfaction surveys are conducted to assess customer satisfaction levels and benchmark the Company's performance with industry peers. The Passenger Vehicle business uses globally renowned J.D.Power survey scores to assess overall customer satisfaction and benchmark with industry peers. The Commercial Vehicle business conduct customer satisfaction survey (eQ scores) through External Agency AC Nielsen every year. The eQ i.e. CEI scores conducted by AC Nielsen are in line with the Company's internal satisfaction scores.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF TATA MOTORS LIMITED
Report on the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of **Tata Motors Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information, which includes two Joint Operation Companies on a proportionate basis.

Management's Responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company including its Joint Operation Companies in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act.

The respective Boards of Directors of the Company and its Joint Operation Companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and its Joint Operation Companies and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report to the extent applicable that:
   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
   b) In our opinion, proper books of account as required by law have been kept by the Company and its Joint Operation Companies so far as it appears from our examination of those books.
   c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d) In our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Company as on March 31, 2017 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its Joint Operation companies, none of the directors of the Company and its Joint Operation Companies are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and its joint operations which are companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's and its Joint Operation Companies', internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements;

   ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

   iii. There have been no delays in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Company;

   iv. The Company has provided requisite disclosures in the standalone Ind AS financial statements as regards the Company's and its Joint Operation Companies', holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016. However, as stated in Note No. 47 (ii) to the financial statements amounts aggregating to ₹79,500 /- as represented to us by the Management have been received from transactions which are not permitted.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Mumbai, May 23, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the Members of Tata Motors Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of **TATA MOTORS LIMITED** ("the Company") as of March 31, 2017 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date which includes internal financial controls over financial reporting of the Company's Joint Operations which are companies incorporated in India.

Management's Responsibility for Internal Financial Controls

The respective Boards of Directors of the Company and its Joint Operation Companies incorporated in India are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company and its Joint Operation Companies incorporated in India based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company and its Joint Operation Companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company and its Joint Operation Companies have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the Company and its Joint Operation Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B.P. SHROFF
Partner
(Membership No. 34382)

Mumbai, May 23, 2017

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Tata Motors Limited)

(i) In respect of its property, plant and equipment:

(a) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.

(b) The property, plant and equipment were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the property, plant and equipment at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the registered sale deed /transfer deed /conveyance deed /confirmation from custodians /court orders approving schemes of arrangements /amalgamations provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as property, plant and equipment in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) As explained to us, the stock of finished goods and work-in-progress in the Company's custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year-end, other than a significant part of the spare parts held for sale, and raw materials in the Company's custody for both of which, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. In case of materials and spare parts held for sale lying with third parties, certificates confirming stocks have been received periodically for stocks held during the year and for a substantial portion of such stocks held at the year-end.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013, in respect of which:

(a) The terms and conditions of the grant of such loans are, in our opinion, *prima facie*, not prejudicial to the Company's interest.

(b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(c) There is no amount overdue for more than 90 days at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.

(vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013 in respect of its products. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (cost records and audit) Rules, 2014 and amended Companies (cost records and audit) Amendment Rules, 2016 as prescribed by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013, and are of the opinion that *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed by the Company that the Employees' State Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employees' Deposit Linked Insurance Scheme, 1976 (the Scheme), we are informed that the Company has sought exemption from making contribution to the Scheme since it has its own Life Cover Scheme. The Company has made an application on March 28, 2017 seeking an extension of exemption from contribution to the Scheme for a period of 3 years which is awaited.

(b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable.

(c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on March 31, 2017 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ In Crores)
Income Tax Act 1961	Income Tax	High Court	2001-02, 2003-04	0.08
		Appellate Tribunal	2011-12	19.21
		Appellate Authority upto Commissioner's level	2007-08, 2008-09, 2009-10 to 2012-13	57.71
Central Excise Laws[1]	Excise Duty & Service Tax	High Court	2006-07 to 2008-09	45.35
		Tribunal	1989-90 to 1992-93, 1994-95, 1996-97 to 2015-16	2,444.86
		Appellate Authority upto Commissioner's level	1984-85, 1995-96, 1997-98, 2000-01, 2007-08 to 2015-16	97.16
Sales Tax Laws[2]	Sales Tax	Supreme Court	1995-96	13.01
	Sales Tax	High Court	1984-85 to 1988-89, 1990-91, 2001-02 to 2005-06, 2007-08, 2015-16	219.86
	Sales Tax	Tribunal	1983-84, 1989-90, 1992-93, 1994-95, 2000-01 to 2001-02, 2005-06 to 2013-14	44.55
	Sales Tax	Appellate Authority upto Commissioner's level	1979-80, 1986-87, 1988-89 to 1990-91, 1992- 93 to 2015-16	533.75
Custom Laws[3]	Custom Duty	CESTAT	1998-99, 2008-09, 2011-12	4.46

[1] Net of ₹76.94 crores paid under protest; [2] Net of ₹117.90 crores paid under protest; [3] Net of ₹7.01 crores paid under protest.

(viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders.

(ix) In our opinion and according to the information and explanations given to us, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) and the term loans have been applied by the Company during the year for the purposes for which they were raised.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid /provided managerial remuneration in accordance with requisite approval mandated by the provision of Section 197 read with Schedule V to the Companies Act, 2013 except for remuneration paid to the Managing Director which is in excess of prescribed limits. The Central Government approval is awaited.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of the Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary or associate company or persons connected with them and hence provisions of Section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No.117366W / W-100018)

B.P. SHROFF
Partner
(Membership No. 34382)

Mumbai, May 23, 2017

BALANCE SHEET

(₹ in crores)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	**17,364.77**	17,573.25	17,389.90
(b) Capital work-in-progress		**1,870.93**	1,557.95	1,516.91
(c) Goodwill		**99.09**	99.09	99.09
(d) Other intangible assets	5	**2,773.69**	3,403.47	3,221.45
(e) Intangible assets under development		**5,366.03**	4,128.58	3,841.00
(f) Investments in subsidiaries, joint ventures and associates	6	**14,778.87**	14,590.41	14,581.90
(g) Financial assets				
(i) Investments	8	**528.37**	627.07	626.26
(ii) Loans and advances	10	**389.61**	252.93	310.73
(iii) Other financial assets	12	**196.32**	102.92	158.60
(h) Non-current tax assets (net)		**724.58**	799.63	647.24
(i) Other non-current assets	14	**1,856.28**	1,679.01	1,612.76
		45,948.54	44,814.31	44,005.84
2. CURRENT ASSETS				
(a) Inventories	16	**5,504.42**	5,117.92	5,019.46
(b) Investments in subsidiaries, joint ventures and associates	7	**-**	-	15.54
(c) Financial assets				
(i) Investments	9	**2,400.92**	1,745.84	4.68
(ii) Trade receivables	17	**2,128.00**	2,045.58	1,448.39
(iii) Cash and cash equivalents	19	**188.39**	427.07	1,066.47
(iv) Bank balances other than (iii) above	20	**97.67**	361.35	83.94
(v) Loans and advances	11	**231.35**	484.44	342.58
(vi) Other financial assets	13	**100.76**	125.20	40.47
(d) Current tax assets (net)		**129.49**	3.84	106.62
(e) Other current assets	15	**1,807.06**	1,550.45	1,345.91
		12,588.06	11,861.69	9,474.06
TOTAL ASSETS		**58,536.60**	56,676.00	53,479.90
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	21	**679.22**	679.18	643.78
(b) Other equity	22	**20,129.93**	22,582.93	14,505.58
		20,809.15	23,262.11	15,149.36
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	23	**13,686.09**	10,599.96	12,234.88
(ii) Other financial liabilities	25	**1,123.66**	2,911.84	3,749.76
(b) Provisions	27	**850.71**	750.89	711.54
(c) Deferred tax liabilities (net)	29	**97.95**	71.39	66.34
(d) Other non-current liabilities	30	**321.24**	378.07	380.86
		16,079.65	14,712.15	17,143.38
2. CURRENT LIABILITIES				
(a) Financial liabilities				
(i) Borrowings	24	**5,375.52**	3,654.72	8,173.02
(ii) Trade payables [includes dues of micro and small enterprises ₹**123.27** crores (as at March 31, 2016 ₹128.40 crores and as at April 1, 2015 ₹139.43 crores)]		**7,015.21**	5,141.17	5,000.18
(iii) Acceptances		**4,379.29**	3,887.28	3,950.53
(iv) Other financial liabilities	26	**2,465.14**	3,784.19	2,324.90
(b) Provisions	28	**467.98**	450.27	378.77
(c) Current tax liabilities (net)		**80.64**	79.27	60.50
(d) Other current liabilities	31	**1,864.02**	1,704.84	1,299.26
		21,647.80	18,701.74	21,187.16
TOTAL EQUITY AND LIABILITIES		**58,536.60**	56,676.00	53,479.90

See accompanying notes to financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

Mumbai, May 23, 2017

STATEMENT OF PROFIT AND LOSS

(₹ in crores)

			Note		Year ended March 31, 2017	2016
I.	Income from operations		32		**49,100.41**	47,383.61
II.	Other Income		33		**978.84**	1,402.31
III.	**Total Income (I + II)**				**50,079.25**	48,785.92
IV.	**Expenses:**					
	(a)	Cost of materials consumed			**27,654.40**	24,997.40
	(b)	Purchases of products for sale			**3,945.97**	4,101.97
	(c)	Changes in inventories of finished goods, work-in-progress, and products for sale			**(251.43)**	10.05
	(d)	Excise duty			**4,736.41**	4,538.14
	(e)	Employee benefits expense	34		**3,558.52**	3,188.97
	(f)	Finance costs	35		**1,590.15**	1,592.00
	(g)	Foreign exchange (gain)/loss (net)			**(252.45)**	222.91
	(h)	Depreciation and amortisation expense			**2,969.39**	2,329.22
	(i)	Product development/Engineering expenses			**454.48**	418.27
	(j)	Other expenses	36		**8,697.42**	8,216.65
	(k)	Amount capitalised			**(941.55)**	(1,034.40)
	Total Expenses (IV)				**52,161.31**	48,581.18
V.	**Profit/(loss) before exceptional items and tax (III-IV)**				**(2,082.06)**	204.74
VI.	**Exceptional Items**					
	(a)	Provision for impairment of investments and cost associated with closure of operations of a subsidiary			**-**	97.86
	(b)	Provision for impairment of investment in a subsidiary			**123.17**	-
	(c)	Impairment of capitalised property, plant and equipment and other intangible assets			**-**	163.94
	(d)	Employee separation cost			**67.61**	10.04
	(e)	Others	37		**147.93**	-
VII.	**Profit/(loss) before tax (V-VI)**				**(2,420.77)**	(67.10)
VIII.	**Tax expense/(credit) (net)**		29			
	(a)	Current tax			**44.52**	(7.34)
	(b)	Deferred tax			**14.70**	2.54
	Total Tax Expense/(credit)				**59.22**	(4.80)
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**				**(2,479.99)**	(62.30)
X.	**Other comprehensive income/(loss):**					
	A. (i)	Items that will not be reclassified to profit or loss:				
	a.	Remeasurement gains and (losses) on defined benefit obligations (net)			**10.18**	20.77
	b.	Equity instruments fair value through other comprehensive income			**73.84**	81.19
	(ii)	Income tax (expense)/credit relating to items that will not be reclassified to profit or loss			**(3.79)**	(7.19)
	B. (i)	Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges			**23.32**	(13.98)
	(ii)	Income tax (expense)/credit relating to items that will be reclassified to profit or loss			**(8.07)**	4.68
	Total other comprehensive income/(loss), net of taxes				**95.48**	85.47
XI	**Total comprehensive income/(loss) for the year (IX+X)**				**(2,384.51)**	23.17
XII.	**Earnings per equity share (EPS)**		39			
	A.	Ordinary shares (face value of ₹2 each) :				
	(i)	Basic		₹	**(7.30)**	(0.18)
	(ii)	Diluted		₹	**(7.30)**	(0.18)
	B.	'A' Ordinary shares (face value of ₹2 each) :				
	(i)	Basic		₹	**(7.30)**	(0.18)
	(ii)	Diluted		₹	**(7.30)**	(0.18)

See accompanying notes to financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

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R SPETH *[DIN: 03318908]*
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CEO & Managing Director
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Executive Director
S B BORWANKAR *[DIN: 01793948]*
Executive Director
C RAMAKRISHNAN
Group Chief Financial Officer
H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 23, 2017

CASH FLOW STATEMENT

(₹ in crores)

	Year ended March 31, 2017	2016
Cash flows from Operating Activities		
Profit/(loss) after tax	(2,479.99)	(62.30)
Adjustments for:		
Depreciation and amortisation expense	2,969.39	2,329.22
Allowances for trade and other receivables	133.72	138.79
Inventory write down	103.35	136.33
Provision for impairment of investments and costs associated with closure of operations of a subsidiary	-	97.86
Provision for impairment of investment in a subsidiary	123.17	-
Marked-to-market on investments measured at Fair value through profit or loss	(0.93)	(9.33)
Impairment of capitalised property, plant and equipment and other intangible assets	-	163.94
Exceptional items - others	147.93	-
Loss on sale of assets (net) (including assets scrapped/ written off)	139.49	388.37
Profit on sale of investments at FVTPL (net)	(116.76)	(67.48)
Gain on fair value of below market interest loans	(46.52)	(50.50)
Tax expense	59.22	(4.80)
Interest/dividend (net)	729.00	266.50
Foreign exchange (gain)/ loss (net)	(212.10)	175.82
	4,028.96	3,564.72
Cash flows from operating activities before changes in following assets and liabilities	1,548.97	3,502.42
Trade receivables	(199.63)	(677.54)
Loans and advances and other financial assets	(80.28)	(55.29)
Other current and non-current assets	(325.84)	(62.62)
Inventories	(566.77)	(234.79)
Trade payables and acceptances	2,298.02	76.31
Other current and non-current liabilities	23.71	377.23
Other financial liabilities	(1,307.43)	(324.53)
Provisions	84.47	125.29
Cash generated from operations	1,475.22	2,726.48
Income taxes credit/(paid) (net)	(93.75)	(23.50)
Net cash from operating activities	1,381.47	2,702.98
Cash flows from investing activities:		
Payments for property, plant and equipment	(1,872.83)	(1,687.63)
Payments for other intangible assets	(1,554.16)	(1,596.00)
Proceeds from sale of property, plant and equipment	15.41	34.42
Advance towards investments in subsidiary companies	-	(73.11)
Investments in Mutual Fund (purchased)/ sold (net)	(537.40)	(1,669.02)
Investments in subsidiary companies	(139.08)	(59.98)
Proceeds from sale of investments in subsidiary companies	-	746.90
Loans to subsidiary companies	(0.07)	(77.97)
Loans to others	-	(0.75)
Repayment of loans to others	0.75	-
Proceeds from sale of investments in other companies	-	85.05
(Increase)/Decrease in short term inter corporate deposit	20.00	(35.00)
Repayment of loans to joint operations	132.50	-
Deposits with financial institution	-	(1,968.00)
Reaslisation of deposits with financial institution	-	1,968.00
Deposits/restricted deposits with banks	(114.71)	(5,738.79)
Realisation of deposits/restricted deposits with banks	379.00	5,511.30
Interest received	256.11	253.90
Dividend received	676.50	1,042.46
Net cash used in investing activities	(2,737.98)	(3,264.22)
Cash flows from financing activities		
Proceeds from Rights issue of shares (net of issue expenses)	-	7,433.22
Proceeds from issue of shares held in abeyance	4.55	-
Proceeds from long-term borrowings	4,070.52	468.45
Repayment of long-term borrowings	(2,596.22)	(1,418.35)
Proceeds from short-term borrowings	6,616.67	3,118.25
Repayment of short-term borrowings	(3,298.44)	(4,956.91)
Net change in other short-term borrowings (with maturity up to three months)	(1,647.28)	(2,637.62)
Dividend paid (including dividend distribution tax)	(73.00)	-
Interest paid [including discounting charges paid, **₹373.02 crores** (March 31, 2016 ₹364.47 crores)]	(1,957.59)	(2,085.91)
Net Cash from/(used in) financing activities	1,119.21	(78.87)
Net decrease in cash and cash equivalents	(237.30)	(640.11)
Cash and cash equivalents as at April 1, (opening balance)	427.07	1,066.47
Exchange fluctuation on foreign currency bank balances	(1.38)	0.71
Cash and cash equivalents as at March 31, (closing balance)	188.39	427.07
Non-cash transactions :		
Liability towards property, plant and equipment and other intangible assets purchased on credit/ deferred credit	327.82	415.15

In terms of our report attached
For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board
R A MASHELKAR *[DIN: 00074119]*
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Group Chief Financial Officer
H K SETHNA *[FCS: 3507]*
Company Secretary
Mumbai, May 23, 2017

Mumbai, May 23, 2017

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

A. Equity Share Capital (₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2016	679.18
Proceeds from issue of shares held in abeyance and amounts received on unpaid calls	0.04
Balance as at March 31, 2017	679.22

B. Other Equity (₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Other components of equity			Total other equity
					Equity instruments through OCI	Hedging reserve	Cost of Hedging reserve	
Balance as at April 1, 2016	19,209.42	2.28	1,042.15	2,422.65	(100.96)	7.39	-	22,582.93
Profit/(loss) for the year	-	-	-	(2,479.99)	-	-	-	(2,479.99)
Other comprehensive income /(loss) for the year	-	-	-	6.39	73.84	3.87	11.38	95.48
Total comprehensive income/(loss) for the year	-	-	-	(2,473.60)	73.84	3.87	11.38	(2,384.51)
Proceeds from issue of shares held in abeyance	4.51	-	-	-	-	-	-	4.51
Transfer to Debenture redemption reserve	-	-	43.79	(43.79)	-	-	-	-
Dividend (including dividend tax)	-	-	-	(73.00)	-	-	-	(73.00)
Balance as at March 31, 2017	19,213.93	2.28	1,085.94	(167.74)	(27.12)	11.26	11.38	20,129.93

See accompanying notes to financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2016

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2015	643.78
Issue of shares pursuant to rights issue	35.40
Balance as at March 31, 2016	679.18

B. Other Equity

(₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Other components of equity		Total other equity
					Equity instruments through OCI	Hedging reserve	
Balance as at April 1, 2015	11,811.60	2.28	1,042.15	1,734.63	(101.77)	16.69	14,505.58
Profit/(loss) for the year	-	-	-	(62.30)	-	-	(62.30)
Other comprehensive income /(loss) for the year	-	-	-	13.58	81.19	(9.30)	85.47
Total comprehensive income/ (loss) for the year	-	-	-	(48.72)	81.19	(9.30)	23.17
Profit on sale of unquoted equity investment	-	-	-	80.38	(80.38)	-	-
Profit on sale of investments on common control transactions	-	-	-	656.36	-	-	656.36
Issue of shares pursuant to Rights issue (net of issue expenses of ₹ 57.27 crores)	7,397.82	-	-	-	-	-	7,397.82
Balance as at March 31, 2016	19,209.42	2.28	1,042.15	2,422.65	(100.96)	7.39	22,582.93

See accompanying notes to financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

N CHANDRASEKARAN *[DIN: 00121863]*
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Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 23, 2017

NOTES FORMING PART OF FINANCIAL STATEMENTS

1. Background and operations

Tata Motors Limited referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company also manufactures engines for industrial and marine applications.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at March 31, 2017, Tata Sons Limited, together with its subsidiaries owns 31.69 % of the Ordinary shares and 0.09 % of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operation.

The standalone financial statements were approved by the Board of Directors and authorized for issue on May 23, 2017.

2. Significant accounting policies

(a) Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standards, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the Total comprehensive income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 (the "Act").

(b) Basis of preparation

The financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its separate financial statements, the Company being a joint operator has recognised its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Although not required by Ind AS's, the Company has provided in note 46 additional information of Tata Motors Limited on a standalone basis excluding its interest in its two Joint Operations viz. Tata Cummins Private Limited and Fiat India Automobiles Private Limited.

(c) Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in following notes :

i) Note 3 - Property, plant and equipment

ii) Note 29 - Recoverability/recognition of deferred tax assets

iii) Note 27 and 28 - Provision for product warranty

iv) Note 45 - Assets and obligations relating to employee benefits

(d) Revenue recognition

Revenue is measured at fair value of consideration received or receivable.

(i) Sale of products

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from governments (referred to as "incentives"). Revenues are recognized when collectability of the resulting receivable is reasonably assured.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Incentives are recorded at fair value where applicable. Sales of products include incentives of ₹ **309.86 crores** and ₹ 481.62 crores for the years ended March 31, 2017 and 2016, respectively.

(ii) **Other operating revenue** Include incentive of ₹ **110.01 crores** and ₹ 82.84 crores for the year ended March 31, 2017 and 2016, respectively, towards Exports Promotion Capital Goods (EPCG) scheme.

(e) Cost recognition

Costs and expenses are recognized when incurred and are classified according to their nature.

Expenditure capitalized represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

(f) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to four years.

(g) Foreign currency

These financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date.

Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

(h) Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss.

Current income taxes are determined based on respective taxable income of each taxable entity.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

(i) Earnings per share

Basic earnings per share has been computed by dividing profit/loss for the year by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

(j) Inventories

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

NOTES FORMING PART OF FINANCIAL STATEMENTS

(k) **Property, plant and equipment**

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Cost includes purchase price, taxes and duties, labour cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalized up to the date the asset is ready for its 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.

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 apply the useful life for various categories of property, plant & equipment, 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
• 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

The useful lives is reviewed at least at each year end. Changes in expected useful lives are treated as change in accounting estimate.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

(l) **Other intangible assets**

Intangible assets purchased are measured at cost less accumulated amortization and accumulated impairment, if any.

Amortization is provided on a straight-line basis over estimated useful lives of the intangible assets as per details below:

Type of asset	Estimated amortization period
• Technological know-how	8 to 10 years
• Software	4 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates

Internally generated intangible assets

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognized as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalized include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalized up to the date the asset is ready for its 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.

Product development costs are amortised over a period of 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.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment, if any.

(m) **Goodwill**

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

(n) **Leases**

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. 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 taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

(o) **Impairment**

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

As at March 31, 2017, none of the Company's property, plant and equipment and intangible assets were considered impaired.

(p) **Employee benefits**

i) **Gratuity**

Tata Motors Limited and its Joint operations have an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provides for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15 to 30 days salary payable for each completed year of service. Vesting occurs upon completion of five years of service. Tata Motors Limited make annual contributions to gratuity funds established as trusts. Tata Motors Limited account for the liability for gratuity benefits payable in the future based on an actuarial valuation.

ii) **Superannuation**

Tata Motors Limited have two superannuation plans, a defined benefit plan and a defined contribution plan. An eligible employee on April 1, 1996 could elect to be a member of either plan.

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

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

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. Tata Motors Limited contributes up to 15% or ₹1,50,000, whichever is lower, of the eligible employees' salary to the trust every year. Such contribution are recognised as an expense when incurred. Tata Motors Limited has no further obligation beyond this contribution.

iii) **Bhavishya Kalyan Yojana (BKY)**

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Limited. 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 greater. Tata Motors Limited account for the liability for BKY benefits payable in the future based on an actuarial valuation.

iv) **Provident fund and family pension**

In accordance with Indian law, eligible employees of Tata Motors Limited and its Joint operations 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 an irrevocable trust by Tata Motors Limited.

v) **Post-retirement medicare scheme**

Under this unfunded scheme, employees of Tata Motors Limited receive medical benefits subject to certain limits on amounts of benefits, 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 an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Tata Motors Limited account for the liability for post-retirement medical scheme based on an actuarial valuation.

vi) **Remeasurement gains and losses**

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to Statement of Profit and Loss.

Actuarial gains and losses relating to long-term employee benefits are recognized in the Statement of Profit and Loss in the period in which they arise.

vii) **Measurement date**

The measurement date of retirement plans is March 31.

(q) **Dividends**

Any dividend declared or paid by Tata Motors Limited for any financial year is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Limited (Standalone) prepared in accordance with Generally Accepted Accounting Principles in India, or Indian GAAP or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of Tata Motors Limited (Standalone) prepared in accordance with Generally Accepted Accounting Principles in India, or Indian GAAP or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act. However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the Companies (Declaration and payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. The amount available for distribution is ₹ **Nil** as at March 31, 2017 (₹ 198.19 crores as at March 31, 2016).

(r) **Segments**

The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles. These in the context of Ind AS 108 - operating segments reporting are considered to constitute one reportable segment.

(s) **Investments in Subsidiaries, Joint Ventures and Associates**

Investments in Subsidiaries, Joint Ventures and Associates are measured at cost as per Ind AS 27 – Separate Financial Statements.

(t) **Financial instruments**

i) **Classification, initial recognition and measurement**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income: These include financial assets that are equity instruments and are irrevocably designated as such upon initial recognition. Subsequently, these are measured at fair value and changes therein are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the Statement of Profit and Loss when the right to receive payment has been established.

When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets at fair value through profit or loss are immediately recognised in profit or loss.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Financial liabilities at fair value through profit or loss: Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognized in the Statement of Profit and Loss.

Financial guarantee contracts: These are initially measured at their fair values and, are subsequently measured at the higher of the amount of loss allowance determined or the amount initially recognized less, the cumulative amount of income recognized.

Other financial liabilities: These are measured at amortized cost using the effective interest method.

ii) **Determination of fair value:**

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

iii) **Derecognition of financial assets and financial liabilities:**

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognised when these are extingushed, that is when the obligation is discharged, cancelled or has expired.

iv) **Impairment of financial assets:**

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost. Loss allowance in respect of financial assets is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

(u) **Hedge accounting**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward contracts are stated at fair value at each reporting date. Changes in the fair value of these forward contracts that are designated and effective as hedges of future cash flows are recognized in other comprehensive income and the ineffective portion is recognized immediately in the Statement of Profit and Loss. Amounts accumulated in equity are reclassified to the Statement of Profit and Loss in the periods in which the forecasted transactions occurs.

Forward premium in forward contract are not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to forward premium is recognized in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

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

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is immediately transferred to the Statement of Pofit and Loss for the year.

(v) **Recent accounting pronouncements**

New Accounting pronouncements affecting amounts reported and /or disclosures in the financial statements.

The Company has not applied the following revisions to Ind ASs that have been issued but are not yet effective. The Company is evaluating the impact of these pronouncements on the financial statements:

i) Amendments to Ind AS 107 – Statements of Cash Flows

In March 2017, the Ministry of Corporate Affairs (MCA) issued amendments to Ind AS 107 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective from April 1, 2017.

ii) Amendments to Ind AS 102 – Share-based Payments

In March 2017, the MCA issued amendments to Ind AS 102 – Share-based Payments that clarify how to account certain share-based payment transactions. The amendments for:

- Accounting requirements with respect to the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Accounting requirements with respect to share-based payment transactions with a net settlement feature for withholding tax obligations; and
- Modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendment is effective from April 1, 2017.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(w) **Transition to Ind AS**

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2015 (the transition date) by recognizing all assets and liabilities whose recognition is required by Ind AS, not recognizing items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognized assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the Company as detailed below.

Fair valuation as deemed cost for certain items of Property, Plant and Equipment and Other intangible assets

The Company has elected to measure certain items of its Property, Plant and Equipment and its related intangible assets at its fair value and use that fair value as its deemed cost at the date of transition to Ind AS. Other items of Property, Plant and Equipment and Other intangible assets have been measured as per Ind AS 16 and Ind AS 38, respectively.

Derecognition of financial assets

The Company has choosen to apply derecognition criteria retrospectively. Accordingly certain trade receivables have been re-recognised under Ind AS as at April 1, 2015.

Reconciliation between Previous GAAP and Ind AS

(₹ in crores)

a) Equity Reconciliation

	Particulars	Note	As at March 31, 2016		As at April 1, 2015	
Equity as reported under previous GAAP				22,368.08		14,862.59
(a)	Equity of Joint operations	(h)		177.82		(62.45)
(b)	Movement of financial instruments classified as fair value through Other Comprehensive Income	(a)		(100.95)		(101.78)
(c)	Proposed Dividend	(b)		73.00		-
(d)	Provision for expected credit losses	(c)		(2,130.87)		(2,112.87)
(e)	Gain on fair value of below market interest loan (net of effective interest rate adjustment)	(d)		447.48		396.98
(f)	Property, plant and equipment and intangible assets:	(e)&(f)				
	(i) Fair valuation as deemed cost for Property, Plant and Equipment and intangible assets		2,609.67		2,343.98	
	(ii) Foreign exchange		(764.93)		(741.94)	
	(iii) Pre-operative expenses		(47.89)		(50.89)	
	(iv) Interest capitalized		193.94		186.79	
	(v) Government Grant (EPCG licenses)		515.46	2,506.25	514.68	2,252.62
(g)	Fair value gain on investments in mutual funds	(a)		9.34		-
(h)	Others (net)			(51.16)		(49.71)
(i)	Tax effect on above adjustments	(g)		(36.88)		(36.02)
Equity under Ind AS				23,262.11		15,149.36

b) Total Comprehensive Income Reconciliation

	Particulars	Note	Year ended March 31, 2016
	Net profit after tax as reported under previous GAAP		234.23
(a)	Profits of Joint operations (net of tax)	(h)	239.29
(b)	Reversal of exchange loss accumulated in foreign currency monetary item translation difference account	(f)	(82.50)
(c)	Effect of adoption of fair value as deemed cost relating to property, plant and equipment and intangibles (net of depreciation and amortization)	(e) & (f)	253.63
(d)	Gain on fair value of below market interest loan (net of effective interest rate adjustment)	(d)	50.50
(e)	Reversal of gain on sale of Investment in Equity instruments classified as fair value through Other Comprehensive Income	(a)	(80.38)
(f)	Fair value gain on investment in mutual funds	(a)	9.34
(g)	Provision for expected credit losses	(c)	(18.00)
(h)	Reversal of Profit on sale of investments on common control transactions		(656.36)
(i)	Others (net)		(12.91)
(j)	Tax effect on above adjustments	(g)	0.86
	Net loss after tax as per Ind AS		(62.30)
	Other Comprehensive Income (net of tax)		85.47
	Total Comprehensive Income after tax as per Ind AS		23.17

NOTES FORMING PART OF FINANCIAL STATEMENTS

Notes to reconciliations between Previous GAAP and Ind AS

(a) **Investments**

Under Previous GAAP, investments were classified into current and long term investments. Current investments were carried at the lower of cost or market value, while long term investments were carried at cost less any impairment that was other than temporary.

Under Ind AS, equity investments have been classified as Fair Value through Other Comprehensive Income (FVTOCI). Fair value movements are recognized directly in other comprehensive income on such investments. Investment in Mutual Funds have been classified as Fair Value through Profit or Loss (FVTPL) and fair value changes are recognized in Statment of Profit and Loss.

(b) **Dividends**

Under Ind AS, dividends payable are recorded as a liability in the year in which these are declared and approved. Under Previous GAAP, dividends payable were recorded as a liability in the year to which they relate.

(c) **Provision for expected credit losses**

Financial guarantees issued by the Company are accounted in Ind AS initially at fair value and subsequently measured at the higher of the loss allowance based on Ind AS 109; and the amount initially recognized, reduced by the amount of income recorded as per Ind AS 18. On the transition date, such contracts are measured based on the expected credit losses.

Under Previous GAAP, such estimates were determined based on experience of historic losses on such contracts.

Impairment for trade receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery. Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

(d) **Gain on fair value of below market interest loans**

Under Ind AS, below market interest rate loan received is recorded at fair value by using an appropriate discount rate on date of obtaining the loan. The difference between the fair value and the amount received is recognised as a gain in profit or loss as per Ind AS 20. The interest expense is recorded periodically till the maturity of the loan based on effective interest method.

Under Previous GAAP, the loan were recorded same as the amount received.

(e) **Property, plant and equipment and intangible assets**

On the date of transition to Ind AS, the Company has elected to measure certain items of property, plant and equipment and intangible assets at fair value and use that fair value as its deemed cost. The aggregate fair values of such property, plant and equipment is ₹5,647.20 crores and of related intangible assets is ₹1,891.97 crores. Fair value adjustments recorded to the carrying amounts is ₹3,447.20 crores for property, plant and equipment and ₹(1,103.22) crores for related Intangible assets.

Under Ind AS, all foreign exchange transaction gains and losses are recorded in net income except to the extent these are treated as an adjustment to interest cost and considered for capitalization. Under Previous GAAP, foreign exchange gains and losses arising on foreign currency denominated borrowings that were incurred to acquire property, plant and equipment and intangible assets were recorded in the cost of the asset and depreciated over their remaining useful life.

Further under Previous GAAP, the cost of property, plant and equipment also included indirectly attributable expenses that are incurred before a property, plant and equipment is ready for its intended use. Under Ind AS such costs are expensed as incurred.

Under Ind AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Statment of Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Company, therefore, recorded an adjustment to measure such property, plant and equipment in accordance with Ind AS 16. Under Previous GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets.

Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under Ind AS and Previous GAAP has also been adjusted.

(f) **Exchange gain/(loss) accumulated in foreign currency monetary item translation difference account**

Under Ind AS, all exchange differences are accounted for in the statement of profit and loss in the period in which they arise. Under Previous GAAP, exchange differences relating to long term foreign currency monetary assets/liabilities were accounted for in the following manner:

(a) Differences relating to borrowings attributable to the acquisition of the depreciable capital asset were added to/deducted from the cost of such capital assets;

(b) Other differences were accumulated in foreign currency monetary item translation difference account, to be amortized over the period, beginning April 1, 2011 or date of inception of such item, as applicable, and ending on March 31, 2020 or the date of its maturity, whichever was earlier.

(g) Deferred taxes have been recorded under Ind AS for undistributed earnings of joint operations and intra company adjustments with joint operations, which were not recorded under Previous GAAP.

(h) **Accounting for Joint Operations**

Under Ind AS, in its separate financial statements, a joint operator shall recognize its share of assets, liabilities, revenue and expenses in a joint operation.

Under Previous GAAP the interest in the joint operation was recognized as Investments and measured at cost less impairment other than temporary.

(i) **Cash Flow Statement**

Under Ind AS, cash flow statement for the year ended March 31, 2016 includes the amounts in respect of Joint Operations. There are no other reconciling items between cash flow statement reported under Previous GAAP and Ind AS.

3. Property, plant and equipment

(₹ in crores)

	Owned assets						Given on lease		Taken on lease				Total
	Land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Computers & other IT assets	Plant, machinery and equipment	Buildings	Buildings	Plant, machinery and equipment	Computers & other IT assets	Furniture and fixtures	
Cost as at April 1, 2016	**4,574.93**	**3,247.39**	**22,331.38**	**229.53**	**176.75**	**628.72**	**32.88**	**4.05**	**31.28**	**116.42**	**174.26**	**-**	**31,547.59**
Additions	**-**	**80.48**	**1,517.47**	**11.45**	**24.33**	**40.60**	**-**	**-**	**-**	**-**	**4.62**	**4.31**	**1,683.26**
Disposal	**-**	**(0.37)**	**(107.43)**	**(3.71)**	**(16.58)**	**(32.27)**	**-**	**-**	**-**	**(79.99)**	**-**	**-**	**(240.35)**
Cost as at March 31, 2017	**4,574.93**	**3,327.50**	**23,741.42**	**237.27**	**184.50**	**637.05**	**32.88**	**4.05**	**31.28**	**36.43**	**178.88**	**4.31**	**32,990.50**
Accumulated depreciation as at April 1, 2016	**-**	**(877.38)**	**(12,072.58)**	**(120.91)**	**(111.96)**	**(521.59)**	**(17.50)**	**(0.59)**	**(5.76)**	**(94.72)**	**(151.35)**	**-**	**(13,974.34)**
Depreciation for the year	**-**	**(105.66)**	**(1,661.23)**	**(12.47)**	**(24.41)**	**(34.75)**	**(1.76)**	**(0.09)**	**(0.51)**	**(19.87)**	**(12.01)**	**(0.65)**	**(1,873.41)**
Disposal	**-**	**0.10**	**94.19**	**1.79**	**13.69**	**32.26**	**-**	**-**	**-**	**79.99**	**-**	**-**	**222.02**
Accumulated depreciation as at March 31, 2017	**-**	**(982.94)**	**(13,639.62)**	**(131.59)**	**(122.68)**	**(524.08)**	**(19.26)**	**(0.68)**	**(6.27)**	**(34.60)**	**(163.36)**	**(0.65)**	**(15,625.73)**
Net carrying amount as at March 31, 2017	**4,574.93**	**2,344.56**	**10,101.80**	**105.68**	**61.82**	**112.97**	**13.62**	**3.37**	**25.01**	**1.83**	**15.52**	**3.66**	**17,364.77**
Cost as at April 1, 2015	4,574.93	3,120.52	21,212.81	211.55	170.02	611.92	33.05	4.05	31.28	116.42	164.46	-	30,251.01
Additions	-	128.04	1,435.86	18.97	38.09	26.37	1.00	-	-	-	9.80	-	1,658.13
Write off of assets	-	-	(225.79)	-	-	-	-	-	-	-	-	-	(225.79)
Disposal	-	(1.17)	(91.50)	(0.99)	(31.36)	(9.57)	(1.17)	-	-	-	-	-	(135.76)
Cost as at March 31, 2016	4,574.93	3,247.39	22,331.38	229.53	176.75	628.72	32.88	4.05	31.28	116.42	174.26	-	31,547.59
Accumulated depreciation as at April 1, 2015	-	(777.09)	(11,112.42)	(109.16)	(112.21)	(498.19)	(16.13)	(0.50)	(5.25)	(94.72)	(135.44)	-	(12,861.11)
Depreciation for the year	-	(100.68)	(1,206.00)	(12.61)	(26.12)	(32.84)	(1.89)	(0.09)	(0.51)	-	(15.91)	-	(1,396.65)
Write off of assets	-	-	165.47	-	-	-	-	-	-	-	-	-	165.47
Disposal	-	0.39	80.37	0.86	26.37	9.44	0.52	-	-	-	-	-	117.95
Accumulated depreciation as at March 31, 2016	-	(877.38)	(12,072.58)	(120.91)	(111.96)	(521.59)	(17.50)	(0.59)	(5.76)	(94.72)	(151.35)	-	(13,974.34)
Net carrying amount as at March 31, 2016	4,574.93	2,370.01	10,258.80	108.62	64.79	107.13	15.38	3.46	25.52	21.70	22.91	-	17,573.25

Notes:

a) Building include ₹**8,631.00** (as at March 31, 2016 ₹8,631.00) being value of investment in shares of Co-operative Housing Societies.

b) Land includes ₹**525.80 crores** for which transfer of title is pending.

c) During the year ended March 31, 2017, the Company has carried out a review of the useful life of its property, plant and equipment in accordance with the accounting policy. Considering the physical condition of the assets and benchmarking analysis, the Company has revised the useful life of its assets. As a result, the net depreciation charge for the year ended March 31, 2017 is higher by ₹**222.29 crores.**

NOTES FORMING PART OF FINANCIAL STATEMENTS

4 Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31, 2017			As at March 31, 2016			As at April 1, 2015		
	Operating	**Finance**		**Operating**	**Finance**		**Operating**	**Finance**	
	Minimum Lease Payments	**Minimum Lease Payments**	**Present value of minimum lease payments**	**Minimum Lease Payments**	**Minimum Lease Payments**	**Present value of minimum lease payments**	**Minimum Lease Payments**	**Minimum Lease Payments**	**Present value of minimum lease payments**
Not later than one year	**0.97**	**8.65**	**8.36**	1.68	13.27	12.08	1.75	16.86	15.22
Later than one year but not later than five years	**1.62**	**9.97**	**9.44**	7.87	10.68	10.03	7.55	11.94	10.94
Later than five years	**29.90**	**-**	**-**	868.58	-	-	870.55	-	-
Total minimum lease commitments	**32.49**	**18.62**	**17.80**	878.13	23.95	22.11	879.85	28.80	26.16
Less: future finance charges		**(0.82)**			(1.84)			(2.64)	
Present value of minimum lease payments		**17.80**			**22.11**			**26.16**	
Included in the financial statements as:									
Other financial liabilities - current (refer note 26)			**8.36**			12.08			15.22
Other financial liabilities - non-current (refer note 25)			**9.44**			10.03			10.94
			17.80			**22.11**			**26.16**

Total operating lease rent expenses were ₹**28.79 crores** and ₹111.71 crores for the years ended March 31, 2017 and 2016, respectively.

5. Other Intangible assets

(₹ in crores)

Particulars	Technical know how	Computer Software	Product development	Total
Cost as at April 1, 2016	**348.91**	**513.06**	**6,796.77**	**7,658.74**
Additions	**0.24**	**20.00**	**445.96**	**466.20**
Fully amortised not in use	**-**	**-**	**(2,437.76)**	**(2,437.76)**
Cost as at March 31, 2017	**349.15**	**533.06**	**4,804.97**	**5,687.18**
Accumulated amortisation as at April 1, 2016	**(123.45)**	**(459.13)**	**(3,672.69)**	**(4,255.27)**
Amortisation for the year	**(33.20)**	**(26.80)**	**(1,035.98)**	**(1,095.98)**
Fully amortised not in use	**-**	**-**	**2,437.76**	**2,437.76**
Accumulated amortisation as at March 31, 2017	**(156.65)**	**(485.93)**	**(2,270.91)**	**(2,913.49)**
Net carrying amount as at March 31, 2017	**192.50**	**47.13**	**2,534.06**	**2,773.69**
Cost as at April 1, 2015	321.37	491.23	6,536.82	7,349.42
Additions	27.54	23.00	1,167.67	1,218.21
Write off of assets	-	-	(907.72)	(907.72)
Disposal	-	(1.17)	-	(1.17)
Cost as at March 31, 2016	348.91	513.06	6,796.77	7,658.74
Accumulated amortisation as at April 1, 2015	(90.95)	(420.87)	(3,616.15)	(4,127.97)
Amortization for the year	(32.50)	(39.43)	(860.64)	(932.57)
Write off of assets	-	-	804.10	804.10
Disposal	-	1.17	-	1.17
Accumulated amortisation as at March 31, 2016	(123.45)	(459.13)	(3,672.69)	(4,255.27)
Net carrying amount as at March 31, 2016	225.46	53.93	3,124.08	3,403.47

Note:

During the year ended March 31, 2017, the Company has carried out a review of the useful life of its property, plant and equipment in accordance with the accounting policy. Considering the physical condition of the assets and benchmarking analysis, the Company has revised the useful life of its assets. As a result the Company has also revised useful life of related intangible assets, therefore the net amortization charge for the year ended March 31, 2017 is higher by **₹83.89 crores.**

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

6. Investments in subsidiaries, joint ventures and associates measured at cost - non-current

Number	Face value per unit	Description	As at March 31, 2017		As at March 31, 2016		As at April1, 2015	
		Equity shares						
		i) Subsidiaries						
		Unquoted						
		Sheba Properties Ltd	-		-		75.00	
3,03,00,600	10	Tata Technologies Ltd	224.10		224.10		224.10	
6,36,97,694	10	Concorde Motors (India) Ltd [Note 4] (3,00,00,000 shares acquired during the year)	109.63		79.63		64.63	
11,50,00,000	10	TAL Manufacturing Solutions Ltd	200.00		200.00		185.00	
7,70,00,000	10	TML Drivelines Ltd	448.85		448.85		448.85	
25,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 3]	19.31		19.31		19.31	
5,39,98,427 (GBP)	1	Tata Motors European Technical Centre PLC, (UK) (1,96,05,932 shares acquired during the year) [Note 2]	474.90		292.71		262.73	
7,900	-	Tata Technologies Inc, (USA)	0.63		0.63		0.63	
1,31,90,20,771	10	Tata Motors Finance Ltd	2,500.00		2,500.00		2,500.00	
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70		86.70		86.70	
22,50,00,000	10	TML Distribution Company Ltd	225.00		225.00		225.00	
2,51,16,59,418 (USD)	1	TML Holdings Pte Ltd, (Singapore)	10,158.52		10,158.52		10,158.52	
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97		17.97		17.97	
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01		0.01		-	
2,02,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	49.59		49.59		-	
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53		40.53		40.53	
		Trilix Srl., Turin (Italy) [Note 5]	11.94		11.94		11.94	
1,00,000 (NGN)	1	TMNL Motor Services Nigeria Ltd	- #		- #		-	
			14,567.68		14,355.49		14,320.91	
		Less: Provision for impairment of long term investments	(214.28)	14,353.40	(104.65)	14,250.84	(55.06)	14,265.85
		Advance towards Investments						
		Tata Motors Eurpoean Technical Centre PLC (UK)	-		43.11		-	
		Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	-		-		49.59	
		Concorde Motors (India) Ltd	-	-	30.00	73.11	-	49.59
				14,353.40		14,323.95		14,315.44
		ii) Associates						
		Quoted						
29,82,214	10	Automobile Corporation of Goa Ltd	108.22		108.22		108.22	
		Unquoted						
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27		1.27		1.27	
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47		77.47		77.47	
4,54,28,572	10	Tata Hitachi Construction Machinery Company Private Ltd [1,59,00,000 Preference shares converted to 56,78,572 equity shares]	238.50	425.46	79.50	266.46	79.50	266.46
		(iii) Joint Ventures (JV)						
		Unquoted						
5,000	10	JT Special Vehicle (P) Ltd. (5,000 shares acquired during the year)	0.01	0.01	-	-	-	-
		Total		14,778.87		14,590.41		14,581.90

Less than ₹ 50,000

Notes:

		As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(1)	Market Value of quoted investment	189.16	125.75	131.73

(2) The Company had given a letter of comfort to ANZ Bank, London for GBP 2 million (₹ 16.19 crores as at March 31, 2017) 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 51% ownership of TMETC at all times during the tenor of the loan.

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

(4) 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.

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

7. Investments in subsidiaries, joint ventures and associates measured at cost-current

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity shares			
Subsidiaries			
Unquoted			
PT Tata Motors Indonesia	-	-	15.54
Total	-	-	15.54

(₹ in crores)

8. Investments-non-current

Number	Face value per unit	Description	As at March 31, 2017		As at March 31, 2016		As at April1, 2015	
		Investment in equity shares measured at fair value through other comprehensive income						
		Quoted						
44,32,497	10	Tata Steel Ltd	213.96		141.71		140.41	
70,249	10	Tata Chemicals Ltd	4.22	218.18	2.63	144.34	3.12	143.53
		Unquoted						
50,000	1,000	Tata International Ltd	28.85		28.85		28.85	
1,383	1,000	Tata Services Ltd	0.14		0.14		0.14	
350	900	The Associated Building Company Ltd	0.01		0.01		0.01	
1,03,10,242	100	Tata Industries Ltd	183.19		183.19		183.19	
33,600	100	Kulkarni Engineering Associates Ltd	-		-		-	
12,375	1,000	Tata Sons Ltd	68.75		68.75		68.75	
2,25,00,001	10	Haldia Petrochemicals Ltd	22.50		22.50		22.50	
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	-		-		-	
43,26,651	15	Tata Capital Ltd	6.70		6.70		6.70	
50,000	10	NICCO Jubilee Park Ltd.	0.05	310.19	0.05	310.19	0.05	310.19
		Investment in preference shares measured at fair value through profit and loss						
		a) Cumulative Redeemable Preference shares						
		Subsidiaries						
		Unquoted						
13,54,195	100	7% Concorde Motors (India) Ltd		-		13.54		13.54
		b) Optionally Convertible Preference shares						
		Associates						
		Unquoted						
		9% Tata Hitachi Construction Machinery Company Private Ltd [1,59,00,000 Preference shares converted to equity shares at fair value]		-		159.00		159.00
		Total		**528.37**		627.07		626.26

Notes :

a) Investment in equity shares measured at fair value through other comprehensive income also include:

Number	Face value per unit	Description	₹ As at March 31, 2017	₹ As at March 31, 2016	₹ As at April1, 2015
20,000	10	Metal Scrap Trade Corporation Ltd.	25,000	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd.	250	250	250
16,56,517	(M$) 1	Tatab Industries Sdn. Bhd., (Malaysia)	1	1	1
4	25,000	ICICI Money Multiplier Bond	1	1	1
100	10	Optel Telecommunications	1,995	1,995	1,995
200	10	Punjab Chemicals	1	1	1

(₹ in crores)

b)

	Description	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(1)	Book Value of quoted investments	218.18	144.34	143.53
(2)	Book Value of unquoted investments	310.19	310.19	310.19
(3)	Market Value of quoted investments	218.18	144.34	143.53

(₹ in crores)

9. Investments-current

Description	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
Investment in equity shares measured at fair value through other comprehensive income			
Unquoted			
Tata Projects Ltd	-	-	4.68
Investments in Mutual funds measured at Fair value through profit and loss			
Unquoted			
Mutual funds	2,400.92	1,745.84	-
Total	**2,400.92**	1,745.84	4.68

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

10. Loans and advances- non current	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Unsecured :						
(a) Loans to employees		**24.49**		25.09		25.19
(b) Loan to Joint Operation (FIAT India Automobiles Pvt Ltd)		**-**		-		132.50
(c) Loan to subsidiaries						
Considered good	**12.04**		16.61		20.80	
Considered doubtful	**585.75**		581.11		539.40	
	597.79		597.72		560.20	
Less : Allowances for doubtful loans	**(585.75)**	**12.04**	(581.11)	16.61	(539.40)	20.80
(d) Dues from subsidiary companies Considered doubtful						
Tata Hispano Motors Carrocera S.A.	**53.74**		53.74		54.38	
Tata Hispano Motors Carroceries Maghreb SA	**-**		4.64		-	
	53.74		58.38		54.38	
Less : Allowances for doubtful dues	**(53.74)**	**-**	(58.38)	-	(54.38)	-
(e) Deposits		**67.84**		65.30		56.10
(f) Others						
Considered good	**285.24**		145.93		76.14	
Considered doubtful	**16.41**		18.16		8.86	
	301.65		164.09		85.00	
Less : Allowances for doubtful loans and advances	**(16.41)**	**285.24**	(18.16)	145.93	(8.86)	76.14
Total		**389.61**		252.93		310.73

11. Loans and advances- current	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
Secured :						
Finance receivables (net of provision of ₹ **6.86 crores**, ₹ 13.23 crores and ₹ 221.39 crores as at March 31, 2017, 2016 and April 1, 2015, respectively)		**16.19**		16.03		36.60
Unsecured :						
(a) Advances and other receivables (net of provision of ₹ **87.04 crores**, ₹ 118.37 crores and ₹ 77.99 crores as at March 31, 2017, 2016 and April 1, 2015, respectively)		**81.94**		166.45		194.84
(b) Inter corporate deposits						
Considered good	**60.00**		80.00		45.00	
Considered doubtful	**-**		6.51		6.51	
	60.00		86.51		51.51	
Less : Allowances for doubtful loans	**-**	**60.00**	(6.51)	80.00	(6.51)	45.00
(c) Dues from subsidiary companies (Note below)		**38.83**		48.90		66.14
(d) Loan to subsidiary company (Tata Motors European Technical Centre PLC, UK)		**34.39**		40.56		-
(e) Loan to Joint Operation (FIAT India Automobiles Pvt Ltd)		**-**		132.50		-
Total		**231.35**		484.44		342.58

Note:	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Dues from subsidiary companies :			
(a) TML Drivelines Ltd	**16.02**	23.92	25.45
(b) Tata Motors Finance Solutions Ltd	**-**	0.11	-
(c) PT Tata Motors Indonesia	**6.80**	5.96	5.39
(d) Tata Motors Insurance Broking and Advisory Services Ltd	**0.07**	0.02	-
(e) Tata Motors (SA) (Proprietary) Ltd	**5.17**	3.37	3.22
(f) Tata Motors Nigeria Ltd	**0.20**	0.12	-
(g) PT Tata Motors Distribusi Indonesia	**2.11**	0.82	0.82
(h) Jaguar Land Rover Ltd	**1.21**	-	1.34
(i) Tata Daewoo Commercial Vehicle Co. Ltd	**0.24**	1.62	0.95
(j) Jaguar Land Rover Automotive Plc	**-**	0.23	0.23
(k) Tata Motors (Thailand) Ltd	**6.12**	1.53	2.64
(l) Tata Hispano Motors Carrocerries Maghreb SA	**-**	-	1.16
(m) Tata Marcopolo Motors Ltd	**-**	11.20	24.94
(n) Tata Motors European Technical Centre PLC	**0.02**	-	-
(o) Tata Motors Finance Ltd	**0.01**	-	-
(p) TML Holdings Pte Ltd	**0.86**	-	-
	38.83	48.90	66.14

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

12. Other financial assets - non-current	**As at March 31, 2017**	As at March 31, 2016	As at April1, 2015
(a) Derivative financial instruments	**190.75**	97.93	56.08
(b) Interest accrued on loans and deposits	**-**	-	47.68
(c) Restricted deposits	**3.94**	3.99	53.92
(d) Others	**1.63**	1.00	0.92
Total	**196.32**	102.92	158.60

13. Other financial assets - current	**As at March 31, 2017**	As at March 31, 2016	As at April1, 2015
(a) Derivative financial instruments	**100.36**	61.78	38.17
(b) Interest accrued on loans and deposits	**0.40**	63.42	2.30
Total	**100.76**	125.20	40.47

14. Other non-current assets	**As at March 31, 2017**	As at March 31, 2016	As at April1, 2015
(a) Capital advances	**558.84**	453.47	226.28
(b) Taxes recoverable, statutory deposits and dues from government	**998.39**	927.73	1,130.23
(c) Prepaid lease rental on operating lease	**128.86**	130.92	131.96
(d) Others	**170.19**	166.89	124.29
Total	**1,856.28**	1,679.01	1,612.76

15. Other current assets	**As at March 31, 2017**	As at March 31, 2016	As at April 1, 2015
(a) Advance to suppliers and contractors	**236.13**	160.71	107.51
(b) VAT, other taxes recoverable, statutory deposits and dues from government	**1,435.43**	1,257.76	1,113.02
(c) Prepaid expenses	**104.23**	87.37	71.19
(d) Others	**31.27**	44.61	54.19
Total	**1,807.06**	1,550.45	1,345.91

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

16.	Inventories	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Raw materials and components	**1,511.16**	1,430.77	1,286.16
(b)	Work-in-progress	**815.70**	488.54	455.35
(c)	Finished goods	**2,821.00**	2,896.73	2,939.97
(d)	Stores and spare parts	**166.96**	165.83	157.43
(e)	Consumable tools	**24.35**	26.94	25.06
(f)	Goods-in-transit - Raw materials and components	**165.25**	109.11	155.49
	Total	**5,504.42**	5,117.92	5,019.46

During the year ended March 31, 2017 and 2016, the Company recorded inventory write-down expenses of ₹**180.27 crores** and ₹136.33 crores, respectively. Cost of inventories (including cost of purchased products) recognized as expense during the year ended March 31, 2017 and March 31, 2016 amounted to ₹**44,238.04 crores** and ₹41,020.46 crores, respectively.

17. Trade receivables-unsecured	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Considered good	**2,128.00**	2,045.58	1,448.39
Considered doubtful	**693.17**	632.10	604.74
	2,821.17	2,677.68	2,053.13
Less : Allowances for doubtful debts	**(693.17)**	(632.10)	(604.74)
	2,128.00	2,045.58	1,448.39

18. Allowance for trade receivables, loans and other receivables	For the year ended March 31, 2017	2016
Balance at the beginning	**1,432.44**	1,513.29
Allowances made during the year	**133.72**	185.14
Written off	**(118.61)**	(265.99)
Balance at the end	**1,447.55**	1,432.44

19.	Cash and cash equivalents	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Cash on hand	**0.38**	0.28	0.25
(b)	Cheques on hand	**0.78**	59.18	6.12
(c)	Balances with banks (refer note below)	**117.78**	183.11	872.60
(d)	Deposits with Banks	**69.45**	184.50	187.50
		188.39	427.07	1,066.47
	Note:			
	Includes remittances in transit	**60.91**	143.94	167.94

20.	Other bank balances	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	With upto 12 months maturity:			
(a)	Earmarked balances with banks (refer note below)	**86.60**	291.28	83.87
(b)	Bank deposits	**11.07**	70.07	0.07
	Total	**97.67**	361.35	83.94

Note:
Earmarked balances with banks as at March 31, 2017 of ₹**67.50 crores** (as at March 31, 2016 of ₹212.50 crores and as at April 1, 2015 ₹27.53 crores) is held as security in relation to repayment of borrowings.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
21. Equity Share Capital			
(a) Authorised :			
(i) **350,00,00,000** Ordinary shares of ₹2 each (as at March 31, 2016: 350,00,00,000 Ordinary shares of ₹2 each) (as at April 1, 2015: 350,00,00,000 Ordinary shares of ₹2 each)	**700.00**	700.00	700.00
(ii) **100,00,00,000** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 100,00,00,000 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 100,00,00,000 'A' Ordinary shares of ₹2 each)	**200.00**	200.00	200.00
(iii) **30,00,00,000** Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2016: 30,00,00,000 shares of ₹100 each) (as at April 1, 2015: 30,00,00,000 shares of ₹100 each)	**3,000.00**	3,000.00	3,000.00
Total	**3,900.00**	3,900.00	3,900.00
(b) Issued [Note (k)]:			
(i) **288,78,43,046** Ordinary shares of ₹2 each (as at March 31, 2016: 288,78,43,046 Ordinary shares of ₹2 each) (as at April 1, 2015: 273,71,98,287 Ordinary shares of ₹2 each)	**577.57**	577.57	547.44
(ii) **50,87,36,110** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 50,87,36,110 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 48,22,05,820 'A' Ordinary shares of ₹2 each)	**101.75**	101.75	96.44
Total	**679.32**	679.32	643.88
(c) Subscribed and called up:			
(i) **288,73,48,428** Ordinary shares of ₹2 each (as at March 31, 2016: 288,72,03,602 Ordinary shares of ₹2 each) (as at April 1, 2015: 273,67,13,122 Ordinary shares of ₹2 each)	**577.47**	577.44	547.34
(ii) **50,85,02,291** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 50,84,76,704 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 48,19,66,945 'A' Ordinary shares of ₹2 each)	**101.70**	101.70	96.40
Total	**679.17**	679.14	643.74
(d) Calls unpaid - Ordinary shares **310** Ordinary shares of ₹2 each (₹1 outstanding on each) and **260** Ordinary shares of ₹2 each (₹0.50 outstanding on each) (as at March 31, 2016: 68,490 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)) (as at April 1, 2015: 68,490 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each))	**(0.00)***	(0.01)	(0.01)
(e) Paid-up (c+d):	**679.17**	679.13	643.73
(f) Forfeited Shares - Ordinary shares	**0.05**	0.05	0.05
Total (e + f)	**679.22**	679.18	643.78

(g) The movement of number of shares and share capital

	Year ended March 31, 2017 (No. of shares)	Year ended March 31, 2017 (₹ in crores)	Year ended March 31, 2016 (No. of shares)	Year ended March 31, 2016 (₹ in crores)
(i) Ordinary shares				
Balance as at April 1	**288,72,03,602**	**577.44**	273,67,13,122	547.34
Add: Rights issue of shares	-	-	15,04,90,480	30.10
Add: Allotment of shares held in abeyance	**1,44,826**	**0.03**	-	-
Balance as at March 31	**288,73,48,428**	**577.47**	288,72,03,602	577.44
(ii) 'A' Ordinary shares				
Balance as at April 1	**50,84,76,704**	**101.70**	48,19,66,945	96.40
Add: Rights issue of shares	-	-	2,65,09,759	5.30
Add: Allotment of shares held in abeyance	**25,587**	**0.00***	-	-
Balance as at March 31	**50,85,02,291**	**101.70**	50,84,76,704	101.70

(h) The entitlements to **4,94,618** Ordinary shares of ₹2 each (as at March 31, 2016 : 6,39,444 Ordinary shares of ₹2 each and as at April 1, 2015 : 4,85,165 Ordinary shares of ₹2 each) and **2,33,819** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 2,59,406 'A' Ordinary shares of ₹2 each and as at April 1, 2015: 2,38,875 '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.

(i) During the year ended, the Company has allotted 68,180 Ordinary Shares each of ₹2 each, previously unissued on account of unpaid calls.

** amounts less than ₹50,000/-*

NOTES FORMING PART OF FINANCIAL STATEMENTS

(j) 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.

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

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

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

			As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
			% of Issued share capital	No. of shares	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
(i)	**Ordinary shares :**							
	(a)	Tata Sons Limited	**28.71%**	**82,89,70,378**	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	**5.18%**	**14,94,23,428**	6.90%	19,91,44,257	*	*
	(d)	Citibank N.A. as Depository	#	**53,04,96,280**	#	49,19,64,200	#	58,22,60,190
(ii)	**'A' Ordinary shares :**							
	(a)	HDFC Trustee Company Limited-HDFC Equity Fund	**8.19%**	**4,16,71,282**	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
	(c)	Franklin Templeton Mutual Fund	**5.96%**	**3,03,29,225**	*	*	*	*

\# held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

* Less than 5%

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

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

(m) During the year ended March 31, 2016, 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 were kept in abeyance.

Proceeds from the Rights issue have been utilised in the following manner : **(₹ in crores)**

Particulars	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**	**1,425.73**
Issue related expenses	**70.00**	**64.76**
Total	**7,498.00**	**7,490.49**
Less : Rights Shares held in abeyance	**(7.51)**	-
Total	**7,490.49**	**7,490.49**

NOTES FORMING PART OF FINANCIAL STATEMENTS

		(₹ in crores)
	Year ended March 31,	
22. A) Other components of equity	**2017**	2016
(a) The movement of Equity instruments through Other Comprehensive Income is as follows:		
Balance at the beginning	**(100.96)**	(101.77)
Other comprehensive income/(loss) for the year	**73.84**	81.19
Profit on sale of unquoted equity investment	**-**	(80.38)
Balance at the end	**(27.12)**	(100.96)
(b) The movement of Hedging reserve is as follows:		
Balance at the beginning	**7.39**	16.69
Gain/(loss) recognised on cash flow hedges	**17.22**	11.29
Income tax relating to gain/loss recognized on cash flow hedges	**(5.97)**	(4.07)
(Gain)/loss reclassified to profit or loss	**(11.30)**	(25.27)
Income tax relating to gain/loss reclassified to profit or loss	**3.92**	8.75
Balance at the end	**11.26**	7.39
(c) The movement of Cost of Hedging reserve is as follows:		
Balance at the beginning	**-**	-
Gain/(loss) recognised on cash flow hedges	**17.40**	-
Income tax relating to gain/loss recognized on cash flow hedges	**(6.02)**	-
Balance at the end	**11.38**	-
(d) Summary of Other Components of Equity:		
Equity instruments through other comprehensive income	**(27.12)**	(100.96)
Hedging reserve	**11.26**	7.39
Cost of hedging reserve	**11.38**	-
Total	**(4.48)**	(93.57)

(B) Notes to reserves

(a) Capital redemption reserve

The Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

(b) Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures.

(c) Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of account upon its approval by the shareholders. For the year ended March 31, 2016, dividend per share of ₹0.20 per Ordinary share of ₹2 each and ₹0.30 per 'A' Ordinary share of ₹2 each was declared.

For the year ended March 31, 2017, considering the losses in the Tata Motors Limited (Standalone), no dividend is permitted to be paid to the Members, as per the Companies Act, 2013 and the Rules framed thereunder.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

23.	Long-term borrowings	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Secured:			
(a)	Privately placed Non-Convertible Debentures (refer note I (i) (a) and I (ii) (a))	**700.00**	700.00	700.00
(b)	Term loans:			
	(i) from banks (refer note I (i) (d))	**621.57**	383.35	176.04
	(ii) buyer's line of credit (at floating interest rate) (refer note I (i) (b))	**-**	14.31	76.12
	(iii)others (refer note I (i) (c))	**130.16**	106.08	83.30
(c)	Finance lease obligations	**9.44**	10.03	10.94
		1,461.17	1,213.77	1,046.40
	Unsecured:			
(a)	Privately placed Non-Convertible Debentures (refer note I (ii) (b))	**5,898.57**	3,950.00	5,000.00
(b)	Term loan from banks			
	Buyer's line of credit (at floating interest rate) (refer note 1 (iii))	**1,500.00**	506.31	1,428.11
(c)	Senior notes (note 1 (iv))	**4,826.35**	4,923.76	4,634.91
(d)	Others	**-**	6.12	125.46
		12,224.92	9,386.19	11,188.48
	Total	**13,686.09**	10,599.96	12,234.88

24.	Short-term borrowings	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Secured:			
	Loans from banks (refer note II)	**1,662.95**	2,711.86	3,966.24
		1,662.95	2,711.86	3,966.24
	Unsecured:			
(a)	Loans from banks	**46.33**	45.85	744.67
(b)	Inter corporate deposits from subsidiaries and associates	**394.00**	472.45	288.75
(c)	Commercial paper	**3,272.24**	424.56	3,173.36
		3,712.57	942.86	4,206.78
	Total	**5,375.52**	3,654.72	8,173.02

NOTES FORMING PART OF FINANCIAL STATEMENTS

I. **Information regarding long-term borrowings**

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

(a) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹500 crores are secured by a *pari passu* charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.

(b) 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, 2018.

Buyers credit facility taken by joint operation Tata Cummins Private Ltd are obtained in multiple tranches and are repayable at the end of three years from the individual drawdown dates commencing from 2016-2017. Interest @ LIBOR + Spread is payable. The loan is secured by *pari passu* charge on plant and machinery and other movable assets of its Phaltan plant.

(c) The term loan of ₹581.00 crores (recorded in books at ₹120.82 crores) is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2037, 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 ₹31.69 crores (recorded in books at ₹9.34 crores) is due for repayment from the quarter ending June 30, 2030 to March 31, 2032, along with a simple interest of 0.10% p.a. The loan is secured by bank guarantee for the due performance of the conditions as per the terms of the agreement.

(d) Term loan is taken by joint operation Fiat India Automobiles Private Ltd which is due for repayment from December 2017 to May 2023. The loan is secured by first charge over fixed assets procured from its loan/jeep project.

Term loan taken by joint operation Tata Cummins Private Ltd is repayable in four equal quarterly instalments starting from December 2016. Interest rate is based on prevailing Base rate + fixed spread. The loan is secured by exclusive charge on factory land and building of its Phaltan plant and hypothecation charge on other movable assets on *pari passu* basis.

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

(₹ in crores)

Non-Convertible Debentures (NCDs)	Redeemable on	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.

(₹ in crores)

Non-Convertible Debentures (NCDs)	Redeemable on	Principal
(b) 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
7.71% Non-Convertible Debentures (2022)	March 3, 2022	500.00
9.02% Non-Convertible Debentures (2021)	December 10, 2021	300.00
7.50% Non-Convertible Debentures (2021)	October 20, 2021	300.00
7.84% Non-Convertible Debentures (2021)	September 27, 2021	500.00
8.40% Non-Convertible Debentures (2021)	May 26, 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
8.00% Non-Convertible Debentures (2019)	August 1, 2019	400.00
10.00% Non-Convertible Debentures (2019)	May 28, 2019	110.00
9.69% Non-Convertible Debentures (2019)	March 29, 2019	200.00
8.25% Non-Convertible Debentures (2019)	January 28, 2019	300.00
10.30% Non-Convertible Debentures (2018)	November 30, 2018	190.00
8.13% Non-Convertible Debentures (2018)	July 18, 2018	400.00
9.45% Non-Convertible Debentures (2018)	March 29, 2018 *	200.00
10.00% Non-Convertible Debentures (2017)	May 26, 2017 *	250.00
Debt issue cost		(1.43)

* Classified as other current liabilities being maturity before March 31, 2018

(iii) The buyers line of credit from banks is repayable within a maximum period of four years from the drawdown dates. All the repayments are due from financial year ending March 31, 2018 to financial year ending March 31, 2021.

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

(₹ in crores)

	Redeemable on	Currency	Amount (in million)	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
4.625% Senior Notes	April 30, 2020	USD	500	**3,230.54**	3,282.51	3,089.94
5.750% Senior Notes	October 30, 2024	USD	250	**1,595.81**	1,641.25	1,544.97
				4,826.35	4,923.76	4,634.91

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.

III. **Collateral**

Inventory, trade receivables, other financial assets, property, plant and equipment with a carrying amount of ₹**4,460.45 crores**, ₹5,921.33 crores and ₹7,328.17 crores are pledged as collateral/ security against the borrowings as at March 31, 2017, 2016 and April 1, 2015, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

25. Other financial liabilities – non-current		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Deferred payment liability	-	70.08	126.41
(b)	Derivative financial instruments	0.55	0.67	23.55
(c)	Financial guarantee contracts	995.08	2,760.29	3,495.05
(d)	Interest accrued but not due on borrowings	-	0.07	22.37
(e)	Liability towards employee separation scheme	65.27	69.40	80.05
(f)	Others	62.76	11.33	2.33
	Total	**1,123.66**	2,911.84	3,749.76

26. Other financial liabilities – current		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Current maturities of long-term borrowings (refer note below)	512.37	2,218.66	1,217.85
(b)	Financial guarantee contracts	1,050.00	631.00	214.08
(c)	Interest accrued but not due on borrowings	449.73	453.41	469.76
(d)	Liability for capital expenditure	109.94	128.30	95.38
(e)	Deposits and retention money	197.83	212.22	198.66
(f)	Derivative financial instruments	9.38	6.28	4.29
(g)	Deferred payment liability	70.08	64.50	59.75
(h)	Liability towards Investors Education and Protection Fund under Section 125 of the Companies Act, 2013 not due			
(i)	Unpaid dividends	13.48	14.37	17.22
(ii)	Unpaid matured deposits and interest thereon	14.09	18.60	21.69
(iii)	Unpaid debentures and interest thereon	0.18	0.22	0.22
(i)	Others	38.06	36.63	26.00
	Total	**2,465.14**	3,784.19	2,324.90

Details of Current maturities of long-term borrowings :

(i)	Non Convertible Debentures (refer note I (ii) (b))	450.00	900.00	900.00
(ii)	Current maturities of finance lease obligations	8.36	12.08	15.22
(iii)	Loans from Banks (refer note I (i) (d))	34.94	180.78	164.40
(iv)	Buyers Credit (Capex) (refer note I (i) (b))	19.07	989.98	138.23
(v)	Loan others	-	135.82	-
	Total	**512.37**	2,218.66	1,217.85

27. Provisions-non current		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefits obligations	587.51	553.53	543.10
(b)	Warranty	246.54	187.37	155.87
(c)	Annual maintenance contract (AMC)	16.66	9.99	12.57
	Total	**850.71**	750.89	711.54

28. Provisions-current		As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a)	Employee benefit obligations	23.41	22.00	24.38
(b)	Warranty	410.84	410.48	338.10
(c)	Annual maintenance contract (AMC)	33.73	17.79	16.29
	Total	**467.98**	450.27	378.77

Note

AMC and Warranty provision movement

	Year ended March 31, 2017	
	AMC	Warranty
Balance at the beginning	27.78	597.85
Provision made/(reversal) during the year	31.42	486.27
Provision used during the year	(8.81)	(460.62)
Impact of discounting	-	33.88
Balance at the end	50.39	657.38
Current	33.73	410.84
Non-current	16.66	246.54

NOTES FORMING PART OF FINANCIAL STATEMENTS

29. Income taxes

(₹ in crores)

The reconciliation of estimated income tax to income tax expense is as follows:

	Year ended March 31, 2017	2016
Profit / (Loss) before taxes	**(2,420.77)**	(67.10)
Income tax expense at tax rates applicable to individual entities	**(837.78)**	(23.22)
Additional deduction for research and product development cost	**(697.87)**	(738.40)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net)	**-**	46.78
- interest and other expenses relating to borrowings for investment	**21.46**	21.11
- Dividend from subsidiaries, joint operations, associates and investments measured at fair value through other comprehensive income	**(58.70)**	(122.79)
Undistributed earnings of joint operations	**28.19**	2.69
Deferred tax assets not recognized as realization is not probable	**1,700.51**	973.28
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	**(62.24)**	(82.01)
Reversal of tax provision for previous years	**(15.78)**	(74.15)
Others	**(18.57)**	(8.09)
Income tax expense reported	**59.22**	(4.80)

Significant components of deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

	Opening balance	Recognized in profit or loss	Recognized in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation carry forwards	1,984.14	562.02	-	2,546.16
Business loss carry forwards	1,531.47	46.54	-	1,578.01
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	1,440.93	(463.32)	-	977.61
Compensated absences and retirement benefits	111.36	4.61	(3.79)	112.18
Minimum alternate tax carry-forward	16.82	12.96	-	29.78
Intangible assets	7.47	(0.90)	-	6.57
Others	93.88	33.31	-	127.19
Total deferred tax assets	5,186.07	195.22	(3.79)	5,377.50
Deferred tax liabilities:				
Property, plant and equipment	2,663.29	(38.63)	-	2,624.66
Intangible assets	2,519.18	216.26	-	2,735.44
Undistributed earnings in joint operations	36.88	26.36 *	-	63.24
Derivative financial instruments	3.91	10.63	8.07	22.61
Others	34.20	(4.70)	-	29.50
Total deferred tax liabilities	5,257.46	209.92	8.07	5,475.45
Deferred tax liabilities (net)	(71.39)	(14.70)	(11.86)	(97.95)

* Net of **₹ 1.83 crores** reversed on dividend distribution by joint operation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

As at March 31, 2017, unrecognized deferred tax assets amount to ₹ **1,532.70 crores** and ₹ **5,198.01 crores**, which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to business losses, depreciation carry forwards and other deductible temporary differences. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

March 31,	(₹ in crores) Amount
2021	**258.65**
2022	**25.88**
Thereafter	**4,913.48**

Significant components of deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

(₹ in crores)

	Opening balance	Recognized in profit or loss	Recognized in/reclassified from OCI	Closing balance
Deferred tax assets:				
Depreciation carry forwards	1,558.79	425.35	-	1,984.14
Business loss carry forwards	1,537.55	(6.08)	-	1,531.47
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	1,579.27	(138.34)	-	1,440.93
Compensated absences and retirement benefits	103.65	14.90	(7.19)	111.36
Minimum alternate tax carry-forward	12.19	4.63	-	16.82
Intangible assets	9.15	(1.68)	-	7.47
Others	86.00	7.88	-	93.88
Total deferred tax assets	4,886.60	306.66	(7.19)	5,186.07
Deferred tax liabilities:				
Property, plant and equipment	2,583.12	80.17	-	2,663.29
Intangible assets	2,304.71	214.47	-	2519.18
Undistributed earnings of joint operations	36.02	0.86 *	-	36.88
Derivative financial instruments	8.59	-	(4.68)	3.91
Others	20.50	13.70	-	34.20
Total deferred tax liabilities	4,952.94	309.20	(4.68)	5,257.46
Deferred tax liabilities (net)	(66.34)	(2.54)	(2.51)	(71.39)

* Net of ₹ 1.83 crores reversed on dividend distribution by joint operation.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

30.	Other non-current liabilities	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(a)	Deferred revenue (refer note below)	**270.40**	261.73	249.26
(b)	Lease rent	-	75.58	67.32
(c)	Employee Benefit Obligations - Funded	**42.79**	26.11	39.83
(d)	Others	**8.05**	14.65	24.45
	Total	**321.24**	378.07	380.86

31.	Other current liabilities	As at March 31, 2017	As at March 31, 2016	As at April1, 2015
(a)	Liability for advances received	**849.51**	728.65	498.79
(b)	Statutory dues (VAT, Excise, Service Tax, Octroi etc)	**799.04**	713.83	619.01
(c)	Deferred revenue (refer note below)	**157.65**	165.85	145.30
(d)	Others	**57.82**	96.51	36.16
	Total	**1,864.02**	1,704.84	1,299.26

Note:

Deferred revenue includes ₹ **227.92 crores** as at March 31, 2017 (₹ 249.22 crores as at March 31, 2016 and ₹ 235.19 crores as at April 1, 2015) grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

32. Income From Operations		Year ended March 31,	
		2017	2016
(a)	Sale of products (including excise duty) (note 1 below)	**48,018.52**	46,527.84
(b)	Sale of services	**368.03**	352.89
(c)	Finance revenues	**1.94**	2.80
(d)	Other operating revenues	**711.92**	500.08
		49,100.41	47,383.61

33. Other income			Year ended March 31,	
			2017	2016
	(a)	Interest income	**184.65**	263.79
	(b)	Dividend income (note 2 below)	**676.50**	1,061.71
	(c)	Profit on sale of investments at FVTPL	**116.76**	67.48
	(d)	MTM – Investments measured at FVTPL	**0.93**	9.33
		Total	**978.84**	1,402.31
Note :				
(1)	Includes exchange gain/(loss) (net) on hedges reclassified from hedging reserve to Statement of Profit and Loss		**(0.73)**	-
(2)	Includes			
	(a)	Dividend from subsidiary companies, joint operations & associates	**673.33**	1,020.87
	(b)	Dividend from investment measured at FVTOCI	**4.45**	34.55
	(c)	Exchange gain/(loss)	**(1.28)**	6.28

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

34.	Employee benefits expense	Year ended March 31, 2017	2016
(a)	Salaries, wages and bonus	**2,991.44**	2,666.38
(b)	Contribution to provident fund and other funds	**196.01**	188.29
(c)	Staff welfare expenses	**371.07**	334.30
	Total	**3,558.52**	3,188.97

35.	Finance cost	Year ended March 31, 2017	2016
(a)	Interest	**1,670.82**	1,607.71
	Add: Exchange fluctuation considered as interest cost	**-**	41.11
	Less: Transferred to capital account	**(451.00)**	(429.69)
		1,219.82	1,219.13
(b)	Discounting charges	**370.33**	372.87
	Total	**1,590.15**	1,592.00

Note: The weighted average rate for capitalisation of interest relating to general borrowings was approximately **7.63 %** and 8.54 % for the years ended March 31, 2017 and 2016, respectively.

36.	Other expenses	Year ended March 31, 2017	2016
(a)	Processing charges	**1,522.44**	1,507.21
(b)	Consumption of stores & spare parts	**579.09**	519.37
(c)	Power and fuel	**440.03**	430.77
(d)	Freight, transportation, port charges etc.	**1,541.88**	1,296.71
(e)	Publicity	**848.36**	670.01
(f)	Warranty expenses	**486.27**	492.11
(g)	Information technology/computer expenses	**762.37**	631.93
(h)	Allowances for trade and other receivables	**133.72**	138.79
(i)	Works operation and other expenses (note below)	**2,383.26**	2,529.75
	Total	**8,697.42**	8,216.65
	Note :		
	Works operation and other expenses include		
(a)	Auditors' remuneration (excluding service tax)		
	(i) Audit Fees	**7.77**	5.53
	(ii) Audit Fees for financial statements as per IFRS (including SOX certification)	**3.59**	3.85
	(iii) In other Capacities :		
	- Company law matters (₹**47,500** for 2016-17, ₹48,534 for 2015-16)	**0.00**	0.00
	- Tax audit/Transfer pricing audit	**0.70**	0.74
	- Taxation matters	**0.08**	0.19
	(iv) Other services*	**1.42**	0.91
	(v) Reimbursement of travelling and out-of-pocket expenses	**0.88**	0.62
*	- Includes payment to an affiliate firm of statutory auditors	**0.56**	0.58
	- Excludes audit fees debited to Securities Premium Account related to Rights issue	**-**	1.70
(b)	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

(c) Works operation and other expenses for the year 2016-17 includes ₹**25.94 crores** (₹20.57 crores for the year 2015-16) spent by Tata Motors Ltd on standalone basis excluding interest in the joint operations, 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 2016-17 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.

37. Exceptional item VI (e) of ₹**147.93 crores** for the year ended March 31, 2017, relates to provision for inventory of BSIII vehicles as at March 31, 2017. This does not include higher level of customer discounts and variable marketing expenses in March 2017, to support higher level of retail sales, which have been netted off against 'Income from operations'.

38. Commitments and contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. 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.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2017, there are matters and/or disputes pending in appeal amounting to **₹145.43 crores** (₹108.15 crores as at March 31, 2016 and ₹100.56 crores as at April 1, 2015).

Customs, Excise Duty and Service Tax

As at March 31, 2017, there are pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of **₹1,324.19 crores** (₹1,284.60 crores as at March 31, 2016 and ₹1,334.21 crores as at April 1, 2015). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT, credit on inputs. The details of the demands for more than ₹20 crores are as follows:

As at March 31, 2017, the Excise Authorities had denied a CENVAT credit of ₹29.43 crores and imposed a penalty of ₹ Nil for the period between April 2011 to September 2012 (₹52.41 crores and a ₹23.00 crores CENVAT credit and penalty, respectively, as at March 31, 2016 and ₹52.41 crores and a ₹23.00 crores CENVAT credit and penalty, respectively, as at April 1, 2015) in respect of consulting engineering services alleged to have been used exclusively for producing prototypes at the Engineering Research Centre, in Pune. The contention of the Excise Authorities is that since the Company claims exemptions from CENVAT under Notification No.167/71-CE, dated September 11, 1971, the Company is not entitled to avail service tax credits on consulting engineering services used in the Engineering Research Centre. The matter is being contested by the Company before the appellate authorities. The Company believes it has a merit in its case, since the consulting engineering services are not exclusively used in the manufacture of prototypes and they form part of the assessable value of final products manufactured by the Company on which CENVAT is paid.

The Excise Authorities have raised a demand for **₹90.72 crores** as at March 31, 2017 (₹90.72 crores as at March 31, 2016 and ₹90.72 crores as at April 1, 2015), on account of alleged undervaluation's of ex-factory discounts given by Company on passenger vehicles through invoices. The matter is being contested by the Company before the High Court of Bombay.

As at March 31, 2017, the Excise Authorities have raised a demand and penalty of **₹218.23 crores**, (₹198.56 crores as at March 31, 2016 and ₹187.60 crores as at April 1, 2015), due to the classification of certain chassis (as dumpers instead of goods transport vehicles) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty, or NCCD. The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of **₹24.96 crores** (₹22.74 crores as at March 31, 2016 and ₹83.67 crores as at April 1, 2015) claimed by the Company from Fiscal 1992 to Fiscal 2013, on technical grounds. The matter is being contested by the Company before the appellate authorities.

As at March 31, 2017, the Excise Authorities had levied penalties and interest amounting to **₹679.88 crores** (₹679.88 crores as at March 31, 2016 and ₹679.88 crores as at April 1, 2015) with respect to CENVAT credit claimed by the Company from March 2010 to November 2012, on inputs, stating that vehicles manufactured at Uttarakhand plant are "Exempted Products" and the Company may not claim a CENVAT credit on these vehicles. The Company has challenged this demand as NCCD and the automobile cess is assessed on those vehicles, which are "duties of excise". Therefore, the Company asserts that these vehicles are not "Exempted Products". The matter is being contested by the Company before the appellate authorities.

As at March 31, 2017, the Excise Authorities have raised a demand amounting to **₹29.54 crores** (₹29.54 crores as at March 31, 2016 and ₹29.54 crores as at April 1, 2015) on pre-delivery inspection charges and free after-sales service charges incurred by dealers on certain of the Company's products on the alleged grounds that the pre-delivery inspection charges and free after-sales services are provided by the dealer on behalf of the Company and should be included in excisable value of the vehicle. The case is pending before Tribunal.

As at March 31, 2017, the Excise Authorities have raised a demand amounting to **₹ Nil** (₹21.89 crores as at March 31, 2016 and ₹21.89 crores as at April 1, 2015) with respect to customs duties on dies and fixtures imported under the EPCG Scheme and, in the case of the fixtures, are installed at premises of a vendor. The Tribunal has rejected the stay application filed by the department. The department has further filed an appeal with CESTAT.

As at March 31, 2017, the Excise Authorities have raised demand amounting to **₹34.68 crores** (₹14.73 crores as at March 31, 2016 and ₹12.70 crores as at April 1, 2015) with respect to denial of CENVAT credit on service tax availed on freight outward and courier services. The Company asserts that since freight forms part of the services on which the taxes have been paid, CENVAT credit can be availed. The Company is contesting the show cause notice.

Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹**949.69 crores** (₹1134.14 crores as at March 31, 2016 and ₹ 907.84 crores as at April 1, 2015). The details of the demands for more than ₹20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹**208.59 crores** (₹403.38 crores as at March 31, 2016 and ₹120.12 crores as at April 1, 2015) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

In some of the states in India, the Sales Tax Authorities have raised disputes totaling up to ₹**40.80 crores** as at March 31, 2017 (₹41.10 crores as at March 31, 2016 and ₹ 41.10 crores as at April 1, 2015), treating the stock transfers of vehicles from the Company's manufacturing plants to regional sales offices and the transfers between two regional sales offices as sales liable for levy of sales tax. The Company is contesting this issue.

The Sales Tax authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹**305.46 crores** as at March 31, 2017 (₹330.17 crores as at March 31, 2016 and ₹366.45 crores as at April 1, 2015). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

Sales tax demand aggregating ₹**258.35 crores** as at March 31, 2017 (₹252.66 crores as at March 31, 2016 and ₹258.40 crores as at April 1, 2015) has been raised by Sales Tax Authorities disallowing the concessional rate of 2% on certain purchases of raw materials in case the final product is stock transferred for sale outside the state. The matter is pending with various authorities.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹**221.14 crores** (₹229.42 crores as at March 31, 2016 and ₹258.09 crores as at April 1, 2015). Following are the cases involving more than ₹20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹**61.65 crores** as at March 31, 2017 (₹61.65 crores as at March 31, 2016 and ₹61.65 crores as at April 1, 2015) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Supreme Court and the other dispute is pending before the Bombay High Court on remand by the Supreme Court.

As at March 31, 2017, property tax amounting to ₹**53.70 crores** (₹50.56 crores as at March 31, 2016 and ₹49.10 crores as at April 1, 2015) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri, Pune. The Company has filed Special Leave Petition (SLP) before the Supreme Court against an unfavourable decision of the Bombay High Court. The Supreme Court has disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.

As at March 31, 2017, a penalty of ₹**20.31 crores** (₹20.31 crores as at March 31, 2016 and ₹56.21 crores as at April 1, 2015) is likely to be imposed relating to a matter of regularization of construction of certain buildings in respect of which approvals from appropriate authorities are awaited. However, as the buildings were constructed as per the applicable development rules, the Company believes it will be possible to get the waiver of the same.

As at March 31, 2017, Sales tax / VAT amounting to ₹ **29.95 crores** (₹24.10 crores as at March 31, 2016 and ₹15.10 crores as at April 1, 2015) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repairs. The dispute is pending before the Supreme Court.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹**1,493.73 crores** at March 31, 2017 (₹1,953.50 crores as at March 31, 2016 and ₹1,074.51 crores as at April 1, 2015), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to ₹**420.06 crores** as at March 31, 2017 (₹398.25 crores as at March 31, 2016 and ₹382.02 crores as at April 1, 2015), which are yet to be executed.

The Company has contractual obligation towards Purchase Commitment for ₹ **Nil** (₹1,603.90 crores as at March 31, 2016 and ₹3,206.79 crores as at April 1, 2015).

NOTES FORMING PART OF FINANCIAL STATEMENTS

39. Earnings Per Share ("EPS")

			Year ended March 31,	
			2017	2016
(a)	Profit/(Loss) after tax	₹ crores	**(2,479.99)**	(62.30)
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**2,88,72,18,310**	2,87,31,88,838
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**50,84,83,714**	50,60,63,234
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	**2**	2
(e)	Share of profit/(loss) for Ordinary shares for Basic EPS	₹ crores	**(2,108.63)**	(52.97)
(f)	Share of profit/(loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	**(371.36)**	(9.33)
(g)	Earnings Per Ordinary share (Basic)	₹	**(7.30)**	(0.18)
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	**(7.30)**	(0.18)
(i)	Profit after tax for Diluted EPS	₹ crores	**#**	#
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**#**	#
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	**#**	#
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	**#**	#
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**#**	#
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	**#**	#
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	**#**	#
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	**#**	#
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	**#**	#
(r)	Earnings Per Ordinary share (Diluted)	₹	**(7.30)**	(0.18)
(s)	Earnings Per 'A' Ordinary share (Diluted)	₹	**(7.30)**	(0.18)

* '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, 2017 and 2016, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

NOTES FORMING PART OF FINANCIAL STATEMENTS

40. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, non-convertible debentures, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total borrowings includes all long and short-term borrowings as disclosed in notes 23,24 and 26 (a) to the financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges.

The following table summarizes the capital of the Company:

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Equity*	**20,786.51**	23,254.72	15,132.67
Short-term borrowings and current maturities of long-term borrowings	**5,887.89**	5,873.38	9,390.87
Long-term borrowings	**13,686.09**	10,599.96	12,234.88
Total borrowings	**19,573.98**	16,473.34	21,625.75
Total capital (Debt + Equity)	**40,360.49**	39,728.06	36,758.42
* Details of equity :			
Total equity as reported in balance sheet	**20,809.15**	23,262.11	15,149.36
Hedging reserve	**(11.26)**	(7.39)	(16.69)
Cost of Hedge reserve	**(11.38)**	-	-
Equity as reported above	**20,786.51**	23,254.72	15,132.67

NOTES FORMING PART OF FINANCIAL STATEMENTS

41. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2017.

(₹ in crores)

		Cash, and other financial assets at amortized cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets								
(a)	Investments - non-current	-	528.37	-	-	-	528.37	528.37
(b)	Investments - current	-	-	2,400.92	-	-	2,400.92	2,400.92
(c)	Trade receivables	2,128.00	-	-	-	-	2,128.00	2,128.00
(d)	Cash and cash equivalents	188.39	-	-	-	-	188.39	188.39
(e)	Other bank balances	97.67	-	-	-	-	97.67	97.67
(f)	Loans and advances - non-current	389.61	-	-	-	-	389.61	389.61
(g)	Loans and advances - current	231.35	-	-	-	-	231.35	231.35
(h)	Other financial assets - non-current	5.57	-	-	190.75	-	196.32	196.32
(i)	Other financial assets - current	0.40	-	-	65.74	34.62	100.76	100.76
	Total	3,040.99	528.37	2,400.92	256.49	34.62	6,261.39	6,261.39

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (Including current maturities of long-term borrowings)	-	-	14,198.46	14,198.46	14,700.97
(b)	Short-term borrowings	-	-	5,375.52	5,375.52	5,375.52
(c)	Trade payables	-	-	7,015.21	7,015.21	7,015.21
(d)	Acceptances	-	-	4,379.29	4,379.29	4,379.29
(e)	Other financial liabilities - non-current	0.55	-	1,123.11	1,123.66	1,123.66
(f)	Other financial liabilities - current	9.38	-	1,943.39	1,952.77	1,952.77
	Total	9.93	-	34,034.98	34,044.91	34,547.42

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2016.

(₹ in crores)

		Cash, and other financial assets at amortized cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets								
(a)	Investments - non-current	-	454.53	172.54	-	-	627.07	627.07
(b)	Investments - current	-	-	1,745.84	-	-	1,745.84	1,745.84
(c)	Trade receivables	2,045.58	-	-	-	-	2,045.58	2,045.58
(d)	Cash and cash equivalents	427.07	-	-	-	-	427.07	427.07
(e)	Other bank balances	361.35	-	-	-	-	361.35	361.35
(f)	Loans and advances - non-current	252.93	-	-	-	-	252.93	252.93
(g)	Loans and advances - current	484.44	-	-	-	-	484.44	484.44
(h)	Other financial assets - non-current	4.99	-	-	97.93	-	102.92	102.92
(i)	Other financial assets - current	63.42	-	-	49.95	11.83	125.20	125.20
	Total	3,639.78	454.53	1,918.38	147.88	11.83	6,172.40	6,172.40

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (including Current maturities of long-term borrowings)	-	-	12,818.62	12,818.62	13,269.88
(b)	Short-term borrowings	-	-	3,654.72	3,654.72	3,654.72
(c)	Trade payables	-	-	5,141.17	5,141.17	5,141.17
(d)	Acceptances	-	-	3,887.28	3,887.28	3,887.28
(e)	Other financial liabilities - non-current	0.67	-	2,911.17	2,911.84	2,922.07
(f)	Other financial liabilities - current	6.21	0.07	1,559.25	1,565.53	1,565.53
	Total	6.88	0.07	29,972.21	29,979.16	30,440.65

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at April 1, 2015.

(₹ in crores)

		Cash, and other financial assets at amortized cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets								
(a)	Investments - non-current	-	453.72	172.54	-	-	626.26	626.26
(b)	Investments - current	-	4.68	-	-	-	4.68	4.68
(c)	Trade receivables	1,448.39	-	-	-	-	1,448.39	1,448.39
(d)	Cash and cash equivalents	1,066.47	-	-	-	-	1,066.47	1,066.47
(e)	Other bank balances	83.94	-	-	-	-	83.94	83.94
(f)	Loans and advances - non-current	310.73	-	-	-	-	310.73	310.73
(g)	Loans and advances - current	342.58	-	-	-	-	342.58	342.58
(h)	Other financial assets - non-current	102.52	-	-	56.03	0.05	158.60	158.60
(i)	Other financial assets - current	2.30	-	-	7.99	30.18	40.47	40.47
	Total	3,356.93	458.40	172.54	64.02	30.23	4,082.12	4,082.12

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (including Current maturities of long-term borrowings)	-	-	13,452.73	13,452.73	13,887.76
(b)	Short-term borrowings	-	-	8,173.02	8,173.02	8,173.02
(c)	Trade payables	-	-	5,000.18	5,000.18	5,000.18
(d)	Acceptances	-	-	3,950.53	3,950.53	3,950.53
(e)	Other financial liabilities - non-current	18.60	4.95	3,726.21	3,749.76	3,771.88
(f)	Other financial liabilities - current	4.29	-	1,102.76	1,107.05	1,107.05
	Total	22.89	4.95	35,405.43	35,433.27	35,890.42

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the years ended March 31, 2017 and 2016.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the group has chosen to designate these investments in equity instruments as at FVTOCI as the directors believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)

		As at March 31, 2017			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value					
(a)	Investments	**2,619.10**	**-**	**310.19**	**2,929.29**
(b)	Derivative assets	**-**	**291.11**	**-**	**291.11**
	Total	**2,619.10**	**291.11**	**310.19**	**3,220.40**
Financial liabilities measured at fair value					
(a)	Derivative liabilities	**-**	**9.93**	-	**9.93**
	Total	**-**	**9.93**	-	**9.93**

		As at March 31, 2016			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value					
(a)	Investments	1,890.18	-	482.73	2,372.91
(b)	Derivative assets	-	159.71	-	159.71
	Total	1,890.18	159.71	482.73	2,532.62
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	6.95	-	6.95
	Total	-	6.95	-	6.95

		As at April 1, 2015			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value					
(a)	Investments	143.53	-	487.41	630.94
(b)	Derivative assets	-	94.25	-	94.25
	Total	143.53	94.25	487.41	725.19
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	27.84	-	27.84
	Total	-	27.84	-	27.84

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

(₹ in crores)

		As at March 31, 2017		
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	**5,047.12**	**9,653.85**	**-**	**14,700.97**
(b) Short-term borrowings	**-**	**5,375.52**	**-**	**5,375.52**
Total	**5,047.12**	**15,029.37**	**-**	**20,076.49**

		As at March 31, 2016		
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	5,195.70	8,074.18	-	13,269.88
(b) Short-term borrowings	-	3,654.72	-	3,654.72
Total	5,195.70	11,728.90	-	16,924.60

		As at April 1, 2015		
	Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	4,877.40	9,010.36	-	13,887.76
(b) Short-term borrowings	-	8,173.02	-	8,173.02
Total	4,877.40	17,183.38	-	22,060.78

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

NOTES FORMING PART OF FINANCIAL STATEMENTS

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2017:

(₹ in crores)

		Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
					Financial instruments	Cash collateral	
Financial assets							
(a)	Derivative financial instruments	**291.11**	**-**	**291.11**	**(6.07)**	-	**285.04**
(b)	Trade receivables	**2,209.19**	**(81.19)**	**2,128.00**	**-**	-	**2,128.00**
(c)	Loans and advances-current	**272.07**	**(40.72)**	**231.35**	**-**	-	**231.35**
	Total	**2,772.37**	**(121.91)**	**2,650.46**	**(6.07)**	-	**2,644.39**
Financial liabilities							
(a)	Derivative financial instruments	**9.93**	**-**	**9.93**	**(6.07)**	**-**	**3.86**
(b)	Trade payables	**7,137.12**	**(121.91)**	**7,015.21**	**-**	**-**	**7,015.21**
	Total	**7,147.05**	**(121.91)**	**7,025.14**	**(6.07)**	-	**7,019.07**

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2016:

(₹ in crores)

		Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
					Financial instruments	Cash collateral	
Financial assets							
(a)	Derivative financial instruments	159.71	-	159.71	(4.58)	-	155.13
(b)	Trade receivables	2,117.13	(71.55)	2,045.58	-	-	2,045.58
(c)	Loans and advances-current	529.27	(44.83)	484.44	-	-	484.44
	Total	2,806.11	(116.38)	2,689.73	(4.58)	-	2,685.15
Financial liabilities							
(a)	Derivative financial instruments	6.95	-	6.95	(4.58)	-	2.37
(b)	Accounts payable	5,257.55	(116.38)	5,141.17	-	-	5,141.17
	Total	5,264.50	(116.38)	5,148.12	(4.58)	-	5,143.54

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at April 1, 2015:

(₹ in crores)

	Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
				Financial instruments	Cash collateral	
Financial assets						
(a) Derivative financial instruments	94.25	-	94.25	(9.52)	-	84.73
(b) Trade receivables	1,582.37	(133.98)	1,448.39	-	-	1,448.39
(c) Loans and advances-current	393.56	(50.98)	342.58	-	-	342.58
Total	2,070.18	(184.96)	1,885.22	(9.52)	-	1,875.70
Financial liabilities						
(a) Derivative financial instruments	27.84	-	27.84	(9.52)	-	18.32
(b) Trade payables	5,185.14	(184.96)	5,000.18	-	-	5,000.18
Total	5,212.98	(184.96)	5,028.02	(9.52)	-	5,018.50

(b) Transfer of financial assets

The Company transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, due to the recourse arrangement in place. Consequently the proceeds received from transfer are recorded as loans from banks / financial institutions and classified under short-term borrowings.

The carrying amount of trade receivables along with the associated liabilities is as follows:

(₹ in crores)

	As at March 31,				As at April 1,	
	2017		2016		2015	
Nature of Asset	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities	Carrying amount of asset sold	Carrying amount of associated liabilities
Trade receivables	-	-	224.04	224.04	234.63	234.63

NOTES FORMING PART OF FINANCIAL STATEMENTS

(c) **Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) **Market risk**

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(a) **Foreign currency exchange rate risk:**

The fluctuation in foreign currency exchange rates may have potential impact on the statement of profit and loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates. The risks primarily relate to fluctuations in U.S. dollar, Euro, GBP and Thai Baht against the functional currencies of the Company.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Any weakening of the functional currency may impact the Company's exports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

NOTES FORMING PART OF FINANCIAL STATEMENTS

The exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed in (iv) derivative financial instruments and risk management below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at March 31, 2017:

(₹ in crores)

		U.S. dollar	Euro	GBP	THB	Others [1]	Total
(a)	Financial assets	**395.23**	**11.03**	**34.53**	**95.25**	**16.22**	**552.26**
(b)	Financial liabilities	**5,974.81**	**150.24**	**374.84**	**8.17**	**26.17**	**6,534.23**

[1] Others mainly include currencies such as the Russian rouble, Japanese yen, Swiss franc, Australian dollars, South African rand and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹**55.23 crores** and ₹**653.42 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2017.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at March 31, 2016:

(₹ in crores)

		U.S. dollar	Euro	GBP	THB	Others [2]	Total
(a)	Financial assets	323.14	6.53	41.10	57.60	12.24	440.61
(b)	Financial liabilities	6,136.72	407.51	315.46	13.98	16.41	6,890.08

[2] Others mainly include currencies such as the Russian rouble, Swiss Franc, Australian dollars, South African rand, Singapore dollars and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹44.06 crores and ₹689.01 crores for financial assets and financial liabilities respectively for the year ended March 31, 2016.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at April 1, 2015:

(₹ in crores)

		U.S. dollar	Euro	GBP	THB	Others [3]	Total
(a)	Financial assets	966.35	22.09	54.96	34.53	27.52	1,105.45
(b)	Financial liabilities	5,364.58	431.66	358.59	1.81	9.33	6,165.97

[3] Others mainly include currencies such as the Russian rouble, Swiss Franc, Australian dollars, South African rand, Singapore dollars and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's net profit/(loss) before tax by approximately ₹110.55 crores and ₹616.60 crores for financial assets and financial liabilities respectively for the year ended March 31, 2015.

(Note: The impact is indicated on the profit/(loss) before tax basis.)

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(b) **Interest rate risk**

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short-term loans.

As at March 31, 2017 and 2016, financial liability of ₹**3,418.97 crores** and ₹4,848.39 crores, respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in decrease/increase in profit/(loss) before tax of ₹**34.19 crores** and ₹48.48 crores for the year ended March 31, 2017 and 2016, respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the profit/(loss) before tax basis).

(c) **Equity Price risk**

Equity Price Risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as at March 31, 2017, 2016 and April 1, 2015 was ₹**218.18 crores,** ₹143.34 crores and ₹143.53 crores, respectively. A 10% change in equity price as at March 31, 2017, 2016 and April 1, 2015 would result in an impact of ₹**21.82 crores,** ₹14.43 crores and ₹14.35 crores, respectively

(Note: The impact is indicated on equity before consequential tax impact, if any).

NOTES FORMING PART OF FINANCIAL STATEMENTS

(ii) Credit risk

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit or loss, trade receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of exposure to credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was **₹5,732.64 crores** as at March 31, 2017, ₹5,717.59 crores as at March 31, 2016, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2017, that defaults in payment obligations will occur.

In addition, exposure to credit risk is also in relation to financial guarantee contracts for which the Company has created a liability for potential exposures.

Credit quality of financial assets and impairment loss

The ageing of trade receivables as of balance sheet date is given below. The age analysis has been considered from the due date.

(₹ in crores)

		As at March 31,						As at April 1,		
		2017			2016			2015		
	Trade receivables	Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
	Period (in months)									
(a)	Not due	**915.10**	**(9.59)**	**905.51**	874.72	(34.05)	840.67	637.97	(32.44)	605.53
(b)	Overdue up to 3 months	**841.67**	**(15.83)**	**825.84**	768.96	(9.72)	759.24	423.91	(25.52)	398.39
(c)	Overdue 3-6 months	**138.47**	**(11.36)**	**127.11**	160.89	(9.86)	151.03	230.30	(11.06)	219.24
(d)	Overdue more than 6 months	**925.93**	**(656.39)**	**269.54** [1]	873.11	(578.47)	294.64 [1]	760.95	(535.72)	225.23 [1]
	Total	**2,821.17**	**(693.17)**	**2,128.00**	2,677.68	(632.10)	2,045.58	2,053.13	(604.74)	1,448.39

[1] Trade receivables overdue more than six months include **₹212.29 crores** as at March 31, 2017 (₹230.02 crores as at March 31, 2016 and ₹152.93 crores as at April 1, 2015) outstanding from government organizations in India, which are considered recoverable.

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate allowance for losses are provided. Further, the Company groups the trade receivables depending on type of customers and accordingly credit risk is determined.

(iii) **Liquidity risk**

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Further, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the non-convertible debentures (taken/issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2017:

(₹ in crores)

	Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a)	Trade payables	7,015.21	7,015.21	-	-	-	7,015.21
(b)	Acceptances	4,379.29	4,379.29	-	-	-	4,379.29
(c)	Borrowings and interest thereon	20,023.71	7,056.76	2,662.85	10,158.67	5,003.70	24,881.98
(d)	Other financial liabilities	2,616.77	1,493.66	1,019.23	56.56	73.13	2,642.58
(e)	Derivative liabilities	9.93	9.38	-	-	0.55	9.93
	Total	34,044.91	19,954.30	3,682.08	10,215.23	5,077.38	38,928.99

NOTES FORMING PART OF FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2016:

(₹ in crores)

	Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a)	Trade payables	5,141.17	5,141.17	-	-	-	5,141.17
(b)	Acceptances	3,887.28	3,887.28	-	-	-	3,887.28
(c)	Borrowings and interest thereon	16,926.82	6,853.32	1,580.97	7485.76	5,537.55	21,457.60
(d)	Other financial liabilities	4,016.94	1,105.84	1,137.45	1,743.31	60.06	4,046.66
(e)	Derivative liabilities	6.95	6.28	-	0.58	0.09	6.95
	Total	29,979.16	16,993.89	2,718.42	9,229.65	5,597.70	34,539.66

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at April 1, 2015:

	Financial liabilities	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
(a)	Trade payables	5,000.18	5,000.18	-	-	-	5,000.18
(b)	Acceptances	3,950.53	3,950.53	-	-	-	3,950.53
(c)	Borrowings and interest thereon	22,117.88	10,535.62	2,966.27	4,608.45	9,481.55	27,591.89
(d)	Other financial liabilities	4,336.84	633.00	721.31	2,960.17	60.69	4,375.17
(e)	Derivative liabilities	27.84	4.29	8.68	1.96	12.91	27.84
	Total	35,433.27	20,123.62	3,696.26	7,570.58	9,555.15	40,945.61

NOTES FORMING PART OF FINANCIAL STATEMENTS

(iv) **Derivative financial instruments and risk management**

The Company has entered into variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

		As at March 31,		As at April 1,
		2017	2016	2015
(a)	Foreign currency forward exchange contracts and options	**276.81**	151.95	66.85
(b)	Commodity Derivatives	**4.37**	0.81	(0.44)
	Total	**281.18**	152.76	66.41

The gain/(loss) on due to fluctuation in foreign currency exchange rates on derivative contract, recognized in the statement of profit and loss was ₹**85.41 crores** and ₹26.51 crores for the years ended March 31, 2017 and 2016, respectively.

The gain/(loss) on commodity derivative contracts, recognized in the statement of profit and loss was ₹**9.06 crores** and (₹8.58 crores) for the years ended March 31, 2017 and 2016, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS

42. Related-party transactions

The Company's related parties principally consist of subsidiaries, joint operations, associates and their subsidiaries, Tata Sons Limited., subsidiaries and joint ventures of Tata Sons Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its related parties.

The following table summarizes related-party transactions and balances for the year ended/as at March 31, 2017:

(₹ in crores)

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd., its subsidiaries and joint ventures	Total
Purchase of products	1,025.38	2,275.75	2,056.84	65.46	5,423.43
Sale of products	4,545.41	323.72	248.20	452.62	5,569.95
Services received	2,571.56	0.07	10.89	256.50	2,839.02
Services rendered	327.87	16.12	13.03	4.64	361.66
Bills discounted	-	-	-	3,202.77	3,202.77
Purchase of property, plant and equipment	46.10	-	13.79	0.02	59.91
Interest (income)/expense, dividend (income)/paid, net	(631.60)	(12.12)	(11.07)	36.52	(618.27)
Deposits taken as security	3.31	-	-	-	3.31
Amounts receivable in respect of loans and interest thereon	692.48	-	-	5.33	697.81
Amounts payable in respect of loans and interest thereon	338.00	-	56.00	0.64	394.64
Trade and other receivables	247.06	-	46.26	36.14	329.46
Trade payables	1,013.33	123.96	39.63	49.55	1,226.47
Finance given, taken back (including loans and equity)	252.26	132.50	-	-	384.76
Finance taken, paid back (including loans and equity)	3,628.45	-	629.00	-	4,257.45
Conversion of Optionally Convertible Preference shares into Equity shares	-	-	159.00	-	159.00
Assets / deposits given as security	2,502.35	-	-	3.00	2,505.35
Deposit taken as security	3.31	-	-	-	3.31
Provision for amount recievable (including loans)	639.49	-	-	-	639.49

NOTES FORMING PART OF FINANCIAL STATEMENTS

The following table summarizes related-party transactions and balances for the year ended/as at March 31, 2016:

(₹ in crores)

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd., its subsidiaries and joint ventures	Total
Purchase of products	1,060.41	2,781.45	1,764.44	65.89	5,672.19
Sale of products	2,612.77	597.12	210.35	607.47	4,027.71
Services received	2,475.24	0.12	9.61	260.27	2,745.24
Services rendered	256.40	7.97	14.87	11.02	290.26
Bills discounted	-	-	-	2,901.80	2,901.80
Purchase of property, plant and equipment	26.17	-	11.45	0.87	38.49
Sale of property, plant and equipment	5.57	-	-	-	5.57
Sale of investments	746.90	-	-	-	746.90
Interest / dividend paid / (received) (net)	(979.85)	(14.24)	(13.85)	(8.09)	(1,016.03)
Provision for loan given	45.71	-	-	-	45.71
Assets given as security	2,500.00	-	-	-	2,500.00
Amounts receivable in respect of loans and interest thereon	718.40	193.56	-	5.33	917.29
Amounts payable in respect of loans and interest thereon	445.45	-	27.00	3.62	476.07
Trade and other receivables	343.35	-	12.33	47.66	403.34
Trade payables	1,637.05	168.04	58.31	61.11	1,924.51
Finance given (including loans and equity)	256.07	-	-	-	256.07
Finance taken, paid back (including loans and equity)	3,411.80	-	345.00	1,747.09	5,503.89
Bills discounted (in respect of amount receivable)	-	-	5.18	-	5.18
Assets / deposits given as security	2,502.35	-	-	3.00	2,505.35
Provision for amount recievable (including loans)	639.49	-	-	-	639.49

The following table summarizes related-party balances as at April 1, 2015:

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd., its subsidiaries and joint ventures	Total
Amounts receivable in respect of loans and interest thereon	605.48	183.97	25.66	5.33	820.44
Amounts payable in respect of loans and interest thereon	288.75	-	-	3.19	291.94
Trade and other receivables	620.95	-	6.10	94.77	721.82
Trade payables	337.63	143.68	74.98	58.40	614.69
Bills discounted (in respect of amount receivable)	-	-	4.86	-	4.86
Assets / deposits given as security	2.35	-	-	3.00	5.35
Provision for amount recievable (including loans)	539.40	-	-	-	539.40

	Year ended March 31,	
Compensation of key management personnel:	**2017**	2016
Short-term benefits^	**30.40**	15.81
Post-employment benefits*	**2.04**	1.50

^ Includes ₹**8.08 crores** (₹4.61 crores for the year 2015-16) of managerial remuneration which is subject to the approval of the Central Government
*Excludes provision for encashable leave and gratuity for certain key management personnel as a separate actuarial valuation is not available.

	Year ended March 31,	
Other transactions with key management personnel:	**2017**	2016
Issue of shares pursuant to rights issue	**-**	0.08
Dividend paid	**-** **	-

***amount less than ₹50,000/-*

Refer note 44 for list of subsidiaries of the Company.
Refer note 45 for information on transactions with post-employment benefit plans.

NOTES FORMING PART OF FINANCIAL STATEMENTS

43. **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 Operations for the year ended March 31, 2017, on a standalone basis. **(₹ in crores)**

	Name of the Company	Outstanding as at March 31, 2017	Maximum amount outstanding during the year
(i)	**Subsidiaries:**		
	Tata Motors European Technical Centre Plc., UK	**34.39**	**40.56**
	[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-5.6492% p.a)	40.56	40.56
	Tata Hispano Motors Carrocera S.A.	**539.40**	**539.40**
	(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
	Tata Hispano Motors Carroceries Maghreb S.A.	**58.39**	**58.39**
	(Tata Hispano Motors Carroceries Maghreb S.A. has utilised this loan for general corporate purposes, which is partly provided)	58.32	58.32
	TAL Manufacturing Solutions Ltd	**-**	**5.00**
	(Inter Corporate Deposit utilised for working capital finance at the rate of interest of 9.25% p.a. to 10.50% p.a. having Call / Put option)	5.00	15.00
	Concorde Motors (India) Ltd	**50.00**	**50.00**
	(Inter Corporate Deposit utilised for working capital finance at the rate of interest of 9.00% p.a. to 10.00% p.a. having Call / Put option)	50.00	50.00
	Tata Marcopolo Motors Ltd	**10.00**	**25.00**
	(Inter Corporate Deposit utilised for working capital finance at the rate of interest of 9.00% p.a. to 10.00% p.a. having Call / Put option)	25.00	25.00
(ii)	**Joint Operations:**		
	Fiat India Automobiles Private Ltd	**-**	**265.00**
	(Loan has been utilised for meeting Capex requirement. The Interest rate is RBI Bank rate)	265.00	265.00

(b) Details of Investments made are given in notes 6, 7, 8 and 9.

44 **Details of significant investment in subsidiaries, joint ventures and associates**

Name of the Company	Country of incorporation/ Place of business	% direct holding As at March 31, 2017	2016	As at April 1, 2015
Subsidiaries				
Sheba Properties Ltd	India	-	-	100.00
TML Drivelines Ltd	India	**100.00**	100.00	100.00
TAL Manufacturing Solutions Ltd	India	**100.00**	100.00	100.00
Concorde Motors (India) Ltd	India	**100.00**	100.00	100.00
Tata Motors Insurance Broking & Advisory Services Ltd	India	**100.00**	100.00	100.00
Tata Motors European Technical Centre Plc	UK	**100.00**	100.00	100.00
Tata Technologies Ltd	India	**70.42**	70.43	70.43
Tata Motors Finance Ltd	India	**100.00**	100.00	100.00
Tata Marcopolo Motors Ltd	India	**51.00**	51.00	51.00
TML Holdings Pte Ltd	Singapore	**100.00**	100.00	100.00
TML Distribution Company Ltd	India	**100.00**	100.00	100.00
Tata Hispano Motors Carrocera S.A	Spain	**100.00**	100.00	100.00
Tata Hispano Motors Carroceries Maghreb S.A	Morocco	**100.00**	100.00	100.00
Trilix S.r.l	Italy	**80.00**	80.00	80.00
Tata Precision Industries Pte Ltd	Singapore	**78.39**	78.39	78.39
Joint Ventures				
JT Special Vehicle (P) Ltd.	India	**50.00**	-	-
Associates				
Automobile Corporation of Goa Ltd	India	**46.44**	46.44	46.44
Nita Co. Ltd	Bangladesh	**40.00**	40.00	40.00
Tata AutoComp Systems Ltd	India	**26.00**	26.00	26.00
Tata Hitachi Construction Machinery Company Private Ltd	India	**39.74**	39.74	39.74

NOTES FORMING PART OF FINANCIAL STATEMENTS

45. Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors and joint operations:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Change in defined benefit obligations:				
Defined benefit obligation, beginning of the year	**770.31**	756.01	**133.09**	132.75
Current service cost	**50.84**	48.00	**6.43**	6.05
Interest cost	**58.57**	56.12	**10.35**	10.39
Remeasurements (gains) / losses				
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	1.46	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**11.97**	2.78	**16.88**	3.70
Actuarial (gains) / losses arising from changes in experience adjustments	**(6.89)**	2.81	**(9.21)**	(14.88)
Past service cost	**-**	-	**-**	-
Transfer in/(out) of liability	**-**	5.47	**-**	0.73
Benefits paid from plan assets	**(66.19)**	(97.54)	**-**	-
Benefits paid directly by employer	**(4.78)**	(4.80)	**(7.34)**	(5.65)
Defined benefit obligation, end of the year	**813.83**	770.31	**150.20**	133.09
Change in plan assets:				
Fair value of plan assets, beginning of the year	**674.17**	665.48	-	-
Interest income	**51.67**	50.46	-	-
Remeasurements gains / (losses)				
Return on plan assets, (excluding amount included in net Interest expense)	**22.93**	16.64	-	-
Employer's contributions	**16.10**	33.73	-	-
Transfer in/(out) of assets	**-**	5.40	-	-
Benefits paid	**(66.19)**	(97.54)	-	-
Fair value of plan assets, end of the year	**698.68**	674.17	-	-

	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Amount recognized in the balance sheet consists of:						
Present value of defined benefit obligation	**813.83**	770.31	756.01	**150.20**	133.09	132.75
Fair value of plan assets	**698.68**	674.17	665.48	**-**	-	-
Net liability	**(115.15)**	(96.14)	(90.53)	**(150.20)**	(133.09)	(132.75)
Amounts in the balance sheet:						
Non–current assets	**4.19**	3.62	5.49	**-**	-	-
Non–current liabilities	**(119.34)**	(99.76)	(96.02)	**(150.20)**	(133.09)	(132.75)
Net liability	**(115.15)**	(96.14)	(90.53)	**(150.20)**	(133.09)	(132.75)

Total amount recognized in other comprehensive income consists of:	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Remeasurements (gains) / losses	**(27.44)**	(9.59)	**(3.51)**	(11.18)
	(27.44)	(9.59)	**(3.51)**	(11.18)

NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

Information for funded plans with a defined benefit obligation in excess of plan assets:	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Defined benefit obligation	**704.76**	664.53	651.35
Fair value of plan assets	**678.06**	652.25	636.76

Information for funded plans with a defined benefit obligation less than plan assets:	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Defined benefit obligation	**16.43**	18.30	23.23
Fair value of plan assets	**20.62**	21.92	28.72

Information for unfunded plans:	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Defined benefit obligation	**92.64**	87.48	81.43	**150.22**	133.10	132.75

Net pension and post retirement medical cost consist of the following components:	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Service cost	**50.84**	48.00	**6.43**	6.05
Net interest cost / (income)	**6.90**	5.66	**10.35**	10.39
Net periodic cost	**57.74**	53.66	**16.78**	16.44

Other changes in plan assets and benefit obligation recognized in other comprehensive income:	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	**(22.93)**	(16.64)	**-**	-
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	1.46	**-**	-
Actuarial (gains) / losses arising from changes in financial assumptions	**11.97**	2.78	**16.88**	3.70
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	**(6.89)**	2.81	**(9.21)**	(14.88)
Total recognized in other comprehensive income	**(17.85)**	(9.59)	**7.67**	(11.18)
Total recognized in statement of profit and loss and other comprehensive income	**39.89**	44.07	**24.45**	5.26

NOTES FORMING PART OF FINANCIAL STATEMENTS

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Discount rate	**6.75%-7.50%**	6.75%-8.00%	6.75%-8.00%	**7.30%**	8.00%	8.00%
Rate of increase in compensation level of covered employees	**5.00% -8.00%**	5.00% -11.00%	5.00% -11.00%	**NA**	NA	NA
Increase in health care cost	**NA**	NA	NA	**6.00%**	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as of March 31, 2017, 2016 and April 1, 2015 by category are as follows:

	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Asset category:	**0.4%**	2.2%	6.8%
Cash and cash equivalents	**71.9%**	77.8%	65.0%
Debt instruments (quoted)	**5.4%**	1.1%	7.0%
Debt instruments (unquoted)	**1.5%**	1.2%	-
Equity instruments (quoted)	**20.8%**	17.7%	21.2%
Deposits with Insurance companies	**100.0%**	100.0%	100.0%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published bench marks.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is **15.7 years** (March 31, 2016 : 16 years, April 1, 2015 : 16.3 years)

The Company expects to contribute **₹60.89 crores** to the funded pension plans in FY 2017-18.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by ₹79.94 crores	Decrease by ₹16.04 crores
	Decrease by 1%	Increase by ₹92.01 crores	Increase by ₹17.60 crores
Salary escalation rate	Increase by 1%	Increase by ₹67.17 crores	Increase by ₹15.58 crores
	Decrease by 1%	Decrease by ₹59.16 crores	Decrease by ₹13.51 crores
Health care cost	Increase by 1%	Increase by ₹19.96 crores	Increase by ₹4.58 crores
	Decrease by 1%	Decrease by ₹17.94 crores	Decrease by ₹3.80 crores

The Company's contribution to defined contribution plan aggregated **₹152.62 crores** and ₹148.25 crores for the years ended March 31, 2017 and 2016, respectively.

NOTES FORMING PART OF FINANCIAL STATEMENTS

46. Additional information

The financial statements include the Company's proportionate share of assets, liabilities, income and expenditure in its two Joint Operations, namely Tata Cummins Private Limited and Fiat India Automobiles Private Limited. Below are supplementary details of Tata Motors Limited on standalone basis excluding interest in the aforesaid two Joint Operations:

A. Balance Sheet

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
I. ASSETS			
1. NON-CURRENT ASSETS			
(a) Property, plant and equipment	**15,792.78**	15,861.26	15,717.55
(b) Capital work-in-progress	**1,458.75**	1,415.86	1,297.53
(c) Other intangible assets	**2,720.93**	3,338.28	3,171.24
(d) Intangible assets under development	**5,328.15**	4,128.57	3,840.98
(e) Investments in subsidiaries, joint arrangements and associates	**16,435.91**	16,247.45	16,238.94
(f) Financial assets			
(i) Investments	**528.37**	627.07	626.26
(ii) Loans and advances	**388.86**	246.74	441.53
(iii) Other financial assets	**190.54**	102.34	180.34
(g) Non-current tax assets (net)	**674.04**	717.63	512.78
(h) Other non-current assets	**1,534.09**	1,485.13	1,548.57
	45,052.42	44,170.33	43,575.72
2. CURRENT ASSETS			
(a) Inventories	**5,136.99**	4,902.20	4,802.08
(b) Investments in subsidiaries, joint arrangements and associates	**-**	-	15.54
(c) Financial assets			
(i) Investments	**2,400.92**	1,745.34	4.68
(ii) Trade receivables	**1,922.88**	1,758.45	1,316.66
(iii) Cash and cash equivalents	**109.34**	211.74	861.95
(iv) Bank balances other than (iii) above	**86.67**	236.35	28.87
(v) Loans and advances	**231.03**	616.15	372.55
(vi) Other financial assets	**100.69**	156.94	39.27
(d) Current tax assets (net)	**129.49**	3.84	106.62
(e) Other current assets	**1,395.46**	1,273.40	1,176.49
	11,513.47	10,904.41	8,724.71
TOTAL ASSETS	**56,565.89**	55,074.74	52,300.43
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share capital	**679.22**	679.18	643.78
(b) Other Equity	**19,874.55**	22,441.98	14,604.01
	20,553.77	23,121.16	15,247.79
LIABILITIES			
1. NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	**13,064.52**	10,196.18	11,870.05
(ii) Other financial liabilities	**1,123.11**	2,911.26	3,721.71
(b) Provisions	**822.85**	729.37	687.77
(c) Other non-current liabilities	**86.61**	154.29	165.55
	15,097.09	13,991.10	16,445.08
2. CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	**5,049.20**	3,575.78	7,996.64
(ii) Trade payables	**6,782.99**	5,008.25	4,877.45
(iii) Acceptances	**4,379.29**	3,887.28	3,950.53
(iv) Other financial liabilities	**2,365.30**	3,321.72	2,122.06
(b) Provisions	**435.24**	421.95	351.14
(c) Current tax liabilities (net)	**67.02**	67.02	22.46
(d) Other current liabilities	**1,835.99**	1,680.48	1,287.28
	20,915.03	17,962.48	20,607.56
TOTAL EQUITY AND LIABILITIES	**56,565.89**	55,074.74	52,300.43

NOTES FORMING PART OF FINANCIAL STATEMENTS

B. Statement of Profit and Loss (₹ in crores)

		Year ended March 31, 2017	Year ended March 31, 2016
I.	Income from operations	**48,319.90**	46,715.90
II.	Other Income	**982.12**	1,406.58
III.	**Total Income (I + II)**	**49,302.02**	48,122.48
IV.	**Expenses:**		
	(a) Cost of materials consumed	**27,390.59**	24,313.08
	(b) Purchase of products for sale	**4,405.11**	5,259.27
	(c) Changes in inventories of finished goods, work-in-progress, and products for sale	**(193.81)**	22.94
	(d) Excise duty	**4,506.71**	4,325.81
	(e) Employee benefits expense	**3,401.34**	3,048.71
	(f) Finance cost	**1,556.90**	1,541.54
	(g) Foreign exchange (gain)/loss (net)	**(253.82)**	200.86
	(h) Depreciation and amortisation expense	**2,763.11**	2,144.89
	(i) Product development/Engineering expenses	**453.33**	417.89
	(j) Other expenses	**8,494.68**	8,003.71
	(k) Amount capitalised	**(941.55)**	(1,034.18)
	Total Expenses (IV)	**51,582.59**	48,244.52
V.	**Profit/(loss) before exceptional items and tax (III - IV)**	**(2,280.57)**	(122.04)
VI.	**Exceptional Items**		
	(a) Provision for impairment of investments and cost associated with closure of operations of a subsidiary	**-**	97.86
	(b) Provision for impairment of investment in a subsidiary	**123.17**	-
	(c) Impairment of capitalised property, plant and equipment and other intangible assets	**-**	163.94
	(d) Employee separation cost	**67.61**	10.04
	(e) Others	**147.93**	-
VII.	**Profit/(loss) before tax (V-VI)**	**(2,619.28)**	(393.88)
VIII.	**Tax expense/(credit) (net)**		
	(a) Current tax	**(8.52)**	(88.52)
	(b) Deferred tax	**(13.14)**	(2.92)
	Total Tax Expense/(credit)	**(21.66)**	(91.44)
IX.	**Profit/(loss) for the period from continuing operations (VII-VIII)**	**(2,597.62)**	(302.44)
X.	**Other comprehensive income/(loss):**		
	A. (i) Items that will not be reclassified to profit and loss:		
	a. Remeasurement gains and (losses) on defined benefit obligations (net)	**14.66**	21.94
	b. Equity instruments fair value through other comprehensive income	**73.84**	81.19
	(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss	**(5.07)**	(7.60)
	B. (i) Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges	**23.32**	(13.98)
	(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss	**(8.07)**	4.68
	Total other comprehensive income/(loss), net of taxes	**98.68**	86.23
XI.	**Total comprehensive income/(loss) for the period (IX+X)**	**(2,498.94)**	(216.21)
XII.	**Earnings per equity share (EPS)**		
	A. Ordinary shares (face value of ₹2 each) :		
	(i) Basic ₹	**(7.65)**	(0.89)
	(ii) Diluted ₹	**(7.65)**	(0.89)
	B. 'A' Ordinary shares (face value of ₹2 each) :		
	(i) Basic ₹	**(7.65)**	(0.89)
	(ii) Diluted ₹	**(7.65)**	(0.89)

NOTES FORMING PART OF FINANCIAL STATEMENTS

C Statement of Changes in Equity for the year ended March 31, 2017

(i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2016	679.18
Proceeds from issue of shares held in abeyance and amounts received on unpaid calls	0.04
Balance as at March 31, 2017	679.22

(ii) Other equity

(₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings		Other components of equity (OCI)			Total other equity
				Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	Cost of Hedging reserve	
Balance as at April 1, 2016	19,209.42	2.28	1,042.15	709.36	1,572.34	(100.96)	7.39	-	22,441.98
Profit/(loss) for the year	-	-	-	-	(2,597.62)	-	-	-	(2,597.62)
Other comprehensive income /(loss) for the year	-	-	-	-	9.59	73.84	3.87	11.38	98.68
Total comprehensive income/ (loss) for the year	-	-	-	-	(2,588.03)	73.84	3.87	11.38	(2,498.94)
Proceeds from issue of shares held in abeyance	4.51	-	-	-	-	-	-	-	4.51
Transfer to Debenture redemption reserve	-	-	43.79	-	(43.79)	-	-	-	-
Dividend (including dividend tax)	-	-	-	-	(73.00)	-	-	-	(73.00)
Balance as at March 31, 2017	19,213.93	2.28	1,085.94	709.36	(1,132.48)	(27.12)	11.26	11.38	19,874.55

D. Statement of Changes in Equity for the year ended March 31, 2016

(i) Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2015	643.78
Issue of shares pursuant to Rights issue	35.40
Balance as at March 31, 2016	679.18

(ii) Other equity

(₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings		Other components of equity (OCI)		Total other equity
				Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	
Balance as at April 1, 2015	11,811.60	2.28	1,042.15	494.95	1,338.11	(101.77)	16.69	14,604.01
Profit/(loss) for the year	-	-	-	(536.67)	234.23	-	-	(302.44)
Other comprehensive income /(loss) for the year	-	-	-	14.34	-	81.19	(9.30)	86.23
Total comprehensive income/ (loss) for the year	-	-	-	(522.33)	234.23	81.19	(9.30)	(216.21)
Profit on sale of unquoted equity investment	-	-	-	80.38	-	(80.38)	-	-
Profit on sale of investments on common control transactions	-	-	-	656.36	-	-	-	656.36
Issue of shares pursuant to Rights issue (net of Issue expenses of ₹57.27 crores)	7,397.82	-	-	-	-	-	-	7,397.82
Balance as at March 31, 2016	19,209.42	2.28	1,042.15	709.36	1,572.34	(100.96)	7.39	22,441.98

NOTES FORMING PART OF FINANCIAL STATEMENTS

47. Other Notes:

i) **Micro, Small and Medium Enterprises Development Act, 2006**

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

(₹ in crores)

			As at March 31,		As at April 1,
			2017	2016	2015
(a)	Amounts outstanding but not due as at March 31/April 1,		**123.27**	128.40	139.43
(b)	Amounts due but unpaid as at March 31/April 1,	- Principal	**-**	-	-
(c)	Amounts paid after appointed date during the year	- Principal	**88.32**	123.71	127.08
(d)	Amount of interest accrued and unpaid as at March 31/April 1,	- Interest	**1.72**	1.18	1.16
(e)	Amount of estimated interest due and payable for the period from April 1,2017 to actual date of payment or May 23, 2017 (whichever is earlier)	- Interest	**0.18**	0.09	0.10

ii) **Disclosure on Specified Bank Notes (SBNs)**

As required by MCA notification G.S.R. 308 (E) dated March 30, 2017, details in respect of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below:

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**20,52,250**	**2,64,624**	**23,16,874**
(+) Non-permitted receipts	**79,500**	**-**	**79,500**
(+) Permitted receipts	**-**	**1,74,88,395**	**1,74,88,395**
(-) Permitted payments	**-**	**(81,69,746)**	**(81,69,746)**
(-) Amount deposited in banks	**(21,31,750)**	**(80,92,795)**	**(1,02,24,545)**
Closing cash in hand as on December 30, 2016	**-**	**14,90,478**	**14,90,478**

iii) **Expenditure incurred on Research and Development by Tata Motors Ltd on standalone basis excluding interest in the joint operations**

(₹ in crores)

	Particulars	Year ended March 31	
		2017	2016
(a)	Revenue expenditure-charged to statement of profit and loss	**508.26**	563.11
(b)	Revenue expenditure-capitalised	**1,526.34**	1,573.20
(c)	Capital expenditure	**65.59**	80.80
		2,100.19	2,217.11

iv) 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.

v) Current year figures are shown in bold prints.

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF

TATA MOTORS LIMITED

Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Ind AS financial statements of **TATA MOTORS LIMITED** (hereinafter referred to as "the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group") its associates and its joint ventures, comprising the Consolidated Balance Sheet as at March 31, 2017, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated Ind AS financial statements") and which includes two Joint Operation Companies consolidated on a proportionate basis with the Parent.

Management's Responsibility for the Consolidated Ind AS Financial Statements

The Parent's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and statement of changes in equity of the Group including its Associates and Joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act. The respective Boards of Directors of the companies included in the Group and of its associates, joint ventures and joint operation companies are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and its associates, its joint ventures and joint operation companies and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the Directors of the Parent, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. In conducting our audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Parent's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Parent's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph (a) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of the other auditors on separate financial statements/financial information of the subsidiaries, associates and joint ventures referred to below in the Other Matters paragraph, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at March 31, 2017, and their consolidated profit/loss, consolidated total comprehensive income/ loss, their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

Other Matters

(a) We did not audit the financial statements/financial information of thirteen subsidiaries, whose financial statements/financial information reflect total assets(net) of ₹56,463.53 crores as at March 31, 2017, total revenues of ₹224,217.37 crores and net cash outflows amounting to ₹3,785.40 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹104.18 crores for the year ended March 31, 2017, as considered in the consolidated Ind AS financial statements, in respect of three associates, whose financial statements/financial information have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

(b) We did not audit the financial statements/financial information of six subsidiaries, whose financial statements/financial information reflect total assets (net) of (-) ₹311.26 crores as at March 31, 2017, total revenues of ₹336.51 crores and net cash outflows amounting to ₹46.11 crores for the year ended on that date, as considered in the consolidated Ind AS financial statements. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on such unaudited financial statements/financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/financial information are not material to the Group.

(c) The comparative financial information for the year ended March 31, 2016 and the transition date opening balance sheet as at April 1, 2015 in respect of thirteen subsidiaries and three associates included in this consolidated Ind AS financial statements prepared in accordance with the Ind AS have been audited by other auditors and have been relied upon by us.

Our opinion on the consolidated Ind AS financial statements above, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of other auditors and the financial statements/financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the report of other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture companies incorporated in India, referred in the Other Matters paragraph above we report, to the extent applicable, that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements.

(b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

(c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

(d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act.

(e) On the basis of the written representations received from the directors of the Parent as on March 31, 2017 taken on record by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies, associate companies, joint venture companies and joint operation companies incorporated in India, none of the directors of the Group companies, its associate companies, joint venture companies and its joint operation companies incorporated in India are disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

(f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A", which is based on the auditors' reports of the Parent, subsidiary companies, associate companies, joint venture companies and joint operation companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of the Parent, its subsidiary companies, associate companies, joint venture companies and joint operation companies incorporated in India.

(g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates, its joint ventures and joint operation companies.

ii. Provision has been made in the consolidated Ind AS financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.

iii. There has been no delay in transferring amounts required to be transferred, to the Investor Education and Protection Fund by the Parent and its subsidiaries, associates, joint ventures and joint operations companies incorporated in India.

iv. The Parent has provided requisite disclosures in the consolidated Ind AS financial statements as regards the holding and dealings in Specified Bank Notes as defined in the Notification S.O. 3407(E) dated the November 8, 2016 of the Ministry of Finance, during the period from November 8, 2016 to December 30, 2016 of the Group entities and joint operation companies as applicable. However, as stated in Note No. 45 (a) to the consolidated Ind AS financial statements, amounts aggregating to ₹79,500/- as represented to us by the Management have been received from transactions which are not permitted.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Mumbai, May 23, 2017

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to Members of Tata Motors Limited)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2017, we have audited the internal financial controls over financial reporting of **TATA MOTORS LIMITED** (hereinafter referred to as "Parent") and its subsidiary companies, which includes internal financial controls over financial reporting of its joint operation companies incorporated in India, its associate companies and joint ventures, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, its joint operation companies, its associate companies and joint ventures, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, its joint operation companies, its associate companies and its joint ventures, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by other auditors of the subsidiary companies, joint operations, associate companies and joint ventures, which are companies incorporated in India, in terms of their reports referred to in the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, its joint operation companies, its associate companies and its joint ventures, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2)

provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors referred to in the Other Matters paragraph below, the Parent, its subsidiary companies, its joint operation companies, its associate companies and joint ventures, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting in so far as it relates to one subsidiary company and two associate companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm Registration No. 117366W/W-100018)

B. P. SHROFF
Partner
(Membership No. 34382)

Mumbai, May 23, 2017

CONSOLIDATED BALANCE SHEET

(₹ in crores)

	Note	As at March 31, 2017	As at March 31, 2016	As at April 1,2015
I. ASSETS				
1. NON-CURRENT ASSETS				
(a) Property, plant and equipment	3	59,594.56	64,927.07	54,264.65
(b) Capital work-in-progress		10,186.83	6,550.97	8,852.69
(c) Goodwill	5	673.32	759.80	731.95
(d) Other intangible assets	6	35,676.20	41,544.89	33,908.19
(e) Intangible assets under development		23,512.01	19,367.97	19,155.46
(f) Investment in equity accounted investees	7	4,606.01	3,763.95	3,173.66
(g) Financial assets:				
(i) Other investments	8	690.76	770.03	768.85
(ii) Finance receivables	16	10,753.13	9,671.55	9,606.60
(iii) Loans and advances	10	753.66	503.88	496.71
(iv) Other financial assets	11	2,911.12	1,825.51	647.64
(h) Deferred tax assets (net)	20	4,457.34	3,957.03	4,049.41
(i) Non-current tax assets (net)		260.20	1,265.81	947.45
(j) Other non-current assets	18	2,847.36	2,309.02	1,983.60
		156,922.50	157,217.48	138,586.86
2. CURRENT ASSETS				
(a) Inventories	12	35,085.31	32,655.73	29,044.15
(b) Financial assets:				
(i) Other investments	9	15,041.15	19,233.04	14,074.78
(ii) Trade receivables	13	14,075.55	13,570.91	12,972.80
(iii) Cash and cash equivalents	14	13,986.76	17,153.61	19,743.09
(iv) Bank balances other than (iii) above	15	22,091.12	13,306.79	10,668.84
(v) Finance receivables	16	6,810.12	6,079.92	4,959.45
(vi) Loans and advances	10	710.45	1,117.10	779.78
(vii) Other financial assets	11	1,555.94	835.73	1,689.80
(c) Current tax assets (net)		935.47	146.75	212.08
(d) Other current assets	19	6,539.99	5,824.09	5,412.09
		116,831.86	109,923.67	99,556.86
TOTAL ASSETS		273,754.36	267,141.15	238,143.72
II. EQUITY AND LIABILITIES				
EQUITY				
(a) Equity share capital	21	679.22	679.18	643.78
(b) Other equity	22	57,382.67	78,273.23	54,628.80
Equity attributable to owners of Tata Motors Ltd		58,061.89	78,952.41	55,272.58
Non-controlling interests		453.17	432.84	429.75
		58,515.06	79,385.25	55,702.33
LIABILITIES				
1. NON-CURRENT LIABILITIES				
(a) Financial liabilities:				
(i) Borrowings	24	60,629.18	50,510.39	54,607.14
(ii) Other financial liabilities	26	11,409.58	7,943.74	7,994.85
(b) Provisions	28	9,004.46	7,891.01	6,938.27
(c) Deferred tax liabilities (net)	20	1,174.00	4,474.78	2,559.49
(d) Other non-current liabilities	29	17,392.56	9,886.55	10,948.00
		99,609.78	80,706.47	83,047.75
2. CURRENT LIABILITIES				
(a) Financial liabilities:				
(i) Borrowings	25	13,859.94	11,450.78	13,154.68
(ii) Trade payables		57,698.33	57,580.46	52,094.70
(iii) Acceptances		4,834.24	3,981.33	4,076.75
(iv) Other financial liabilities	27	25,634.83	21,281.60	19,173.01
(b) Provisions	28	5,807.76	5,844.51	4,969.12
(c) Current tax liabilities (net)		1,392.58	723.53	820.13
(d) Other current liabilities	30	6,401.84	6,187.22	5,105.25
		115,629.52	107,049.43	99,393.64
TOTAL EQUITY AND LIABILITIES		273,754.36	267,141.15	238,143.72

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

Mumbai, May 23, 2017

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

(₹ in crores)

			Note	Year ended March 31, 2017	2016
I.	Income from operations		31	**274,492.12**	277,660.59
II.	Other income		32	**754.54**	885.35
III.	**Total Income (I+II)**			**275,246.66**	278,545.94
IV.	**Expenses:**				
	(a)	Cost of materials consumed			
		(i) Cost of materials consumed		**160,147.12**	151,065.61
		(ii) Basis adjustment on hedge accounted derivatives		**(777.57)**	2,226.88
	(b)	Purchase of products for sale		**13,924.53**	12,841.52
	(c)	Changes in inventories of finished goods, work-in-progress and products for sale		**(7,399.92)**	(2,750.99)
	(d)	Excise duty		**4,799.61**	4,614.99
	(e)	Employee benefits expense	33	**28,332.89**	28,880.89
	(f)	Finance costs	34	**4,238.01**	4,889.08
	(g)	Foreign exchange (gain)/loss (net)		**3,910.10**	1,616.88
	(h)	Depreciation and amortisation expense		**17,904.99**	16,710.78
	(i)	Product development/Engineering expenses		**3,413.57**	3,468.77
	(j)	Other expenses	35	**55,430.06**	55,683.75
	(k)	Amount capitalised		**(16,876.96)**	(16,678.34)
	Total Expenses (IV)			**267,046.43**	262,569.82
V.	**Profit before exceptional items and tax (III-IV)**			**8,200.23**	15,976.12
VI.	**Exceptional Items:**				
	(a)	Employee separation cost		**67.61**	32.72
	(b)	Others	12(iv) & 45(b)	**(1,182.17)**	1,817.63
VII.	**Profit before tax (V-VI)**			**9,314.79**	14,125.77
VIII.	**Tax expense**		20		
	(a)	Current tax		**3,137.66**	1,862.05
	(b)	Deferred tax		**113.57**	1,163.00
	Total tax expense			**3,251.23**	3,025.05
IX.	**Profit/(loss) for the year from continuing operations (VII-VIII)**			**6,063.56**	11,100.72
X.	Share of profit/(loss) of joint ventures and associates (net)		7	**1,493.00**	577.47
XI.	**Profit for the year (IX+X)**			**7,556.56**	11,678.19
	Attributable to:				
	(a)	Shareholders of the Company		**7,454.36**	11,579.31
	(b)	Non-controlling interests		**102.20**	98.88
XII.	**Other comprehensive income/(loss):**				
	(A)	(i) Items that will not be reclassified to profit or loss:			
		(a) Remeasurement gains and (losses) on defined benefit obligations (net)		**(7,823.75)**	4,867.37
		(b) Quoted equity instruments at fair value through other comprehensive income		**83.15**	68.79
		(c) Share of other comprehensive income in equity accounted investees (net)		**(6.08)**	(1.34)
		(d) Gains and (losses) in cash flow hedges of forecast inventory purchases		**2,026.77**	2,430.04
		(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss:		**867.35**	(1,514.57)
	(B)	(i) Items that will be reclassified to profit or loss:			
		(a) Exchange differences in translating the financial statements of foreign operations		**(9,678.58)**	1,687.11
		(b) Gains and (losses) in cash flow hedges of forecast sales		**(15,565.66)**	(5,371.92)
		(c) Share of other comprehensive income in associates and joint ventures (net)		**(304.70)**	29.00
		(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss:		**2,906.93**	962.98
	Total Other comprehensive income/(loss) for the year (net of tax)			**(27,494.57)**	3,157.46
	Attributable to:				
		(a) Shareholders of the Company		**(27,460.30)**	3,145.33
		(b) Non-controlling interests		**(34.27)**	12.13
XIII.	**Total comprehensive income/(loss) for the year (net of tax) (XI+XII)**			**(19,938.01)**	14,835.65
	Attributable to:				
		(a) Shareholders of the Company		**(20,005.94)**	14,724.64
		(b) Non-controlling interests		**67.93**	111.01
XIV.	**Earnings per equity share (EPS)**		43		
	(A)	Ordinary shares (face value of ₹2 each):			
		(i) Basic EPS	₹	**21.94**	34.25
		(ii) Diluted EPS	₹	**21.93**	34.24
	(B)	'A' Ordinary shares (face value of ₹2 each):			
		(i) Basic EPS	₹	**22.04**	34.35
		(ii) Diluted EPS	₹	**22.03**	34.34

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

CONSOLIDATED CASH FLOW STATEMENT

	(₹ in crores) Year ended March 31, 2017	2016
Cash flows from operating activities		
Profit for the year	**7,556.56**	11,678.19
Adjustments for:		
Depreciation and amortisation expense	**17,904.99**	16,710.78
Allowances for finance receivables	**(28.15)**	220.96
Allowances for trade and other receivables	**132.93**	664.66
Inventory write-down	**295.59**	328.59
Exceptional items-others	**(1,182.17)**	2,172.63
Provision for costs associated with closure of operations and impairment of intangibles	**-**	44.31
Marked-to-market on investments measured at Fair value through profit or loss	**(5.68)**	(12.01)
Impairment of capitalised property, plant and equipment and other intangible assets	**101.69**	163.94
Impairment of Goodwill	**14.25**	-
Loss on sale of assets (including assets scrapped/written off) (net)	**272.00**	792.04
Profit on sale of investments (net)	**(176.14)**	(101.00)
Gain on fair value of below market interest loans	**(46.52)**	(50.50)
Share of profit of joint ventures and associates (net)	**(1,493.00)**	(577.47)
Tax expense (net)	**3,251.23**	3,025.05
Interest/dividend (net)	**3,665.29**	4,116.74
Foreign exchange gain (net)	**(1,422.76)**	(550.77)
Cash flows from operating activities before changes in following assets and liabilities	**28,840.11**	38,626.14
Finance receivables	**(1,783.64)**	(1,406.39)
Trade receivables	**(2,368.66)**	(817.01)
Loans and advances and other financial assets	**379.93**	(520.00)
Other current and non-current assets	**(1,274.96)**	54.91
Inventories	**(6,620.67)**	(5,743.35)
Trade payables and acceptances	**9,300.56**	3,947.46
Other current and non-current liabilities	**1,911.48**	3,705.02
Other financial liabilities	**744.28**	708.84
Provisions	**2,965.92**	1,383.70
Cash generated from operations	**32,094.35**	39,939.32
Income tax paid (net)	**(1,895.10)**	(2,039.78)
Net cash from operating activities	**30,199.25**	37,899.54
Cash flows from investing activities:		
Payments for property, plant and equipment	**(16,071.78)**	(16,135.93)
Payments for other intangible assets	**(14,395.10)**	(15,367.06)
Proceeds from sale of property, plant and equipment	**53.39**	58.84
Investments in Mutual Fund (purchased)/sold (net)	**1,914.38**	(4,714.73)
Loans to others	**(9.78)**	(0.75)
Repayment of loans by others	**0.75**	8.33
Repayment of loans by joint operation	**132.50**	-
Acquisition of subsidiary company	**-**	(111.44)
Investment in equity accounted investees	**(106.95)**	-
Investments - others	**(6.36)**	(12.91)
Proceeds from sale of investments in other companies	**50.61**	89.20
Interest received	**638.18**	730.96
Dividend received	**10.51**	42.27
Dividend received from joint ventures and associates	**609.19**	15.42
Decrease in short-term inter-corporate deposit	**30.00**	65.00
Deposits with financial institution	**(35.00)**	(1,968.00)
Realisation of deposits with financial institution	**-**	1,968.00
Deposits/restricted deposits with banks	**(45,127.19)**	(47,202.63)
Realisation of deposits/restricted deposits with banks	**34,232.77**	45,031.00
Net cash used in investing activities	**(38,079.88)**	(37,504.43)

CONSOLIDATED CASH FLOW STATEMENT

(₹ in crores)

	Year ended March 31, 2017	2016
Cash flows from financing activities		
Proceeds from Rights issue of shares (net of issue expenses)	**4.55**	7,433.22
Proceeds from issue of shares to minority shareholders	**0.62**	0.19
Proceeds from long-term borrowings	**18,384.52**	11,058.70
Repayment of long-term borrowings	**(9,212.13)**	(14,585.48)
Proceeds from short-term borrowings	**15,005.26**	8,460.20
Repayment of short-term borrowings	**(11,753.71)**	(9,000.44)
Net change in other short-term borrowings (with maturity up to three months)	**(766.25)**	(1,337.74)
Dividend paid (including dividend distribution tax)	**(73.00)**	-
Dividend paid to non-controlling interests shareholders of subsidiaries (including dividend distribution tax)	**(48.22)**	(108.11)
Interest paid [including discounting charges paid ₹ **666.40 crores** (March 31, 2016 ₹ 635.52 crores)]	**(5,336.34)**	(5,715.66)
Net cash from/(used in) financing activities	**6,205.30**	(3,795.12)
Net decrease in cash and cash equivalents	**(1,675.33)**	(3,400.01)
Cash and cash equivalents as at April 01, (opening balance)	**17,153.61**	19,743.09
Effect of foreign exchange on cash and cash equivalents	**(1,491.52)**	810.53
Cash and cash equivalents as at March 31, (closing balance)	**13,986.76**	17,153.61
Non-cash transactions:		
Liability towards property, plant and equipment and intangible asests purchased on credit/deferred credit	**3,346.35**	3,796.05

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

R A MASHELKAR *[DIN: 00074119]*
N MUNJEE *[DIN:00010180]*
V K JAIRATH *[DIN: 00391684]*
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Executive Director
C RAMAKRISHNAN
Group Chief Financial Officer
H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 23, 2017

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2017

A. Equity Share Capital (₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2016	679.18
Proceeds from issue of shares held in abeyance and amounts received on unpaid calls	0.04
Balance as at March 31, 2017	679.22

B Other Equity (₹ in crores)

Particulars	Securities Premium Account	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Other components of equity: Equity instruments through Other Comprehensive Income	Other components of equity: Hedging Reserve	Other components of equity: Cost of hedging reserve	Other components of equity: Currency translation reserve	Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
Balance as at April 1, 2016	18,887.42	2.28	1,042.15	165.78	292.46	24.00	1,164.20	58,292.89	(102.70)	(6,152.15)	4.70	4,652.20	78,273.23	432.84	78,706.07
Profit for the year	-	-	-	-	-	-	-	7,454.36	-	-	-	-	7,454.36	102.20	7,556.56
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	(6,569.14)	83.44	(10,943.35)	(78.92)	(9,952.33)	(27,460.30)	(34.27)	(27,494.57)
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	885.22	83.44	(10,943.35)	(78.92)	(9,952.33)	(20,005.94)	67.93	(19,938.01)
Amounts recognized in inventory	-	-	-	-	-	-	-	-	-	(816.13)	-	-	(816.13)	-	(816.13)
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	(73.00)	-	-	-	-	(73.00)	(48.22)	(121.22)
Proceeds from issue of shares held in abeyance	4.51	-	-	-	-	-	-	-	-	-	-	-	4.51	-	4.51
Shares issued to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	-	-	0.62	0.62
Transfer to debenture redemption reserve	-	-	43.79	-	-	-	-	(43.79)	-	-	-	-	-	-	-
Transfer (from)/to retained earnings	-	-	-	-	-	8.18	-	(8.18)	-	-	-	-	-	-	-
Balance as at March 31, 2017	18,891.93	2.28	1,085.94	165.78	292.46	32.18	1,164.20	59,053.14	(19.26)	(17,911.63)	(74.22)	(5,300.13)	57,382.67	453.17	57,835.84

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

B P SHROFF
Partner

Mumbai, May 23, 2017

For and on behalf of the Board

R A MASHELKAR *[DIN: 00074119]*

N MUNJEE *[DIN:00010180]*

V K JAIRATH *[DIN: 00391684]*

O P BHATT *[DIN:00548091]*

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 23, 2017

STATEMENT OF CHANGES IN EQUITY

For the year ended March 31, 2016

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2015	643.78
Issues of shares pursuant to Rights	35.40
Balance as at March 31, 2016	679.18

B. Other Equity

(₹ in crores)

Particulars	Securities Premium Account	Capital redemption reserve	Debenture redemption reserve	Reserve for research and human resource development	Special reserve	Earned surplus reserve	Capital Reserve	Retained earnings	Other components of equity				Attributable to Owners of Tata Motors Limited	Non-controlling interests	Total other equity
									Equity instruments through Other Comprehensive Income	Hedging Reserve	Cost of hedging reserve	Currency translation reserve			
Balance as at April 1, 2015	11,489.60	2.28	1,042.15	165.78	269.58	14.51	1,164.20	42,904.21	(91.12)	(5,278.28)	-	2,945.89	54,628.80	429.75	55,058.55
Profit for the year	-	-	-	-	-	-	-	11,579.31	-	-		-	11,579.31	98.88	11,678.19
Other comprehensive income /(loss) for the year	-	-	-	-	-	-	-	3,761.36	68.80	(2,395.84)	4.70	1,706.31	3,145.33	12.13	3,157.46
Total comprehensive income/(loss) for the year	-	-	-	-	-	-	-	15,340.67	68.80	(2,395.84)	4.70	1,706.31	14,724.64	111.01	14,835.65
Amounts recognized in inventory	-	-	-	-	-	-	-	-	-	1,521.97		-	1,521.97	-	1,521.97
Profit on sale of unquoted equity investments	-	-	-	-	-	-	-	80.38	(80.38)	-		-	-	-	-
Issue of Shares pursuant to Rights (net of issue expenses of ₹57.27crores)	7,397.82	-	-	-	-	-	-	-	-	-		-	7,397.82	-	7,397.82
Dividend paid (including dividend tax)	-	-	-	-	-	-	-	-	-	-		-	-	(108.11)	(108.11)
Shares issued to non-controlling interest	-	-	-	-	-	-	-	-	-	-		-	-	0.19	0.19
Transfer (from)/to retained earnings	-	-	-	-	22.88	9.49		(32.37)	-	-		-	-	-	-
Balance as at March 31, 2016	18,887.42	2.28	1,042.15	165.78	292.46	24.00	1,164.20	58,292.89	(102.70)	(6,152.15)	4.70	4,652.20	78,273.23	432.84	78,706.07

See accompanying notes to the consolidated financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

B P SHROFF
Partner

Mumbai, May 23, 2017

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

For and on behalf of the Board

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C RAMAKRISHNAN
Group Chief Financial Officer

H K SETHNA *[FCS: 3507]*
Company Secretary

Mumbai, May 23, 2017

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

1. Background and operations

Tata Motors Limited and its subsidiaries, collectively referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company provides financing for the vehicles sold by dealers of the Company in certain markets. The Company also manufactures engines for industrial and marine applications, aggregates such as axles and transmissions for commercial vehicles and factory automation equipment, and provides information technology services.

Tata Motors Limited is a public limited Company incorporated and domiciled in India and has its registered office in Mumbai, India. As at March 31, 2017, Tata Sons Limited, together with its subsidiaries owns 31.32% of the Ordinary shares and 0.09% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operation.

The Company's subsidiaries include the Jaguar Land Rover business (referred to as JLR or Jaguar Land Rover).

The consolidated financial statements were approved by the Board of Directors and authorized for issue on May 23, 2017.

2. Significant accounting policies

a. Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Previous period figures have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at March 31, 2016 and April 1, 2015 and of the total comprehensive income for the year ended March 31, 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013 ("the Act").

b. Basis of preparation

The consolidated financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value at the end of each reporting period as explained in the accounting policies below.

c. Basis of consolidation

Subsidiaries

The consolidated financial statements include Tata Motors Limited and its subsidiaries. Subsidiaries are entities controlled by the Company. Control exists when the Company (a) has power over the investee, (b) it is exposed, or has rights, to variable returns from its involvement with the investee and (c) has the ability to affect those returns through its power over the investee. The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements listed above. In assessing control, potential voting rights that currently are exercisable are taken into account. The results of subsidiaries acquired or disposed off during the year are included in the consolidated financial statements from the effective date of acquisition and up to the effective date of disposal, as appropriate.

Inter-company transactions and balances including unrealized profits are eliminated in full on consolidation.

Non-controlling interests in the net assets (excluding goodwill) of consolidated subsidiaries are identified separately from the Company's equity. The interest of non-controlling shareholders may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if it results in the non-controlling interest having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognized in other comprehensive income in relation to the subsidiary are accounted for (i.e., reclassified to profit or loss) in the same manner as would be required if the relevant assets or liabilities were disposed off. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Interests in joint arrangements

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. The Company recognizes, in the consolidated financial statements, its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Joint ventures

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement. The results, assets and liabilities of a joint venture are incorporated in these financial statements using the equity method of accounting as described below.

Associates

Associates are those entities in which the Company has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control or joint control those policies. Significant influence is presumed to exist when the Company holds between 20 and 50 percent of the voting power of another entity. The results, assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting as described below.

Equity method of accounting (equity accounted investees)

An interest in an associate or joint venture is accounted for using the equity method from the date in which the investee becomes an associate or a joint venture and are recognized initially at cost. The Company's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Company's share of profits or losses and equity movements of equity accounted investees, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Company's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments in the nature of net investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Company has an obligation or has made payments on behalf of the investee.

When the Company transacts with an associate or joint venture of the Company, unrealized profits and losses are eliminated to the extent of the Company's interest in its associate or joint venture.

d. Business combination

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. Acquisition related costs are recognized in profit or loss as incurred. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognized at their fair value at the acquisition date, except certain assets and liabilities required to be measured as per the applicable standard.

Purchase consideration in excess of the Company's interest in the acquiree's net fair value of identifiable assets, liabilities and contingent liabilities is recognized as goodwill. Excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration is recognized, after reassessment of fair value of net assets acquired, in the Capital Reserve.

e. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS 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 assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following notes:

i) Note 5 - Impairment of goodwill

ii) Note 6 - Impairment of indefinite life intangible assets

iii) Note 20 - Recoverability/recognition of deferred tax assets

iv) Note 28 - Provision for product warranty

v) Note 36 - Assets and obligations relating to employee benefits

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

f. Revenue recognition

Revenue is measured at fair value of consideration received or receivable.

i) Sale of products

The Company recognizes revenues on the sale of products, net of discounts, sales incentives, customer bonuses and rebates granted, when products are delivered to dealers or when delivered to a carrier for export sales, which is when title and risks and rewards of ownership pass to the customer. Sale of products includes export and other recurring and non-recurring incentives from governments (referred to as "incentives").

Revenues are recognized when collectability of the resulting receivable is reasonably assured.

If the sale of products includes a determinable amount for subsequent services (multiple component contracts) the related revenues are deferred and recognized as income over the relevant service period. Amounts are normally recognized as income by reference to the pattern of related expenditure.

Incentives are recognized when there is reasonable assurance that the Company will comply with the conditions and the incentive will be received. Incentives are recorded at fair value where applicable. Sale of products include incentives of ₹**930.22 crores** and ₹2,149.58 crores for the years ended March 31, 2017 and 2016, respectively. These include during the years ended March 31, 2017 and 2016, ₹**561.04 crores** and ₹996.08 crores, respectively, received by a foreign subsidiary as an indirect tax incentive that requires the subsidiary to meet certain criteria relating to vehicle efficiency and investment in engineering and research and development. The incentive is provided as a partial off set to the higher sales tax payable following implementation of new legislation.

ii) Other operating revenues

Other operating revenues include incentive of ₹**110.01 crores** and ₹82.84 crores for the years ended March 31, 2017 and 2016 respectively, towards Exports Promotion Capital Goods (EPCG) scheme. Further, it also includes during the years ended March 31, 2017 and 2016, ₹**504.72 crores** and ₹501.20 crores, respectively for Research and Development Expenditure Credit (RDEC) on qualifying expenditure by an indirect subsidiary in the UK.

iii) Finance revenues

Finance and service charges are accrued on the unpaid principal balance of finance receivables using the effective interest method.

g. Cost recognition

Costs and expenses are recognized when incurred and are classified according to their nature.

Expenditure capitalized represents employee costs, stores and other manufacturing supplies, and other expenses incurred for construction including product development undertaken by the Company.

h. Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

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 incidences based on actions on product failures. The timing of outflows will vary as and when warranty claim will arise, being typically up to five years.

ii) Residual risk

In certain markets, the Company is responsible for the residual risk arising on vehicles sold by dealers under leasing arrangements. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.

iii) Legal and product liability

Legal and product liability provision is recorded in respect of compliance with regulations and known litigations which impact the Company. The product liability claim primarily relates to motor accident claims, consumer complaints, dealer terminations, personal injury claims and compliance with regulations.

iv) Environmental liability

Environmental liability relates to various environmental remediation cost such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

i. Foreign currency

These consolidated financial statements are presented in Indian rupees, which is the functional currency of Tata Motors Limited.

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of transaction. Foreign currency denominated monetary assets and liabilities are re-measured into the functional currency at the exchange rate prevailing on the balance sheet date. Exchange differences are recognized in the Statement of Profit and Loss except to the extent, exchange differences which are regarded as an adjustment to interest costs on foreign currency borrowings, are capitalized as part of borrowing costs.

For the purpose of consolidation, the assets and liabilities of the Company's foreign operations are translated to Indian rupees at the exchange rate prevailing on the balance sheet date, and the income and expenses at the average rate of exchange for the respective months. Exchange differences arising are recognized as currency translation reserve under equity.

j. Income taxes

Income tax expense comprises current and deferred taxes. Income tax expense is recognized in the Statement of Profit and Loss except when they relate to items that are recognized outside profit or loss (whether in other comprehensive income or directly in equity), in which case tax is also recognized outside profit or loss, or where they arise from the initial accounting for business combination. In the case of a business combination the tax effect is included in the accounting for the business combination.

Current income taxes are determined based on respective taxable income of each taxable entity and tax rules applicable for respective tax jurisdictions.

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Such deferred tax assets and liabilities are computed separately for each taxable entity and for each taxable jurisdiction. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

k. Earnings per share

Basic earnings per share has been computed by dividing profit for the year by the weighted average number of shares outstanding during the year. Partly paid up shares are included as fully paid equivalents according to the fraction paid up. Diluted earnings per share has been computed using the weighted average number of shares and dilutive potential shares, except where the result would be anti-dilutive.

l. Inventories

Inventories (other than those recognized consequent to the sale of vehicles subject to repurchase arrangements) are valued at the lower of cost and net realizable value. Cost of raw materials, components and consumables are ascertained on a first in first out basis. Cost, including fixed and variable production overheads, are allocated to work-in-progress and finished goods determined on a full absorption cost basis. Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and selling expenses.

Inventories include vehicles sold subject to repurchase arrangements. These vehicles are carried at cost to the Company and are amortized in changes in inventories of finished goods to their residual values (i.e., estimated second hand sale value) over the term of the arrangement.

m. Property, plant and equipment

Property, plant and equipment are stated at cost of acquisition or construction less accumulated depreciation less accumulated impairment, if any.

Freehold land is measured at cost and is not depreciated.

Heritage assets, comprising antique vehicles purchased by the Company, are not depreciated as they are considered to have a residual value in excess of cost. Residual values are re-assessed on an annual basis.

Cost includes purchase price, taxes and duties, labor cost and direct overheads for self-constructed assets and other direct costs incurred up to the date the asset is ready for its intended use.

Interest cost incurred for constructed assets is capitalized up to the date the asset is ready for its 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.

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Estimated useful lives of the assets are as follows:

Type of Asset	Estimated useful life
Buildings, Roads, Bridge and culverts	4 to 60 years
Plant, machinery and equipment	3 to 30 years
Computers and other IT assets	3 to 6 years
Vehicles	3 to 11 years
Furniture, fixtures and office appliances	3 to 21 years

The useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as change in accounting estimates.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

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

n. Other intangible assets

Intangible assets purchased, including those acquired in business combinations, are measured at cost or fair value as of the date of acquisition where applicable less accumulated amortization and accumulated impairment, if any. Intangible assets with indefinite lives are reviewed annually to determine whether indefinite-life assessment continues to be supportable. If not, the change in the useful-life assessment from indefinite to finite is made on a prospective basis.

Estimated useful lives of assets are as follows:

Type of Asset	Estimated useful life
Patents and technical know-how	2 to 12 years
Computer software	1 to 8 years
Dealer network	20 years
Intellectual property rights	3 to 10 years

The amortization period for intangible assets with finite useful lives is reviewed at least at each year-end. Changes in expected useful lives are treated as changes in accounting estimates.

Customer related intangible assets consists of the Company's dealer network.

Internally generated intangible asset

Research costs are charged to the Statement of Profit and Loss in the year in which they are incurred.

Product development costs incurred on new vehicle platform, engines, transmission and new products are recognized as intangible assets, when feasibility has been established, the Company has committed technical, financial and other resources to complete the development and it is probable that asset will generate probable future economic benefits.

The costs capitalized include the cost of materials, direct labour and directly attributable overhead expenditure incurred up to the date the asset is available for use.

Interest cost incurred is capitalized up to the date the asset is ready for its 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.

Product development cost is amortized over a period of 24 months to 120 months or on the basis of actual production or planned production volume over such period.

Capitalized development expenditure is measured at cost less accumulated amortization and accumulated impairment, if any.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

o. Leases

At the inception of a lease, the lease arrangement is classified as either a finance lease or an operating lease, based on the substance of the lease arrangement.

Assets taken on finance lease

A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. 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 taken on operating lease

Leases other than finance leases are operating leases, and the leased assets are not recognized on the Company's balance sheet. Payments made under operating leases are recognized in the Statement of Profit and Loss on a straight-line basis over the term of the lease.

p. Impairment

i) Goodwill

Cash generating units to which goodwill is allocated are tested for impairment annually at each balance sheet date, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. Goodwill impairment loss recognized is not reversed in subsequent period.

ii) Property, plant and equipment and other intangible assets

At each balance sheet date, the Company assesses whether there is any indication that any property, plant and equipment and intangible assets with finite lives may be impaired. If any such impairment exists the recoverable amount of an asset is estimated to determine the extent of impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful lives and intangible assets not yet available for use, are tested for impairment annually at each balance sheet date, or earlier, if there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the Statement of Profit and Loss.

As at March 31, 2017, none of the Company's property, plant and equipment and intangible assets were considered impaired.

q. Employee benefits

i) Pension plans

The Jaguar Land Rover subsidiaries operate several defined benefit pension plans, which are contracted out of the second state pension scheme until April 5, 2016. The assets of the plan are held in separate trustee administered funds. The plans provide for monthly pension after retirement as per salary drawn and service period as set out in rules of each fund.

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

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

ii) Gratuity

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iii) Superannuation

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

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

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

During the year ended March 31, 2015, the employees covered by this plan were given a one-time option to exit from the plan prospectively. Furthermore, the employees who opted for exit were given one- time option to withdraw accumulated balances from the superannuation plan.

Separate irrevocable trusts are maintained for employees covered and entitled to benefits. Tata Motors Limited and its subsidiaries contribute up to 15% or ₹150,000, whichever is lower, of the eligible employees' salary to the trust every year. Such contributions are recognized as an expense when incurred. Tata Motors Limited and such subsidiaries have no further obligation beyond this contribution.

iv) Bhavishya Kalyan Yojana (BKY)

Bhavishya Kalyan Yojana is an unfunded defined benefit plan for employees of Tata Motors Limited and some of its subsidiaries. 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 greater. Tata Motors Limited and these subsidiaries account for the liability for BKY benefits payable in the future based on an actuarial valuation.

v) Provident fund and family pension

In accordance with Indian law, eligible employees of Tata Motors Limited and some of its subsidiaries are entitled to receive benefits in respect of provident fund, a defined contribution plan, in which both employees and the Company 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 an irrevocable trust by Tata Motors Limited and its subsidiaries or to respective Regional Provident Fund Commissioner and the Central Provident Fund under the State Pension scheme.

vi) Severance indemnity

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

vii) Post-retirement medicare scheme

Under this unfunded scheme, employees of Tata Motors Limited and some of its subsidiaries receive medical benefits subject to certain limits on amounts of benefits, 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 an Early Separation Scheme, on medical grounds or due to permanent disablement are also covered under the scheme. Tata Motors Limited and such subsidiaries account for the liability for post-retirement medical scheme based on an actuarial valuation.

viii) Remeasurement gains and losses

Remeasurement comprising actuarial gains and losses, the effect of the asset ceiling and the return on assets (excluding interest) relating to retirement benefit plans, are recognized directly in other comprehensive income in the period in which they arise. Remeasurement recorded in other comprehensive income is not reclassified to statement of profit and loss.

Actuarial gains and losses relating to long-term employee benefits are recognized in the statement of profit and loss in the period in which they arise.

ix) Measurement date

The measurement date of retirement plans is March 31.

r. Dividends

Any dividend declared or paid by Tata Motors Limited for any financial year is based on the profits available for distribution as reported in the statutory financial statements of Tata Motors Limited (standalone) prepared in accordance with Generally Accepted Accounting Principles in India or Indian GAAP or Ind AS. Indian law permits the declaration and payment of dividend out of profits for the year or previous financial year(s) as stated in the statutory financial statements of Tata Motors Limited (Standalone) prepared in accordance with Generally Accepted Accounting Principles in India, or Indian GAAP or Ind AS after providing for depreciation in accordance with the provisions of Schedule II to the Companies Act. However, in the absence or inadequacy of the said profits, it may declare dividend out of free reserves, subject to certain conditions as prescribed under the

Companies (Declaration and payment of Dividend) Rules, 2014. Accordingly, in certain years the net income reported in these financial statements may not be fully distributable. The amount available for distribution is ₹ **Nil** as at March 31, 2017 (₹ 198.19 crores as at March 31, 2016).

s. Segments

The Company primarily operates in the automotive segment. The automotive segment comprises two reportable segments i.e. Tata and other brand vehicles, including financing thereof and Jaguar Land Rover. Other operating segments do not meet the quantitative thresholds for disclosure and have been aggregated.

t. Financial instruments

i) Classification, initial recognition and measurement

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets other than equity instruments are classified into categories: financial assets at fair value through profit or loss and at amortised cost. Financial assets that are equity instruments are classified as fair value through profit or loss or fair value through other comprehensive income. Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

Financial instruments are recognized on the balance sheet when the Company becomes a party to the contractual provisions of the instrument.

Initially, a financial instrument is recognized at its fair value. Transaction costs directly attributable to the acquisition or issue of financial instruments are recognized in determining the carrying amount, if it is not classified as at fair value through profit or loss. Subsequently, financial instruments are measured according to the category in which they are classified.

Financial assets at amortised cost: Financial assets having contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding and that are held within a business model whose objective is to hold such assets in order to collect such contractual cash flows are classified in this category. Subsequently, these are measured at amortized cost using the effective interest method less any impairment losses.

Equity investments at fair value through other comprehensive income: These include financial assets that are equity instruments and are designated as such upon initial recognition irrevocably. Subsequently, these are measured at fair value and changes therein, are recognized directly in other comprehensive income, net of applicable income taxes.

Dividends from these equity investments are recognized in the statement of profit and loss when the right to receive payment has been established.

When the equity investment is derecognized, the cumulative gain or loss in equity is transferred to retained earnings.

Financial assets at fair value through profit or loss: Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

Equity instruments: An equity instrument is any contract that evidences residual interests in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Financial liabilities at fair value through profit or loss

Derivatives, including embedded derivatives separated from the host contract, unless they are designated as hedging instruments, for which hedge accounting is applied, are classified into this category. These are measured at fair value with changes in fair value recognized in the statement of profit and loss.

Other financial liabilities: These are measured at amortized cost using the effective interest method.

ii) Determination of fair value*:*

The fair value of a financial instrument on initial recognition is normally the transaction price (fair value of the consideration given or received). Subsequent to initial recognition, the Company determines the fair value of financial instruments that are quoted in active markets using the quoted bid prices (financial assets held) or quoted ask prices (financial liabilities held) and using valuation techniques for other instruments. Valuation techniques include discounted cash flow method and other valuation models.

iii) Derecognition of financial assets and financial liabilities:

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

Financial liabilities are derecognized when these are extinguished, that is when the obligation is discharged, cancelled or has expired.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

iv) Impairment of financial assets:

The Company recognizes a loss allowance for expected credit losses on a financial asset that is at amortized cost.

Loss allowance in respect of financial assets other than finance receivables is measured at an amount equal to life time expected credit losses and is calculated as the difference between their carrying amount and the present value of the expected future cash flows discounted at the original effective interest rate.

Loss allowance for finance receivables is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to life time expected losses is provided if credit risk has increased significantly from the date of initial recognition. Credit risk is determined to have increased significantly when a finance receivable contract becomes sixty/ninety days past due. Such impairment loss is recognized in the Statement of Profit and Loss.

u. Hedge accounting

The Company uses foreign currency forward and option contracts to hedge its risks associated with foreign currency fluctuations relating to highly probable forecast transactions. The Company designates these forward and option contracts in a cash flow hedging relationship by applying the hedge accounting principles.

These forward and option 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 in other comprehensive income (net of tax) and the ineffective portion is recognized immediately in the consolidated statement of profit and loss. Amounts accumulated in equity are reclassified to the consolidated statement of profit and loss in the periods in which the forecasted transaction occurs.

For options, time value is not considered part of the hedge. These are treated as cost of hedge and the changes in fair value attributable to time value is recognized in the other comprehensive income along with the changes in fair value determined to be effective portion of the hedge.

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

If the forecast transaction is no longer expected to occur, the net cumulative gain or loss recognized in equity is immediately transferred to the consolidated Statement of Profit and Loss for the year.

v. Recent accounting pronouncements

New Accounting pronouncements affecting amounts reported and /or disclosures in the financial statements.

The Company has not applied the following revisions to Ind ASs that have been issued but are not yet effective. The Company is evaluating the impact of these pronouncements on the financial statements:

i) Amendments to Ind AS 107 – Statements of Cash Flows

In March 2017, the Ministry of Corporate Affairs (MCA) issued amendments to Ind AS 107 - Statement of Cash Flows introducing additional disclosures that will enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendment is effective from April 1, 2017.

ii) Amendments to Ind AS 102 – Share-based Payments

In March 2017, the MCA issued amendments to Ind AS 102 – Share-based Payments that clarify how to account certain share-based payment transactions.

The amendments for:

- Accounting requirements with respect to the effects of vesting and non-vesting conditions on the measurement of cash-settled share-based payments;
- Accounting requirements with respect to share-based payment transactions with a net settlement feature for withholding tax obligations; and
- Modification to the terms and conditions of a share-based payment that changes the classification of the transaction from cash-settled to equity-settled.

The amendment is effective from April 1, 2017.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(w)	The following subsidiary companies are considered in the consolidated financial statements:		% of holding either directly or through subsidiaries		
Sr No.	Name of the Subsidiary Company	Country of incorporation	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
	Direct Subsidiaries				
1	TML Drivelines Limited	India	**100**	100	100
2	TAL Manufacturing Solutions Limited	India	**100**	100	100
3	Concorde Motors (India) Limited	India	**100**	100	100
4	Tata Motors Insurance Broking & Advisory Services Limited	India	**100**	100	100
5	Tata Motors European Technical Centre PLC	UK	**100**	100	100
6	Tata Technologies Limited	India	**72.32**	72.32	72.32
7	Tata Motors Finance Limited	India	**100**	100	100
8	Tata Marcopolo Motors Limited	India	**51**	51	51
9	TML Holdings Pte. Limited	Singapore	**100**	100	100
10	TML Distribution Company Limited	India	**100**	100	100
11	Tata Hispano Motors Carrocera S.A.	Spain	**100**	100	100
12	Tata Hispano Motors Carrocerries Maghreb SA	Morocco	**100**	100	100
13	Trilix S.r.l	Italy	**80**	80	80
14	Tata Precision Industries Pte. Limited	Singapore	**78.39**	78.39	78.39
	Indirect subsidiaries *				
15	Tata Daewoo Commercial Vehicle Company Limited	South Korea	**100**	100	100
16	Tata Daewoo Commercial Vehicle Sales and Distribution Company Limited	South Korea	**100**	100	100
17	Tata Motors (Thailand) Limited	Thailand	**95.28**	95.28	95.28
18	Tata Motors (SA) (Proprietary) Limited	South Africa	**60**	60	60
19	PT Tata Motors Indonesia	Indonesia	**100**	100	100
20	Tata Technologies (Thailand) Limited	Thailand	**72.32**	72.32	72.32
21	Tata Technologies Pte Limited	Singapore	**72.32**	72.32	72.32
22	INCAT International Plc.	UK	**72.32**	72.32	72.32
23	Tata Technologies Europe Limited	UK	**72.32**	72.32	72.32
24	INCAT GmbH.	Germany	**72.32**	72.32	72.32
25	Tata Technologies Inc.	USA	**72.37**	72.37	72.52
26	Tata Technologies de Mexico, S.A. de C.V.	Mexico	**72.37**	72.37	72.52
27	Cambric Limited	USA	**72.32**	72.32	72.32
28	Cambric UK Limited	UK	**72.32**	72.32	72.32
29	Cambric GmbH	Germany	**72.32**	72.32	72.32
30	Midwest Managed Services Inc.	USA	**72.32**	72.32	72.32
31	Tata Technologies SRL	Romania	**72.32**	72.32	72.32
32	Cambric Manufacturing Technologies (Shanghai) Company Limited	China	**72.32**	72.32	72.32
33	Jaguar Land Rover Automotive Plc	UK	**100**	100	100
34	Jaguar Land Rover Limited	UK	**100**	100	100
35	Jaguar Land Rover Austria GmbH	Austria	**100**	100	100
36	Jaguar Land Rover Belux NV	Belgium	**100**	100	100
37	Jaguar Land Rover Japan Limited	Japan	**100**	100	100
38	Jaguar Cars South Africa (Pty) Limited	South Africa	**100**	100	100
39	JLR Nominee Company Limited	UK	**100**	100	100
40	The Daimler Motor Company Limited	UK	**100**	100	100
41	The Jaguar Collection Limited	UK	**100**	100	100
42	Daimler Transport Vehicles Limited	UK	**100**	100	100
43	S.S. Cars Limited	UK	**100**	100	100
44	The Lanchester Motor Company Limited	UK	**100**	100	100
45	Jaguar Land Rover Deutschland GmbH	Germany	**100**	100	100
46	Jaguar Land Rover Holdings Limited	UK	**100**	100	100
47	Jaguar Land Rover North America LLC	USA	**100**	100	100
48	Land Rover Ireland Limited	Ireland	**100**	100	100
49	Jaguar Land Rover Nederland BV	Netherlands	**100**	100	100
50	Jaguar Land Rover Portugal - Veiculos e Pecas, Lda.	Portugal	**100**	100	100
51	Jaguar Land Rover Australia Pty Limited	Australia	**100**	100	100
52	Jaguar Land Rover Italia Spa	Italy	**100**	100	100

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
53	Jaguar Land Rover Espana SL	Spain	**100**	100	100
54	Jaguar Land Rover Korea Company Limited	South Korea	**100**	100	100
55	Jaguar Land Rover (China) Investment Co. Limited (Renamed from Jaguar Land Rover Automotive Trading (Shanghai) Company Limited w.e.f. November 1, 2016)	China	**100**	100	100
56	Jaguar Land Rover Canada ULC	Canada	**100**	100	100
57	Jaguar Land Rover France, SAS	France	**100**	100	100
58	Jaguar Land Rover (South Africa) (pty) Limited	South Africa	**100**	100	100
59	Jaguar e Land Rover Brasil industria e Comercio de Veiculos LTDA	Brazil	**100**	100	100
60	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	**100**	100	100
61	Jaguar Land Rover (South Africa) Holdings Limited	UK	**100**	100	100
62	Jaguar Land Rover India Limited	India	**100**	100	100
63	Jaguar Cars Limited	UK	**100**	100	100
64	Land Rover Exports Limited	UK	**100**	100	100
65	Jaguar Land Rover Pension Trustees Limited	UK	**100**	100	100
66	Jaguar Racing Limited	UK	**100**	100	-
67	InMotion Ventures Limited	UK	**100**	100	-
68	InMotion Ventures 1 Limited (incorporated w.e.f. October 25, 2016)	UK	**100**	100	-
69	InMotion Ventures 2 Limited (incorporated w.e.f. October 25, 2016)	UK	**100**	100	-
70	InMotion Ventures 3 Limited (incorporated w.e.f. October 25, 2016)	UK	**100**	100	-
71	Shanghai Jaguar Land Rover Automotive Services Company Limited	China	**100**	100	100
72	Jaguar Land Rover Slovakia s.r.o	Slovakia	**100**	100	-
73	Jaguar Land Rover Singapore Pte. Ltd	Singapore	**100**	100	-
74	Jaguar Land Rover Columbia S.A.S (incorporated w.e.f August 22, 2016)	Columbia	**100**	-	-
75	PT Tata Motors Distribusi Indonesia	Indonesia	**100**	100	100
76	Tata Motors Finance Solutions Limited	India	**100**	100	100
77	Sheba Properties Limited	India	**100**	100	100
78	TMNL Motor Services Nigeria Limited	Nigeria	**100**	-	-

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

The following jointly controlled companies are considered in the consolidated financial statements:

Sr No.	Name of the jointly controlled company	Country of incorporation	% of equity holding either directly or through subsidiaries As at March 31, 2017	As at March 31, 2016	As at April1, 2015
1	Fiat India Automobiles Private Limited	India	**50**	50	50
2	Tata Cummins Private Limited	India	**50**	50	50
3	Tata HAL Technologies Limited **	India	**36.16**	36.16	36.16
4	Spark 44 (JV) Limited	UK	**50**	50	50
5	Chery Jaguar Land Rover Automotive Company Limited	China	**50**	50	50
6	JT Special Vehicles Pvt. Limited (incorporated w.e.f July 13, 2016)	India	**50**	-	-

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

(x) Transition to Ind AS

The Company has prepared the opening balance sheet as per Ind AS as at April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets and liabilities which are not permitted by Ind AS, by reclassifying items from Previous GAAP to Ind AS as required by Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

(a)Fair valuation as deemed cost for certain items of property, plant and equipment and other intangible assets

The Company has elected to measure certain items of its property, plant and equipment and other intangible assets at its fair value and use that fair value as its deemed cost at the date of transition to Ind AS. Other items of property, plant and equipment and intangible assets have been measured as per Ind AS 16 and Ind AS 38, respectively.

(b) Business combination

Business combination prior to April 1, 2007 have been accounted in accordance with Previous GAAP. Goodwill arising from business combination has been stated at the carrying amount under Previous GAAP. Intangible assets which were subsumed in goodwill under Previous GAAP have not been recognised upto April 1, 2007

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(y) Reconciliation between Previous GAAP and Ind AS:

(a) Equity reconciliation

(₹ in crores)

Particulars	Note	As at March 31, 2016	As at April 1, 2015
Equity as reported under Previous GAAP		80,782.67	56,261.92
Fair value loss through Other Comprehensive Income for investments in quoted equity shares	(a)	(103.14)	(91.50)
Fair value gain on investments in mutual funds	(a)	23.40	9.87
Proposed Dividend	(b)	73.00	-
Provision for expected credit losses	(c)	(3,347.90)	(3,110.63)
Gain on fair value of below market interest loan (net of effective interest rate adjustment)	(d)	447.78	396.98
Effect of de-recognition of financial instruments	(j)	12.00	128.00
Effect of adoption of fair value as deemed cost relating to property, plant and equipment and intangibles	(e)&(f)	2,738.92	2,490.49
Effect of hedges for inventory purchases	(g)	8.59	312.21
Fair valuation of assets and liabilities on acquisition of business	(m)	(1,140.98)	(1,010.66)
Discounting of provisions	(h)	185.57	237.97
Reversal of goodwill recognised in Previous GAAP on common control transactions		(322.00)	(322.00)
Others (net)		(327.40)	(129.98)
Tax effect on above adjustments		(78.10)	99.91
Equity as per Ind AS		**78,952.41**	**55,272.58**

(b) Comprehensive Income reconciliation

Particulars	Note	Year ended March 31 , 2016
Net profit after tax as reported under Previous GAAP		**11,023.75**
Reversal of exchange gain accumulated in foreign currency monetary item translation difference account	(f)	1,379.23
Effect of adoption of fair value as deemed cost relating to property, plant and equipment and intangibles (net of depreciation and amortisation)	(e)	253.63
Gain on fair value of below market interest loan (net of effective interest rate adjustment)	(d)	50.50
Effect of cross currency basis spreads on hedge accounting		(102.93)
Provision for expected credit losses	(c)	(237.27)
Reversal of gain on sale of investment in equity instruments classified as fair value through Other Comprehensive Income	(a)	(80.38)
Fair value gain on investment in mutual funds	(a)	13.83
Discounting of provisions	(h)	(61.93)
Remeasurement losses on defined benefit obligations (net)	(i)	(82.45)
Impact on depreciation due to retrospective application of business combination		(94.62)
Effect of de-recognition of financial instruments	(j)	(116.00)
Others (net)		(213.60)
Tax effect on above adjustments (including tax effect on undistributed earnings of subsidiaries, associates and joint arrangements)		(152.45)
Net profit after tax as per Ind AS		**11,579.31**
Other Comprehensive income (net of tax) attributable to the Shareholders of the Company		3,145.33
Total Comprehensive income after tax as per Ind AS attributable to the Shareholders of the Company		**14,724.64**

Notes to reconciliations between Previous GAAP and Ind AS

(a) Investments

Under Previous GAAP, investments were classified into current and long term investments. Current investments are carried at the lower of cost or market value, while long term investments are carried at cost less any impairment that is other than temporary.

Under Ind AS, equity investments have been classified as Fair Value through Other Comprehensive Income (FVTOCI). Fair value movements are recognized directly in other comprehensive income on such investments. Investments in Mutual Funds have been classified as Fair value through Profit or Loss (FVTPL) and fair value changes are recognised in Statement of Profit and Loss.

(b) Dividends

Under Ind AS, dividends payable are recorded as a liability in the year in which these are declared and approved. Under Previous GAAP, dividends payable were recorded as a liability in the year to which they relate.

(c) Provision for expected credit losses

Impairment of finance receivables is measured at an amount equal to twelve month expected losses if credit risk on such assets has not increased significantly since initial recognition. An allowance equal to lifetime expected losses is provided if credit risks has increased significantly from the date of initial recognition.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Under Previous GAAP, such estimates were determined based on experience of historic losses on such contracts.

Impairment for trade receivable is measured in Ind AS based on life time expected credit losses. Expected credit loss allowance is measured based on historical credit loss experience, defaults, bankruptcy and forward looking information where relevant adjusted for probability of recovery.

Under Previous GAAP, provision for trade receivable is measured based on factors such as age of receivables, defaults etc. adjusted for probability of recovery.

(d) Gain on fair value of below market interest loans

Under Ind AS, below market interest rate loan received is recorded at fair value by using an appropriate discount rate on date of obtaining the loan. The difference between the fair value and the amount received is recognised as a gain in profit or loss as per Ind AS 20. The interest expense is recorded periodically till the maturity of the loan based on effective interest method.

Under Previous GAAP, the loan were recorded same as the amount received.

(e) Property, plant and equipment and intangible assets

On the date of transition to Ind AS, the Company has elected to measure certain items of Property, Plant and Equipment and intangible assets at fair value and use that fair value as its deemed cost. The aggregate fair values of Property, Plant and Equipment is ₹ **5,859.48 crores** and of related intangible assets is ₹ 1,891.97 crores. Fair value adjustments recorded to the carrying amounts is ₹ **3,593.71 crores** for Property, Plant and Equipment and ₹ (1,103.22) crores for related Intangible Assets.

Under Ind AS, all foreign exchange transaction gains and losses are included in net income except to the extent these are treated as an adjustment to interest cost and considered for capitalization. Under Previous GAAP, foreign exchange gains and losses arising on foreign currency denominated borrowings that were incurred to acquire property, plant and equipment and intangible assets were included in the cost of the asset and depreciated over their remaining useful life.

Further under Previous GAAP, the cost of property, plant and equipment also included indirectly attributable expenses that are incurred before a property, plant and equipment is ready for its intended use. Under Ind AS, such costs are expensed as incurred.

Under Ind AS, import duty waivers for capital assets purchased under Export Promotion Credit Guarantee (EPCG) schemes are recorded as deferred revenue and recognized in Profit and Loss on a systematic basis over the periods in which the related performance obligations are fulfilled. On the transition date, the Company, therefore, recorded an adjustment to measure such Property, plant and equipment in accordance with Ind AS 16. Under Previous GAAP, cost of the property, plant and equipment was recorded at the cash price paid to acquire such assets. Consequently, depreciation relating to the above differences in the cost of property, plant and equipment under Ind AS and Previous GAAP has also been adjusted.

(f) Exchange gain/(loss) accumulated in foreign currency monetary item translation difference account

Under Ind AS, all exchange differences are accounted for in the Statement of Profit and Loss in the period in which they arise. Under Previous GAAP, exchange differences relating to long term foreign currency monetary assets/liabilities were accounted for in the following manner:

a) Differences relating to borrowings attributable to the acquisition of the depreciable capital asset were added to/deducted from the cost of such capital assets;

b) Other differences were accumulated in foreign currency monetary item translation difference account, to be amortized over the period, beginning April 1, 2011 or date of inception of such item, as applicable, and ending on March 31, 2020 or the date of its maturity, whichever is earlier.

(g) Basis adjustment for inventories

The Company have entered into forwards and options to hedge its raw materials inventory purchases. The unrealised gain/(loss) on such hedges are recognised in the hedge reserve. Under Previous GAAP, the gain/(loss) on such hedges are reclassified to profit and loss statement on maturity of such contracts. Under Ind AS, the gain/(loss) are recognised in inventory at the time of purchase of raw materials.

(h) Discounting of warranty provisions

Under Previous GAAP, the provision for warranty expenses are not discounted for time value. Under Ind AS, these provisions are discounted and the time value is accreted over the warranty period.

(i) Remeasurement gain/(loss)

Under Previous GAAP, the actuarial gain/(loss) on post retirement employee benefit obligations are recognised in the statement of profit and loss. Under Ind AS, such gain/(loss) are recognised in the Other Comprehensive income.

(j) Derecognition of financial instruments

The Company transfers finance receivables in securitisation transactions/direct assignments. In such transactions the Company surrenders control over the receivables though continues to act as an agent for the collection of receivables. In most of these transactions, the Company also provides credit enhancement to the transferee. Because of the existence of credit enhancement in such transactions, under Ind AS, such transfer or assignment does not meet the derecognition criteria resulting into the transaction not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralised debt obligation.

Under the Previous GAAP, the derecognition criteria were different and are based on surrender of control. The Company meets the criteria under Previous GAAP for derecognition and accordingly records such transfer as sale.

(k) Deferred taxes have been recorded under Ind AS for undistributed earnings of subsidiaries, joint arrangements, associates and inter company adjustments with subsidiaries and joint operations, which were not recorded under Previous GAAP.

(l) Foreign currency translation adjustment:

These are consequential translation adjustments on Previous GAAP to Ind AS adjustments.

(m) Under Previous GAAP, Business Combination are accounted at book value whereas under Ind AS, these are accounted at fair value.

(n) Cash Flow Statement

Under Ind AS, certain transfer of finance receivables by way of securitisation/direct assignments do not meet the criteria for derecognition. Consequently, proceeds received from these transactions are recorded as collateralized debt obligation. Under Indian GAAP, such transactions meet the criteria for derecognition and accordingly, recorded as sale. As a result, under Ind AS , the cash flows from operating activities and cash outflows from financing activities is higher by ₹ 603 crores.

3. Property, plant and equipment

(₹ in crores)

	Owned assets							Given on lease				Taken on lease				Total
	Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Computers	Heritage Assets	Land	Buildings	Plant and equipment	Vehicles	Buildings	Plant and equipment	Furniture and fixtures	Computers	
Cost as at April 1, 2016	**7,161.52**	**12,164.18**	**79,478.20**	**1,241.33**	**279.69**	**1,634.42**	**497.78**	**23.17**	**34.55**	**21.93**	**-**	**144.06**	**563.00**	**-**	**174.25**	**103,418.08**
Additions	**21.87**	**1,114.12**	**9,324.76**	**136.73**	**44.79**	**313.64**	**1.48**	**-**	**-**	**0.04**	**8.14**	**12.43**	**0.99**	**4.31**	**4.62**	**10,987.92**
Currency translation differences	**(421.41)**	**(1,175.59)**	**(8,824.25)**	**(130.46)**	**(11.50)**	**(138.39)**	**(75.91)**	**(3.06)**	**(5.09)**	**-**	**-**	**(6.73)**	**(67.85)**	**-**	**-**	**(10,860.24)**
Disposal	**-**	**(88.41)**	**(418.57)**	**(29.47)**	**(22.03)**	**(42.90)**	**-**	**-**	**-**	**(13.02)**	**-**	**(0.19)**	**(79.99)**	**-**	**-**	**(694.58)**
Cost as at March 31, 2017	**6,761.98**	**12,014.30**	**79,560.14**	**1,218.13**	**290.95**	**1,766.77**	**423.35**	**20.11**	**29.46**	**8.95**	**8.14**	**149.57**	**416.15**	**4.31**	**178.87**	**102,851.18**
Accumulated depreciation as at April 1, 2016	**-**	**2,170.86**	**34,138.35**	**544.05**	**158.59**	**910.29**	**-**	**-**	**0.75**	**9.27**	**-**	**29.44**	**378.06**	**-**	**151.35**	**38,491.01**
Depreciation for the period	-	**507.70**	**8,074.51**	**133.78**	**43.46**	**169.64**	**-**	**-**	**0.15**	**2.15**	**3.66**	**6.78**	**94.13**	**0.65**	**12.01**	**9,048.62**
Writeoff of assets	**-**	**-**	**102.04**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**102.04**
Currency translation differences	-	**(183.91)**	**(3,551.59)**	**(50.77)**	**(4.81)**	**(41.24)**	**-**	**-**	**(0.17)**	**-**	**-**	**(0.44)**	**(48.16)**	**-**	**-**	**(3,881.09)**
Disposal	-	**(49.18)**	**(287.24)**	**(26.16)**	**(17.65)**	**(35.21)**	**-**	**-**	**-**	**(8.34)**	**-**	**(0.19)**	**(79.99)**	**-**	**-**	**(503.96)**
Accumulated depreciation as at March 31, 2017	**-**	**2,445.47**	**38,476.07**	**600.90**	**179.59**	**1,003.48**	**-**	**-**	**0.73**	**3.08**	**3.66**	**35.59**	**344.04**	**0.65**	**163.36**	**43,256.62**
Net carrying amount as at March 31, 2017	**6,761.98**	**9,568.83**	**41,084.07**	**617.23**	**111.36**	**763.29**	**423.35**	**20.11**	**28.73**	**5.87**	**4.48**	**113.98**	**72.11**	**3.66**	**15.51**	**59,594.56**
Cost as at April 1, 2015	6,653.09	9,865.64	64,760.52	1,008.32	266.38	1,274.20	482.12	2.93	0.73	19.70		150.93	518.52	-	164.45	85,167.53
Additions	486.41	2,158.27	14,561.59	249.44	57.04	380.38	-	20.91	34.56	3.26		6.08	32.55	-	9.80	18,000.29
Writeoff of assets	-	-	(225.79)	-	-	-	-	-	-	-		-	-	-	-	(225.79)
Currency translation differences	43.27	145.67	971.15	16.33	1.45	8.25	15.66	(0.67)	(0.74)	-		1.89	11.93	-	-	1,214.19
Disposal	(21.25)	(5.40)	(589.27)	(32.76)	(45.18)	(28.41)	-	-	-	(1.03)		(14.84)	-	-	-	(738.14)
Cost as at March 31, 2016	7,161.52	12,164.18	79,478.20	1,241.33	279.69	1,634.42	497.78	23.17	34.55	21.93		144.06	563.00	-	174.25	103,418.08
Accumulated depreciation as at April 1, 2015	-	1,724.45	27,266.07	431.85	153.11	791.65	-	-	-	6.86		24.49	368.96	-	135.44	30,902.88
Depreciation for the year	-	439.21	7,185.97	136.61	42.86	129.76	-	-	0.75	3.17		5.46	0.25	-	15.91	7,959.95
Writeoff of assets	-	-	(165.47)	-	-	-	-	-	-	-		-	-	-	-	(165.47)
Currency translation differences	-	19.11	331.89	6.15	0.24	5.40	-	-	-	-		0.26	8.85	-	-	371.90
Disposal	-	(11.91)	(480.11)	(30.56)	(37.62)	(16.52)	-	-	-	(0.76)		(0.77)	-	-	-	(578.25)
Accumulated depreciation as at March 31, 2016	-	2,170.86	34,138.35	544.05	158.59	910.29	-	-	0.75	9.27		29.44	378.06	-	151.35	38,491.01
Net carrying amount as at March 31, 2016	7,161.52	9,993.32	45,339.85	697.28	121.10	724.13	497.78	23.17	33.80	12.66		114.62	184.94	-	22.90	64,927.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

4. Leases

The Company has taken land, buildings, plant and equipment, computers and furniture and fixtures under operating and finance leases. The following is the summary of future minimum lease rental payments under non-cancellable operating leases and finance leases entered into by the Company:

(₹ in crores)

	As at March 31,						As at April 1,		
	2017			2016			2015		
	Operating	Finance		Operating	Finance		Operating	Finance	
	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments	Minimum Lease Payments	Minimum Lease Payments	Present value of minimum lease payments
Not later than one year	**659.77**	**25.82**	**22.12**	503.19	61.18	57.22	462.67	75.51	57.17
Later than one year but not later than five years	**1,787.14**	**41.71**	**33.81**	784.36	58.77	53.31	577.56	91.99	90.75
Later than five years	**1,464.55**	**37.22**	**20.23**	1,309.46	38.18	15.73	1,112.72	-	-
Total minimum lease commitments	**3,911.46**	**104.75**	**76.16**	2,597.01	158.13	126.26	2,152.95	167.50	147.92
Less: future finance charges		**(28.61)**			(31.87)			(19.58)	
Present value of minimum lease payments		**76.14**			126.26			147.92	
Included in the financial statements as:									
Other financial liabilities - current (refer note 27)			**22.13**			57.22			57.17
Long-term borrowings (refer note 24)			**54.01**			69.04			90.75
			76.14			126.26			147.92

Total operating lease rent expenses were **₹822.48 crores** and ₹774.03 crores for the years ended March 31, 2017 and 2016 respectively.

5. Goodwill

	As at March 31,	
	2017	2016
Balance at the beginning	**759.80**	731.95
Impairment	**(14.25)**	-
Currency translation differences	**(72.23)**	27.85
Balance at the end	**673.32**	759.80

As at March 31, 2017, goodwill of **₹115.41 crores** and **₹557.91 crores** relates to the automotive and related activity segment (Tata and other brand vehicles including financing thereof) and "others" segment respectively. As at March 31, 2016, goodwill of ₹130.98 crores and ₹628.82 crores relates to the automotive and related activity segment (Tata and other brand vehicles including financing thereof) and "others" segment respectively.

As at March 31, 2017, goodwill of **₹557.91 crores** has been allocated to software consultancy and services cash generating unit. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows, after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

As at March 31, 2017, the estimated cash flows for a period of 5 years were developed using internal forecasts, and a pre-tax discount rate of 11.78%. The cash flows beyond 5 years have been extrapolated assuming 2% growth rates. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

6. Other intangible assets (₹ in crores)

Particulars	Software	Patents and technological know how	Customer related	Intellectual property rights and other intangibles	Indefinite life trade marks and patents	Product development	Total
Cost as at April 1, 2016	**5,966.68**	**1,525.56**	**605.00**	**82.08**	**5,902.17**	**50,681.24**	**64,762.73**
Additions	**797.70**	**1.79**	**-**	**129.43**	**-**	**7,943.73**	**8,872.65**
Currency translation differences	**(821.48)**	**(213.67)**	**(88.39)**	**(13.14)**	**(898.67)**	**(7,231.70)**	**(9,267.05)**
Disposal	**-**	**-**	**-**	**(3.38)**	**-**	**-**	**(3.38)**
Fully amortized not in use	**(730.06)**	**-**	**-**	**-**	**-**	**(3,647.18)**	**(4,377.24)**
Cost as at March 31, 2017	**5,212.84**	**1,313.68**	**516.61**	**194.99**	**5,003.50**	**47,746.09**	**59,987.71**
Accumulated amortisation as at April 1, 2016	**2,493.19**	**1,149.93**	**228.27**	**39.71**	**-**	**19,306.74**	**23,217.84**
Amortization for the period	**756.87**	**131.20**	**28.97**	**1.06**	**-**	**7,938.27**	**8,856.37**
Fully amortized not in use	**(730.06)**	**-**	**-**	**-**	**-**	**(3,647.18)**	**(4,377.24)**
Currency translation differences	**(305.22)**	**(183.14)**	**(31.81)**	**(1.15)**	**-**	**(2,862.20)**	**(3,383.52)**
Disposal	**-**	**(1.94)**	**-**	**-**	**-**	**-**	**(1.94)**
Accumulated amortisation as at March 31, 2017	**2,214.78**	**1,096.05**	**225.43**	**39.62**	**-**	**20,735.63**	**24,311.51**
Net carrying amount as at March 31, 2017	**2,998.06**	**217.63**	**291.18**	**155.37**	**5,003.50**	**27,010.46**	**35,676.20**
Cost as at April 1, 2015	4,359.70	1,453.06	586.73	81.14	5,716.47	40,290.54	52,487.64
Additions	1,637.87	28.18	-	-	-	14,040.89	15,706.94
Writeoff of assets	-	-	-	-	-	(907.72)	(907.72)
Currency translation differences	80.11	44.32	18.27	0.94	185.70	716.90	1,046.24
Disposal	-	-	-	-	-	-	-
Fully amortised not in use	(111.00)	-	-	-	-	(3,459.37)	(3,570.37)
Cost as at March 31, 2016	5,966.68	1,525.56	605.00	82.08	5,902.17	50,681.24	64,762.73
Accumulated amortisation as at April 1, 2015	1,809.88	978.34	195.28	34.94	-	15,561.01	18,579.45
Amortization for the year	751.91	146.37	27.60	3.72	-	7,821.23	8,750.83
Writeoff of assets	-	-	-	-	-	(907.17)	(907.17)
Currency translation differences	26.31	25.22	5.39	1.05	-	291.04	349.01
Disposal	-	-	-	-	-	-	-
Fully amortised not in use	(94.91)	-	-	-	-	(3,459.37)	(3,554.28)
Accumulated amortisation as at March 31, 2016	2,493.19	1,149.93	228.27	39.71	-	19,306.74	23,217.84
Net carrying amount as at March 31, 2016	3,473.49	375.63	376.73	42.37	5,902.17	31,374.50	41,544.89

The useful life of trademarks and brands in respect of the acquired Jaguar Land Rover businesses have been determined to be indefinite as the Company expects to generate future economic benefits indefinitely from these assets.

The indefinite life intangible assets have been allocated to the Jaguar Land Rover businesses. The recoverable amount of the cash generating unit has been determined based on value in use. Value in use has been determined based on future cash flows after considering current economic conditions and trends, estimated future operating results, growth rates and anticipated future economic conditions.

The estimated cash flows for a period of five years were developed using internal forecasts, and a pre-tax discount rate of 10.9%. The cash flows beyond five years have been extrapolated assuming 1.9% growth rate. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

7. Investments in equity accounted investees:

(a) Associates:

The Company has no material associates as at March 31, 2017. The aggregate summarized financial information in respect of the Company's immaterial associates that are accounted for using the equity method is set forth below.

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Carrying amount of the Company's interest in associates	**872.63**	526.57	571.84

	Year ended March 31, 2017	Year ended March 31, 2016
Company's share of profit/(loss) in associates*	**110.93**	(21.40)
Company's share of other comprehensive income in associates	**(15.51)**	(8.57)
Company's share of total comprehensive income in associates	**95.42**	(29.97)

(i) Fair value of investment in an equity accounted associate for which published price quotation is available, which is a level 1 input, was **₹192.22 crores** and ₹127.80 crores as at March 31, 2017 and 2016, respectively. The carrying amount as at March 31, 2017 and 2016, was **₹136.84 crores** and ₹135.04 crores, respectively.

(ii) During the year ended March 31, 2017,

- Optionally convertible Preference shares of Tata Hitachi Construction Machinery Pvt Ltd of **₹160 crores** were converted into equity shares.
- The Company purchased 32% of the Ordinary share capital of CloudCar Inc. for **GBP 12 million (₹105.20 crores)**. However, the Group has 43% of the voting rights since a number of Ordinary shares are in the form of options either available for issue or assigned to the employees of CloudCar Inc.
- The Company purchased 33% of the Ordinary share capital of Synaptiv Limited for **GBP 0.2 million (₹1.75 crores).**

(b) Joint ventures:

(i) Details of the Company's material joint venture as at March 31, 2017 are as follows:

Name of joint venture	Principal activity	Principal place of the business	% holding as at March 31, 2017	% holding as at March 31, 2016	% holding as at April 1, 2015
Chery Jaguar Land Rover Automotive Co. Limited (Chery)	Manufacture and assembly of vehicles	China	**50%**	50%	50%

Chery is a limited liability company, whose legal form confers separation between the parties to the joint arrangement. There is no contractual arrangement or any other facts and circumstances that indicate that the parties to the joint venture have rights to the assets and obligations for the liabilities of the joint arrangement. Accordingly, Chery is classified as a joint venture. The summarized financial information in respect of Chery that is accounted for using the equity method is set forth below.

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Current assets	**7,608.28**	6,657.81	4,812.23
Non-current assets	**8,852.56**	7,764.09	5,423.28
Current liabilities	**(7,565.07)**	(5,860.96)	(3,198.73)
Non-current liabilities	**(1,424.97)**	(2,058.03)	(1,784.26)
The above amounts of assets and liabilities include the following:		-	-
Cash and cash equivalents	**5,025.85**	4,295.35	2,727.24
Current financial liabilities (excluding trade and other payables and provisions)	**(1.70)**	(334.08)	(517.71)
Non-current financial liabilities (excluding trade and other payables and provisions)	**(1,416.88)**	(2,058.03)	(1,784.26)
Share of net assets of material joint venture	**3,735.40**	3,251.46	2,626.26
Other consolidation adjustments	**(66.79)**	(64.23)	(53.01)
Carrying amount of the Company's interest in joint venture	**3,668.61**	3,187.23	2,573.25

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	Year ended March 31, 2017	2016
Revenue	**18,960.13**	10,904.86
Net income/(loss)	**2,732.06**	1,186.64
Other comprehensive income	**-**	-
Total comprehensive income for the year	**2,732.06**	1,186.64
The above net income includes the following:		
Depreciation and amortization	**920.11**	572.01
Interest income	**(99.32)**	(78.90)
Interest expense (net)	**70.66**	98.62
Income tax expense	**901.44**	433.94

Reconciliation of above summarized financial information to the carrying amount of the interest in the joint venture recognized in the consolidated financial statements:

	As at March 31,		As at April 1,
	2017	2016	2015
Net assets of the joint venture	**7,470.80**	6,502.91	5,252.52
Proportion of the Company's interest in joint venture	**3,735.40**	3,251.46	2,626.26
Other consolidation adjustments	**(66.79)**	(64.23)	(53.01)
Carrying amount of the Company's interest in joint venture	**3,668.61**	3,187.23	2,573.25

During the year ended March 31, 2017, a dividend of **GBP 68 million (₹592.88 crores)** was received by a subsidiary in UK from Chery Jaguar Land Rover Automotive Co. Ltd. (2016: Nil)

(ii) The aggregate summarized financial information in respect of the Company’s immaterial joint ventures that are accounted for using the equity method is set forth below.

	As at March 31,		As at April 1,
	2017	2016	2015
Carrying amount of the Company’s interest in joint ventures	**64.77**	50.15	28.57

	Year ended March 31, 2017	2016
Company’s share of profit/(loss) in joint ventures*	**27.65**	20.74
Company’s share of other comprehensive income in joint ventures	**(13.03)**	-
Company’s share of total comprehensive income in joint ventures	**14.62**	20.74

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(c) Summary of carrying amount of the Company's interest in equity accounted investees:

(₹ in crores)

	As at March 31,		As at April 1,
	2017	2016	2015
Carrying amount in immaterial associates	**872.63**	526.57	571.84
Carrying amount in material joint venture	**3,668.61**	3,187.23	2,573.25
Carrying amount in immaterial joint ventures	**64.77**	50.15	28.57
	4,606.01	3,763.95	3,173.66

(d) Summary of Company's share of profit/(loss) in equity accounted investees:

	Year ended March 31,	
	2017	2016
Share of profit/(loss) in immaterial associates	**110.93**	(21.40)
Share of profit/(loss) in material joint venture	**1,366.03**	593.32
Share of profit/(loss) on other adjustments in material joint venture	**(11.61)**	(15.19)
Share of profit/(loss) in immaterial joint ventures	**27.65**	20.74
	1,493.00	577.47

(e) Summary of Company's share of other comprehensive income in equity accounted investees:

	Year ended March 31,	
	2017	2016
Share of other comprehensive income in immaterial associates	**(4.00)**	(8.57)
Currency translation differences-immaterial associates	**(11.51)**	-
Currency translation differences-material joint venture	**(280.16)**	35.85
Currency translation differences-immaterial joint ventures	**(13.03)**	0.84
	(308.70)	28.12

* Company's share of profit/(loss) of the equity accounted investees has been determined after giving effect for the subsequent amortization/depreciation and other adjustments arising on account of fair value adjustments made to the identifiable net assets of the equity accounted investee as at the date of acquisition and other adjustment arising under the equity method of accounting.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

8. Other Investments - non-current	As at March 31, 2017	2016	As at April 1, 2015
(a) Investments - measured at Fair value through Other Comprehensive Income			
Quoted:			
Equity shares	**260.29**	210.49	210.57
Unquoted:			
Equity shares	**369.98**	373.76	373.25
Total	**630.27**	584.25	583.82
(b) Investments - measured at Fair value through profit and loss			
Quoted:			
Mutual fund	**25.09**	-	-
Unquoted:			
(i) Optionally convertible preference shares	**-**	160.00	160.00
(ii) Non-cumulative redeemable preference shares	**1.40**	2.90	3.00
(iii) Cumulative redeemable preference shares	**6.50**	5.00	5.00
(iv) Others	**23.62**	14.03	13.53
Total	**56.61**	181.93	181.53
(c) Investments - measured at amortised cost			
Unquoted:			
Non-convertible debentures	**3.88**	3.85	3.50
Total	**3.88**	3.85	3.50
Total (a+b+c)	**690.76**	770.03	768.85
Aggregate book value of quoted investments	**285.38**	210.49	210.57
Aggregate market value of quoted investments	**285.38**	210.49	210.57
Aggregate book value of unquoted investments	**405.38**	559.54	558.28

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

9. Other Investments - current	As at March 31, 2017	2016	As at April 1, 2015
(a) Investments - measured at Fair value through Other Comprehensive Income			
Unquoted:			
(i) Equity shares	-	-	4.68
Total	-	-	4.68
(b) Investments - measured at Fair value through profit and loss			
Unquoted:			
(i) Mutual funds	**3,040.54**	1,889.36	432.10
(ii) Optionally convertible debentures	-	-	1.49
(iii) Advance against investments	**0.40**	-	0.30
Total	**3,040.94**	1,889.36	433.89
(c) Investments - measured at amortised cost			
Unquoted:			
Mutual funds	**12,000.21**	17,343.68	13,636.21
Total	**12,000.21**	17,343.68	13,636.21
Total (a+b+c)	**15,041.15**	19,233.04	14,074.78
Aggregate book value of unquoted investments	**15,041.15**	19,233.04	14,074.78

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

10. Loans and advances	As at March 31, 2017	2016	As at April 1, 2015
Non-current			
Secured, considered good:			
(a) Loans to channel partners	**195.61**	-	-
Unsecured, considered good:			
(a) Loans to employees	**27.73**	29.31	29.54
(b) Loan to joint operation (FIAT India Automobile Private Ltd)	**-**	-	132.50
(c) Loans to others	**40.80**	33.77	-
(d) Others	**489.52**	440.80	334.67
Total	**753.66**	503.88	496.71
Current			
Secured, considered good:			
(a) Loans to suppliers	**25.79**	23.51	85.37
Unsecured, considered good:			
(a) Advances to supplier, contractors etc.	**684.35**	930.78	599.10
(b) Inter corporate deposits	**0.31**	30.31	95.31
(c) Loan to joint operation (FIAT India Automobile Private Ltd)	**-**	132.50	-
Total	**710.45**	1,117.10	779.78

11. Other financial assets	As at March 31, 2017	2016	As at April 1, 2015
Non-current			
(a) Derivative financial instruments	**2,775.34**	1,591.26	261.08
(b) Interest accrued on loans and deposits	**2.40**	0.56	58.81
(c) Restricted deposits	**57.19**	217.06	226.70
(d) Margin money/cash collateral with banks	**74.56**	15.63	100.13
(e) Other deposits	**1.63**	1.00	0.92
Total	**2,911.12**	1,825.51	647.64

Margin money with banks is restricted cash deposits and consists of collateral provided for transfer of finance receivables.
Restricted deposits as at March 31, 2017 and 2016 of ₹**32.37 crores** and ₹181.36 crores is held as a deposit in relation to ongoing legal cases.
Restricted deposits as at April1, 2015 of ₹147.92 crores relate to the Company's residual risk arising on vehicles sold by dealer under leasing arrangement.

	2017	2016	2015
Current			
(a) Derivative financial instruments	**1,510.18**	757.28	1,672.68
(b) Interest accrued on loans and deposits	**5.76**	73.45	12.12
(c) Term/Fixed deposit other than Banks	**40.00**	5.00	5.00
Total	**1,555.94**	835.73	1,689.80

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

12. Inventories	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Raw materials and components	**2,159.53**	2,418.96	2,325.72
(b) Work-in-progress	**3,642.56**	4,258.93	3,364.45
(c) Finished goods	**28,235.17**	24,909.33	22,474.76
(d) Stores and spare parts	**216.12**	206.97	196.64
(e) Consumable tools	**297.66**	283.89	215.81
(f) Goods-in-transit - Raw materials and components	**534.27**	577.65	466.77
Total	**35,085.31**	32,655.73	29,044.15

(i) Inventories of finished goods include ₹**2,637.94 crores**, ₹2,386.31 crores and ₹1,728.79 crores as at March 31, 2017, 2016 and April 1, 2015 respectively, relating to vehicles sold subject to repurchase arrangements.

(ii) Cost of inventories (including cost of purchased products) recognized as expense during the years ended March 31, 2017 and March 31, 2016 amounted to ₹**2,03,087.37 crores** and ₹1,95,875.89 crores, respectively.

(iii) During the year ended March 31, 2017 and 2016, the Company recorded inventory write-down expense of ₹**372.51crores** and ₹328.59 crores (excluding provision for loss of inventory at port of Tianjin in China mentioned below) respectively.

(iv) The exceptional credit of ₹**1,330.10 crores** (GBP 151 million) for the year ended March 31, 2017, relates to the explosion at the port of Tianjin (China) in August 2015. This relates to the receipt of insurance proceeds, recovery of import duties and taxes and to an updated assessment of the condition of the remaining vehicles, which led to a reversal of the original provision recorded in the quarter ended September 30, 2015.

A provision of ₹**1,638.39 crores** (GBP 157 million) (net of insurance recoveries of ₹534.24 crores (GBP 55 million)) has been recognised against the carrying value of inventory during the year ended March 31, 2016 for the damage due to explosion at the port of Tianjin in China in August 2015.

13. Trade receivables (Unsecured)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Trade receivables	**15,452.99**	14,845.20	13,748.50
	15,452.99	14,845.20	13,748.50
Less : Allowances for doubtful trade receivables	**(1,377.44)**	(1,274.29)	(775.70)
Total	**14,075.55**	13,570.91	12,972.80

14. Cash and cash equivalents	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Cash on hand	**32.62**	40.09	36.97
(b) Cheques on hand	**111.31**	115.11	51.64
(c) Balances with banks	**8,462.76**	7,805.03	7,619.95
(d) Deposit with banks	**5,380.07**	9,193.38	12,034.53
	13,986.76	17,153.61	19,743.09

15. Bank balances	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
With upto 12 months maturity:			
(a) Earmarked balances with banks (refer note below)	**238.36**	530.82	234.73
(b) Bank deposits	**21,852.76**	12,775.97	10,434.11
Total	**22,091.12**	13,306.79	10,668.84

Note:

Earmarked balances with banks include ₹**186.14 crores**, ₹361.67 crores and ₹204.56 crores as at March 31, 2017, 2016 and April 1, 2015, respectively held as security in relation to interest and repayment of borrowings. Out of these deposits, ₹**118.64 crores**, ₹176.67 crores and ₹204.56 crores as at March 31, 2017, 2016 and April 1, 2015, respectively are pledged till the maturity of the respective borrowings.

16. Finance receivables	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Finance receivables	**21,160.76**	20,758.16	20,454.06
Less: Allowance for credit losses	**(3,597.51)**	(5,006.69)	(5,888.01)
Total	**17,563.25**	15,751.47	14,566.05
Current portion	**6,810.12**	6,079.92	4,959.45
Non-current portion	**10,753.13**	9,671.55	9,606.60
Total	**17,563.25**	15,751.47	14,566.05

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

Changes in the allowance for credit losses in finance receivables are as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning	**5,006.69**	5,888.01
Allowances made/(reversed) during the year	**(28.15)**	220.96
Written off	**(1,381.03)**	(1,102.28)
Balance at the end	**3,597.51**	5,006.69

Fair value of collaterals over which the Company has taken possession and held as at March 31, 2017, 2016 and April 1, 2015, amounted to ₹ **200.73 crores**, ₹ 66.06 crores and ₹ 356.95 crores, respectively. The collateral represents vehicle financed by the Company and the Company normally undertakes disposal of these vehicles through an auction process.

17. Allowance for trade and other receivables

Change in the allowances for trade and other receivables are as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Balance at the beginning	**1,483.71**	917.71
Allowances made during the year	**132.93**	664.66
Written off	**(134.03)**	(88.93)
Foreign exchange translation differences	**34.42**	(9.73)
Balance at the end	**1,517.03**	1,483.71

18. Other non-current assets

18. Other non-current assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Capital advances	**562.52**	470.31	234.93
(b) Taxes recoverable, statutory deposits and dues from government	**1,125.26**	1,008.06	1,190.49
(c) Prepaid rentals on operating leases	**326.10**	149.08	140.86
(d) Prepaid expenses	**631.24**	508.05	269.15
(e) Others	**202.24**	173.52	148.17
Total	**2,847.36**	2,309.02	1,983.60

19. Other current assets

19. Other current assets	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Advances and other receivables	**402.94**	205.57	183.73
(b) VAT, other taxes recoverable, statutory deposits and dues from government	**4,904.80**	4,464.09	4,118.14
(c) Prepaid expenses	**1,106.21**	1,117.41	1,058.43
(d) Others	**126.04**	37.02	51.79
Total	**6,539.99**	5,824.09	5,412.09

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

20. Income taxes

The domestic and foreign components of Profit/(loss) before income tax:

(₹ in crores)

	Year ended March 31, 2017	Year ended March 31, 2016
Profit/(Loss) before income taxes		
India	**(2,657.73)**	(954.77)
Other than India	**11,972.52**	15,080.54
Total	**9,314.79**	14,125.77

The domestic and foreign components of income tax expense:

	Year ended March 31, 2017	Year ended March 31, 2016
Current taxes		
India	**184.55**	101.27
Other than India	**2,953.11**	1,760.78
Deferred taxes		
India	**186.00**	165.15
Other than India	**(72.43)**	997.85
Total income tax expense	**3,251.23**	3,025.05

The reconciliation of estimated income tax to income tax expense is as follows:

	Year ended March 31, 2017	Year ended March 31, 2016
Profit/(Loss) before income taxes	**9,314.79**	14,125.77
Income tax expense at tax rates applicable to individual entities	**1,621.79**	2,857.12
Additional deduction for patent, research and product development cost	**(745.58)**	(1,449.40)
Items (net) not deductible for tax/not liable to tax :		
- foreign currency (gain)/loss relating to loans and deposits (net)	**(73.98)**	95.27
- interest and other expenses relating to borrowings for investment	**53.10**	120.37
- Dividend from subsidiaries, joint operations, equity accounted investees and other investments	**2.71**	134.53
Profit on sale of business to a wholly owned subsidiary	**407.89**	-
Undistributed earnings of subsidiaries, joint operations and equity accounted investees	**389.17**	540.52
Deferred tax assets not recognized because realization is not probable	**2,243.94**	1,186.33
Utilization/credit of unrecognised tax losses, unabsorbed depreciation and other tax benefits	**(350.90)**	(126.99)
Impact of change in statutory tax rates	**(524.96)**	(593.21)
Others	**228.05**	260.51
Income tax expense reported	**3,251.23**	3,025.05

The UK Finance Act 2015 was enacted during the year ended March 31, 2016 which included provisions for a reduction in the UK corporation tax rate from 20% to 19% with effect from April 1, 2017.

The UK Finance Act 2016 was enacted during the year ended March 31, 2017 which included provisions for a further reduction in the UK Corporation tax rate to 17% with effect from April 1, 2020. Accordingly, UK deferred tax has been recognised at the rates applicable when the temporary differences are expected to reverse.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Significant components of deferred tax assets and liabilities for the year ended March 31, 2017 are as follows:

(₹ in crores)

	Opening balance	Recognized in profit or loss	Recognized in/ reclassified from other comprehensive income	Closing balance
Deferred tax assets:				
Depreciation carry forwards	2,010.81	563.75	(0.06)	2,574.50
Business loss carry forwards	3,234.23	293.99	(235.84)	3,292.38
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	4,034.57	(1,063.87)	(141.98)	2,828.72
Compensated absences and retirement benefits	1,186.90	(1.20)	987.26	2,172.96
Minimum alternate tax carry-forward	58.26	16.66	-	74.92
Property, plant and equipment	216.83	(72.74)	(32.19)	111.90
Derivative financial instruments	2,296.64	(35.07)	2,167.37	4,428.94
Inventory	1,223.34	534.47	(148.41)	1,609.40
Others	652.10	205.49	(61.15)	796.44
Total deferred tax assets	14,913.68	441.48	2,535.00	17,890.16
Deferred tax liabilities:				
Property, plant and equipment	2,743.13	(41.01)	0.08	2,702.20
Intangible assets	11,258.14	576.72	(1,349.97)	10,484.89
Undistributed earnings in subsidiaries, joint operations and equity accounted investees	1,343.63	23.81*	(29.81)	1,337.63
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	-	16.95
Derivative financial instruments	4.04	19.32	(0.24)	23.12
Others	65.54	(23.79)	0.28	42.03
Total deferred tax liabilities	15,431.43	555.05	(1,379.66)	14,606.82
Net assets/(liabilities)	(517.75)	(113.57)	3,914.66	3,283.34
Deferred tax assets				4,457.34
Deferred tax liabilities				(1,174.00)

* Net off ₹**365.36 crores** reversed on dividend distribution by subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

As at March 31, 2017, unrecognized deferred tax assets amount to **₹3,199.20 crores** and **₹ 5,569.59 crores**, which can be carried forward indefinitely and up to a specified period, respectively. These relate primarily to business losses, depreciation carry forwards and other deductible temporary differences. The deferred tax asset has not been recognized on the basis that its recovery is not probable in the foreseeable future.

Unrecognized deferred tax assets expire unutilized based on the year of origination as follows:

March 31,	(₹ in crores)
2018	**26.35**
2019	**32.73**
2020	**42.87**
2021	**300.08**
2022	**73.85**
Thereafter	**5,093.71**

The Company has not recognized deferred tax liability on undistributed profits of certain subsidiaries amounting to **₹40,965.53 crores** because it is able to control the timing of the reversal of temporary differences associated with such undistributed profits and it is probable that such differences will not reverse in the foreseeable future.

Significant components of deferred tax assets and liabilities for the year ended March 31, 2016 are as follows:

(₹ in crores)

	Opening balance	Recognized in profit or loss	Recognized in/reclassified from other comprehensive income	Closing balance
Deferred tax assets:				
Depreciation carry forwards	1,584.44	426.37	-	2,010.81
Business loss carry forwards	3,608.90	(459.65)	84.98	3,234.23
Expenses deductible in future years:				
- provisions, allowances for doubtful receivables and others	4,108.38	(143.37)	69.56	4,034.57
Compensated absences and retirement benefits	1,869.31	383.13	(1,065.54)	1,186.90
Minimum alternate tax carry-forward	89.87	(31.61)	-	58.26
Property, plant and equipment	90.78	128.95	(2.90)	216.83
Derivative financial instruments	2,415.10	(368.46)	250.00	2,296.64
Inventory	1,298.27	(122.14)	47.21	1,223.34
Others	486.62	144.80	20.68	652.10
Total deferred tax assets	15,551.67	(41.98)	(596.01)	14,913.68
Deferred tax liabilities:				
Property, plant and equipment	2,658.87	83.85	0.41	2,743.13
Intangible assets	9,884.33	1,157.24	216.57	11,258.14
Undistributed earnings of subsidiaries joint operations and equity accounted investees	1,426.54	(111.92)*	29.01	1,343.63
Fair valuation of retained interest in a subsidiary subsequent to disposal of controlling equity interest	16.95	-	-	16.95
Derivative financial instruments	10.34	(8.86)	2.56	4.04
Others	64.72	0.71	0.11	65.54
Total deferred tax liabilities	14,061.75	1,121.02	248.66	15,431.43
Net assets/(liabilities)	1,489.92	(1,163.00)	(844.67)	(517.75)
Deferred tax assets				3,957.03
Deferred tax liabilities				(4,474.78)

* Net off ₹652.44 crores reversed on dividend distributions by subsidiaries.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
21. Equity Share Capital			
(a) Authorised :			
(i) **350,00,00,000** Ordinary shares of ₹2 each (as at March 31, 2016: 350,00,00,000 Ordinary shares of ₹2 each) (as at April 1, 2015: 350,00,00,000 Ordinary shares of ₹2 each)	**700.00**	700.00	700.00
(ii) **100,00,00,000** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 100,00,00,000 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 100,00,00,000 'A' Ordinary shares of ₹2 each)	**200.00**	200.00	200.00
(iii) **30,00,00,000** Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2016: 30,00,00,000 shares of ₹100 each) (as at April 1, 2015: 30,00,00,000 shares of ₹100 each)	**3,000.00**	3,000.00	3,000.00
Total	**3,900.00**	3,900.00	3,900.00
(b) Issued [Note (k)]:			
(i) **288,78,43,046** Ordinary shares of ₹2 each (as at March 31, 2016: 288,78,43,046 Ordinary shares of ₹2 each) (as at April 1, 2015: 273,71,98,287 Ordinary shares of ₹2 each)	**577.57**	577.57	547.44
(ii) **50,87,36,110** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 50,87,36,110 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 48,22,05,820 'A' Ordinary shares of ₹2 each)	**101.75**	101.75	96.44
Total	**679.32**	679.32	643.88
(c) Subscribed and called up:			
(i) **288,73,48,428** Ordinary shares of ₹2 each (as at March 31, 2016: 288,72,03,602 Ordinary shares of ₹2 each) (as at April 1, 2015: 273,67,13,122 Ordinary shares of ₹2 each)	**577.47**	577.44	547.34
(ii) **50,85,02,291** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 50,84,76,704 'A' Ordinary shares of ₹2 each) (as at April 1, 2015: 48,19,66,945 'A' Ordinary shares of ₹2 each)	**101.70**	101.70	96.40
Total	**679.17**	679.14	643.74
(d) Calls unpaid - Ordinary shares **310** Ordinary shares of ₹2 each (₹1 outstanding on each) and **260** Ordinary shares of ₹2 each (₹0.50 outstanding on each) (as at March 31, 2016: 68,490 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each)) (as at April 1, 2015: 68,490 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each))	**(0.00)***	(0.01)	(0.01)
(e) Paid-up (c+d):	**679.17**	679.13	643.73
(f) Forfeited Shares - Ordinary shares	**0.05**	0.05	0.05
Total (e + f)	**679.22**	679.18	643.78

(g) The movement of number of shares and share capital

	Year ended March 31, 2017 (No. of shares)	Year ended March 31, 2017 (₹ in crores)	Year ended March 31, 2016 (No. of shares)	Year ended March 31, 2016 (₹ in crores)
(i) Ordinary shares				
Balance as at April 1	**288,72,03,602**	**577.44**	273,67,13,122	547.34
Add: Rights issue of shares	-	-	15,04,90,480	30.10
Add: Allotment of shares held in abeyance	**1,44,826**	**0.03**	-	-
Balance as at March 31	**288,73,48,428**	**577.47**	288,72,03,602	577.44
(ii) 'A' Ordinary shares				
Balance as at April 1	**50,84,76,704**	**101.70**	48,19,66,945	96.40
Add: Rights issue of shares	-	-	2,65,09,759	5.30
Add: Allotment of shares held in abeyance	**25,587**	**0.00***	-	-
Balance as at March 31	**50,85,02,291**	**101.70**	50,84,76,704	101.70

(h) The entitlements to **4,94,618** Ordinary shares of ₹2 each (as at March 31, 2016 : 6,39,444 Ordinary shares of ₹2 each and as at April 1, 2015 : 4,85,165 Ordinary shares of ₹2 each) and **2,33,819** 'A' Ordinary shares of ₹2 each (as at March 31, 2016: 2,59,406 'A' Ordinary shares of ₹2 each and as at April 1, 2015: 2,38,875 '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.

(i) During the year ended, the Company has allotted 68,180 Ordinary Shares each of ₹2 each, previously unissued on account of unpaid calls.

** amounts less than ₹50,000/-*

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(j) 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.

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

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

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

			As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
			% of Issued share capital	No. of shares	% of Issued share capital	No. of shares	% of Issued share capital	No. of shares
(i)	**Ordinary shares :**							
	(a)	Tata Sons Limited	28.71%	82,89,70,378	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	5.18%	14,94,23,428	6.90%	19,91,44,257	*	*
	(d)	Citibank N.A. as Depository	#	53,04,96,280	#	49,19,64,200	#	58,22,60,190
(ii)	**'A' Ordinary shares :**							
	(a)	HDFC Trustee Company Limited-HDFC Equity Fund	8.19%	4,16,71,282	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
	(c)	Franklin Templeton Mutual Fund	5.96%	3,03,29,225	*	*	*	*

\# held by Citibank, N.A. as depository for American Depository Receipts (ADRs) and Global Depository Receipts (GDRs)

* Less than 5%

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

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

(m) During the year ended March 31, 2016, the Company alloted 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 were kept in abeyance.

Proceeds from the Rights issue have been utilised in the following manner : **(₹ in crores)**

Particulars	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	1,425.73
Issue related expenses	70.00	64.76
Total	7,498.00	7,490.49
Less : Rights Shares held in abeyance	(7.51)	-
Total	7,490.49	7,490.49

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

22. Other components of equity

(a) The movement of Currency translation reserve is as follows:

	Year ended March 31,	
	2017	2016
Balance at the beginning	**4,652.20**	2,945.89
Exchange differences arising on translating the net assets of foreign operations (net)	**(9,647.63)**	1,677.31
Net change in translation reserve - equity accounted investees (net)	**(304.70)**	29.00
Balance at the end	**(5,300.13)**	4,652.20

(b) The movement of Equity instruments through other comprehensive income is as follows:

	Year ended March 31,	
	2017	2016
Balance at the beginning	**(102.70)**	(91.12)
Other comprehensive income/(loss) for the year	**83.44**	68.80
Profit on sale of unquoted equity investment	**-**	(80.38)
Balance at the end	**(19.26)**	(102.70)

(c) The movement of Hedging reserve is as follows:

	Year ended March 31,	
	2017	2016
Balance at the beginning	**(6,152.15)**	(5,278.28)
Gain/(loss) recognised on cash flow hedges	**(23,738.38)**	(1,581.01)
Income tax relating to gain/loss recognized on cash flow hedges	**4,558.18**	273.69
(Gain)/loss reclassified to profit or loss	**10,296.01**	(1,365.57)
Income tax relating to gain/loss reclassified to profit or loss	**(2,059.16)**	277.05
Amounts removed from hedge reserve and recognised in inventory	**(1,020.39)**	1,902.67
Income tax related to amounts removed from hedge reserve and recognised in inventory	**204.26**	(380.70)
Balance at the end	**(17,911.63)**	(6,152.15)

(d) The movement of Cost of Hedging reserve is as follows:

	Year ended March 31,	
	2017	2016
Balance at the beginning	**4.70**	-
Gain/(loss) on cash flow hedges of inventory	**(106.02)**	5.00
Gain/(loss) recognised on cash flow hedges of forecast sales	**9.50**	(0.30)
Income tax relating to gain/loss recognized on cash flow hedges	**17.60**	-
Balance at the end	**(74.22)**	4.70

(e) Summary of Other Components of Equity:

	As at March 31,	
	2017	2016
Currency translation reserve	**(5,300.13)**	4,652.20
Equity instruments through other comprehensive income	**(19.26)**	(102.70)
Hedging reserve	**(17,911.63)**	(6,152.15)
Cost of hedging reserve	**(74.22)**	4.70
Total	**(23,305.24)**	(1,597.95)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

23. Notes to reserves and dividends

Capital redemption reserve

The Indian Companies Act, 2013 (the "Companies Act") requires that where a company purchases its own shares out of free reserves or securities premium account, a sum equal to the nominal value of the shares so purchased shall be transferred to a capital redemption reserve account and details of such transfer shall be disclosed in the balance sheet. The capital redemption reserve account may be applied by the company, in paying up unissued shares of the company to be issued to shareholders of the company as fully paid bonus shares. Tata Motors Limited established this reserve pursuant to the redemption of preference shares issued in earlier years.

Debenture redemption reserve

The Companies Act requires that where a company issues debentures, it shall create a debenture redemption reserve out of profits of the company available for payment of dividend. The company is required to maintain a Debenture Redemption Reserve of 25% of the value of debentures issued, either by a public issue or on a private placement basis. The amounts credited to the debenture redemption reserve may not be utilized by the company except to redeem debentures.

Reserve for research and human resource development

In terms of Article 9 of the Act on Special Taxation Restriction in Korea, Tata Daewoo Commercial Vehicle Company Limited (TDCV, a subsidiary of Tata Motors Limited) is entitled for deferment of tax in respect of expenditures incurred on product development cost subject to fulfillment of certain conditions, by way of deduction from the taxable income, provided that TDCV appropriates an equivalent amount from "Retained Earnings" to "Reserve for Research and Human Resource Development".

The deferment is for a period of three years and from the fourth year onwards one-third of the reserve is offered to tax and an equal amount is then transferred from the reserve to "Retained earnings available for appropriation".

Special reserve

The special reserve represents the reserve created by two subsidiaries of Tata Motors Limited pursuant to the Reserve Bank of India Act, 1934 (the "RBI Act") and related regulations applicable to those companies. Under the RBI Act, a non-banking finance company is required to transfer an amount not less than 20% of its net profit to a reserve fund before declaring any dividend. Appropriation from this reserve fund is permitted only for the purposes specified by the RBI.

Earned surplus reserve

Under the Korean commercial code, TDCV is required to appropriate at least 10% of cash dividend declared each year to a legal reserve until such reserves equal to 50% of capital stock. This reserve may not be utilized for cash dividends, but may only be used to offset against future deficits, if any, or may be transferred to capital stock.

Capital reserve

The capital reserve represents the excess of the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the purchase consideration.

Dividends

The final dividend is recommended by the Board of Directors and is recorded in the books of account upon its approval by the shareholders. For the year ended March 31, 2016, dividend per share of ₹0.20 per Ordinary share of ₹2 each and ₹0.30 per 'A' Ordinary share of ₹2 each was declared.

For the year ended March 31, 2017, considering the losses in the Tata Motors Limited (Standalone), no dividend is permitted to be paid to the Members, as per the Companies Act, 2013 and the Rules framed thereunder.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

24. Long-term borrowings	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured:			
(a) Privately placed Non-Convertible Debentures	**3,045.24**	2,305.16	2,489.41
(b) Collateralized debt obligations	**453.99**	2.72	107.76
(c) Term loans:			
(i) from banks	**4,062.68**	3,169.30	4,453.92
(ii) other parties	**141.84**	120.14	93.55
(d) Finance lease obligations	**54.01**	69.04	90.75
Unsecured:			
(a) Privately placed Non-Convertible Debentures	**8,668.80**	6,455.20	8,505.20
(b) Term loans:			
(i) from banks	**9,475.88**	8,347.23	8,588.17
(ii) other parties	**54.12**	54.82	182.15
(c) Senior notes (note below)	**34,227.81**	29,541.97	30,085.42
(d) Others	**444.81**	444.81	10.81
Total	**60,629.18**	50,510.39	54,607.14

25. Short-term borrowings	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Secured:			
(a) Loans from banks	**4,795.01**	5,612.53	6,544.91
(b) Loans from other parties	**79.77**	98.22	77.06
Unsecured:			
(a) Loans from banks	**733.58**	1,047.29	1,460.13
(b) Loans from other parties	**15.91**	13.78	49.91
(c) Inter corporate deposits from associates	**56.00**	27.00	60.00
(d) Commercial paper	**8,179.67**	4,651.96	4,962.67
Total	**13,859.94**	11,450.78	13,154.68

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Collaterals

Inventory, trade receivables, finance receivables, other financial assets, property, plant and equipment with a carrying amount of ₹**17,105.18 crores**, ₹17,750.01 crores and ₹21,056.59 crores are pledged as collateral/security against the borrowing as at March 31, 2017, 2016 and April 1, 2015 respectively.

Notes :

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

(A) Non convertible debentures

(i) 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.

(ii) Privately placed non-convertible debentures amounting to ₹2,345.24 crores are fully secured by :

(a) First pari passu charge on residential flat of Sheba Properties Limited (SPL), an indirect subsidiary of the Company

(b) Pari passu charge is created in favour of debenture trustee on :
- All receivables of SPL arising out of loan and lease transactions,
- All book debts, trade advances forming part of movable property of SPL.

(c) Any other security as identified by SPL and acceptable to the debenture trustee.

(B) Collateralized debt obligations

Collateralised debt obligation represent amount received against finance receivables securitised/assigned, which does not qualify for derecognition.

(C) Loan from banks/financial institution

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

(ii) The term loan of ₹581 crores is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2037, 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.

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

(D) Senior notes (Euro MTF listed debt)

The senior notes of Jaguar Land Rover Automotive Plc (JLR) are listed on the Euro MTF market, which is a listed market regulated by the Luxembourg Stock Exchange.

Details of the tranches of the senior notes outstanding at March 31, 2017 are as follows: **(₹ in crores)**

Schedule of repayment of Senior notes :	Currency	Amount (in million)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5.625% Senior Notes due 2023	USD	500	**3,209.63**	3,291.85	3,093.63
3.875% Senior Notes due 2023	GBP	400	**3,210.84**	3,781.40	3,660.02
5.000% Senior Notes due 2022	GBP	400	**3,202.76**	3,784.60	3,662.96
8.125% Senior Notes due 2021	USD	84	**-**	550.32	517.07
8.25% Senior Notes due 2020	GBP	58	**-**	-	534.98
3.50% Senior Notes due 2020	USD	500	**3,229.86**	3,298.02	3,093.06
4.125% Senior Notes due 2018	USD	700	**4,518.52**	4,647.45	4,357.61
4.25% Senior Notes due 2019	USD	500	**3,231.48**	3,300.66	3,101.33
2.750% Senior Notes due 2021	GBP	300	**2,406.52**	-	-
2.200% Senior Notes due 2024	EUR	650	**4,466.88**	-	-
			27,476.49	22,654.30	22,020.66

Senior notes (SGX-ST listed debt)

The senior notes of Tata Motors Limited and TML Holdings Pte Ltd are listed on the SGX-ST market, which is a listed market regulated by the Singapore Stock Exchange.

Details of the tranches of the senior notes outstanding at March 31, 2017 are as follows:

Schedule of repayment of Senior notes :	Currency	Amount (in million)	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
5.750% Senior Notes due 2024	USD	250	**1,595.81**	1,641.25	1,544.97
5.75% Senior Notes due 2021	USD	300	**1,924.98**	1,963.91	1,855.71
4.625% Senior Notes due 2020	USD	500	**3,230.53**	3,282.51	3,089.94
4.25% Senior Notes due 2018	SGD	350	**-**	-	1,574.14
			6,751.32	6,887.67	8,064.76

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

26. Other financial liabilities – non-current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deferred payment liability	-	70.08	126.41
(b) Derivative financial instruments	**11,259.57**	7,744.11	7,721.94
(c) Interest accrued but not due on borrowings	-	4.65	25.76
(d) Liability towards employee separation scheme	**72.36**	77.72	89.42
(e) Others	**77.65**	47.18	31.32
Total	**11,409.58**	7,943.74	7,994.85

27. Other financial liabilities – current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Current maturities of long-term borrowings (refer note below)	**4,114.86**	7,398.79	4,949.04
(b) Interest accrued but not due on borrowings	**943.24**	965.75	1,003.77
(c) Liability towards vehicles sold under repurchase arrangements	**2,828.38**	2,550.44	1,820.60
(d) Liability for capital expenditure	**3,120.40**	3,503.13	4,605.24
(e) Deposits and retention money	**201.50**	219.11	211.21
(f) Derivative financial instruments	**14,257.95**	6,482.30	6,445.95
(g) Deferred payment liability	**70.08**	64.50	59.75
(h) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	**27.75**	33.19	40.50
(i) Others	**70.67**	64.39	36.95
Total	**25,634.83**	21,281.60	19,173.01

Notes:

Current maturities of long-term borrowings consist of :

(i)	Privately placed Non-Convertible Debentures	**2,802.30**	2,371.37	1,778.16
(ii)	Collateralised debt obligation	**573.39**	37.34	509.04
(iii)	Finance lease obligation	**22.13**	57.22	57.18
(iv)	Term loans from banks and others	**717.04**	4,932.86	2,604.66
		4,114.86	7,398.79	4,949.04

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

28. Provisions	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Non-current			
(a) Employee benefits obligations	**732.97**	735.52	881.17
(b) Product warranty	**7,360.69**	6,797.36	5,605.16
(c) Legal and product liability	**217.02**	-	-
(d) Provision for residual risk	**219.07**	123.42	142.55
(e) Provision for environmental liability	**178.00**	222.15	244.88
(f) Annual maintenance contract	**16.66**	9.99	12.57
(g) Other provisions	**280.05**	2.57	51.94
Total - Non-current	**9,004.46**	7,891.01	6,938.27
Current			
(a) Employee benefits obligations	**68.93**	219.17	216.76
(b) Product warranty	**4,670.64**	4,719.07	4,373.28
(c) Legal and product liability	**605.15**	758.37	274.85
(d) Provision for residual risk	**54.80**	57.42	42.72
(e) Provision for environmental liability	**96.58**	68.99	44.18
(f) Annual maintenance contract	**33.73**	17.79	16.29
(g) Other provisions	**277.93**	3.70	1.04
Total - Current	**5,807.76**	5,844.51	4,969.12

Note

Provision movement

	Year ended March 31,2017			
	Product warranty	Legal and product liability	Provision for residual risk	Provision for environmental liability
Balance at the beginning	**11,516.43**	**758.37**	**180.84**	**291.14**
Provision made/(reversal) during the year	**7,758.65**	**347.72**	**155.16**	**29.82**
Provision used during the year	**(5,627.93)**	**(161.30)**	**(44.71)**	**-**
Impact of discounting	**199.10**	**-**	**-**	**-**
Impact of foreign exchange translation	**(1,814.92)**	**(122.62)**	**(17.42)**	**(46.38)**
Balance at the end	**12,031.33**	**822.17**	**273.87**	**274.58**
Current	**4,670.64**	**605.15**	**54.80**	**96.58**
Non-current	**7,360.69**	**217.02**	**219.07**	**178.00**

29. Other non-current liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Deferred revenue (refer note below)	**5,161.37**	4,092.74	2,570.16
(b) Employee benefits obligations	**11,984.02**	5,547.24	8,255.12
(c) Others	**247.17**	246.57	122.72
Total	**17,392.56**	9,886.55	10,948.00

30. Other current liabilities	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(a) Liability for advances received	**1,711.15**	2,164.71	2,289.92
(b) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	**2,658.93**	2,443.43	1,830.50
(c) Deferred revenue (refer note below)	**1,764.98**	1,517.14	777.17
(d) Others	**266.78**	61.94	207.66
Total	**6,401.84**	6,187.22	5,105.25

Note:

Deferred revenue include:

- **₹227.92 crores** as at March 31, 2017 (₹249.22 crores as at March 31, 2016 and ₹235.19 crores as at April 1, 2015) grants relating to property, plant and equipment relate to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.
- **₹2,047.24 crores** as at March 31, 2017 (₹1,765.87 crores as at March 31, 2016 and ₹1,007.69 crores as at April 1, 2015) relating to Research and Development Expenditure Credit (RDEC) on qualifying expenditure incurred since April 1, 2013.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

31. Income from Operations	Year ended March 31, 2017	2016
(a) Sale of products (including excise duty) (Note below)	**2,67,071.80**	2,70,642.65
(b) Sale of services	**1,727.27**	1,292.42
(c) Finance revenues	**2,429.23**	2,240.03
(d) Other operating revenues	**3,263.82**	3,485.49
Total	**2,74,492.12**	2,77,660.59

32. Other income	Year ended March 31, 2017	2016
(a) Interest income	**562.21**	718.98
(b) Dividend income	**10.51**	53.36
(c) Profit on sale of investments at FVTPL	**176.14**	101.00
(d) MTM-Investments measured at FVTPL	**5.68**	12.01
Total	**754.54**	885.35
Note: Includes exchange gain/(loss) (net) on hedges reclassified from hedging reserve to statement of profit and loss	**(9,928.70)**	1,365.57

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

33. Employee benefits expense	Year ended March 31, 2017	2016
(a) Salaries, wages and bonus	**22,409.51**	22,273.90
(b) Contribution to provident fund and other funds	**2,826.23**	3,412.72
(c) Staff welfare expenses	**3,097.15**	3,194.27
Total	**28,332.89**	28,880.89

A subsidiary of the Company operates a Long Term Incentive Plan (LTIP) arrangement for certain employees. The scheme provides a cash payment to the employee based on a specific number of phantom shares at grant and the share price of Tata Motors Limited at the vesting date. The cash payment is dependent upon continued employment for the duration of the 3 year vesting period. The cash payment has no exercise price and therefore the weighted average exercise price in all cases is ₹ Nil. The fair value of the awards is calculated using a Black-Scholes model at the grant date. The fair value is updated at each reporting date as the awards are accounted for as cash-settled plan. The inputs into the model are based on the Tata Motors Limited historic data, the risk-free rate and the weighted average fair value of shares, in the scheme at the reporting date. The amount expensed in relation to the LTIP was ₹**70.13 crores** and ₹29.59 crores for the years ended March 31, 2017 and 2016, respectively. The Company considers these amounts as not material and accordingly has not provided further disclosures.

34. Finance costs	Year ended March 31, 2017	2016
(a) Interest	**4,778.68**	5,281.50
Less: Transferred to capital account*	**(1,294.10)**	(1,161.39)
	3,484.58	4,120.11
(b) Discounting charges	**753.43**	768.97
Total	**4,238.01**	4,889.08

Represents borrowing costs capitalized during the year on qualifying assets (property plant and equipment and product development).

The weighted average rate for capitalization of interest relating to general borrowings was approximately **4.4%** and 6.3% for the years ended March 31, 2017 and 2016, respectively.

35. Other expenses	Year ended March 31, 2017	2016
(a) Processing charges	**1,172.03**	1,110.68
(b) Consumption of stores & spare parts	**2,419.11**	2,096.19
(c) Power and fuel	**1,159.82**	1,143.63
(d) Information technology/computer expenses	**2,202.51**	2,379.90
(e) Engineering expenses	**4,273.72**	6,514.76
(f) MTM gain/(loss) on commodity derivatives	**918.40**	(1,155.53)
(g) Warranty and product liability expenses	**8,106.37**	6,791.49
(h) Freight, transportation, port charges etc.	**9,754.71**	9,754.67
(i) Publicity	**8,698.68**	8,768.46
(j) Allowances for trade and other receivables	**132.93**	664.66
(k) Allowances for finance receivables	**(28.15)**	220.96
(l) Works operation and other expenses	**16,619.93**	17,393.88
Total	**55,430.06**	55,683.75

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

36. Employee benefits

Defined Benefit Plan

Pension and post retirement medical plans

The following table sets out the funded and unfunded status and the amounts recognized in the financial statements for the pension and the post retirement medical plans in respect of Tata Motors, its Indian subsidiaries and joint operations:

(₹ in crores)

	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Change in defined benefit obligations :				
Defined benefit obligation, beginning of the year	**923.86**	901.81	**160.05**	155.66
Current service cost	**65.71**	64.26	**8.19**	7.68
Interest cost	**69.51**	66.96	**12.33**	12.18
Remeasurements (gains)/losses				
Actuarial (gains)/losses arising from changes in demographic assumptions	**(0.96)**	1.46	**2.17**	-
Actuarial (gains)/losses arising from changes in financial assumptions	**16.01**	3.87	**21.82**	7.84
Actuarial (gains)/losses arising from changes in experience adjustments	**(6.50)**	6.17	**(10.46)**	(16.53)
Benefits paid from plan assets	**(77.89)**	(114.91)	**-**	-
Benefits paid directly by employer	**(8.98)**	(5.76)	**(10.24)**	(6.78)
Defined benefit obligation, end of the year	**980.76**	923.86	183.86	160.05
Change in plan assets:				
Fair value of plan assets, beginning of the year	**799.69**	789.13	**-**	-
Interest income	**60.05**	60.10	**-**	-
Remeasurements gains/(losses)				
Return on plan assets, (excluding amount included in net Interest expense)	**26.41**	20.34	**-**	-
Employer's contributions	**33.52**	45.03	**-**	-
Benefits paid	**(77.89)**	(114.91)	**-**	-
Fair value of plan assets, end of the year	**841.78**	799.69	**-**	-

	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Amount recognized in the balance sheet consists of:						
Present value of defined benefit obligation	**980.76**	923.86	901.81	**183.86**	160.05	155.66
Fair value of plan assets	**841.78**	799.69	789.13	**-**	-	-
Net liability	**(138.98)**	(124.17)	(112.68)	**(183.86)**	(160.05)	(155.66)
Amounts in the balance sheet:						
Non–current assets	**6.55**	4.91	10.85	**-**	-	-
Non–current liabilities	**(145.53)**	(129.08)	(123.53)	**(183.86)**	(160.05)	(155.66)
Net liability	**(138.98)**	(124.17)	(112.68)	**(183.86)**	(160.05)	(155.66)

Total amount recognized in other comprehensive income consists of:

	Pension benefits		Post retirement medical benefits	
	As at March 31,			
	2017	2016	**2017**	2016
Remeasurements (gains)/losses	**(26.70)**	(8.84)	**4.84**	(8.69)
	(26.70)	(8.84)	**4.84**	(8.69)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Information for funded plans with a defined benefit obligation in excess of plan assets:

(₹ in crores)

	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Defined benefit obligation	**795.37**	754.99	733.59
Fair value of plan assets	**757.55**	729.55	705.75

Information for funded plans with a defined benefit obligation less than plan assets:

	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Defined benefit obligation	**77.69**	65.27	72.54
Fair value of plan assets	**84.23**	70.14	83.38

Information for unfunded plans:

	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Defined benefit obligation	**107.70**	103.60	95.68	**183.86**	160.05	155.66

Net pension and post retirement medical cost consist of the following components:

	Pension benefits		Post retirement medical benefits	
	Year ended March 31,			
	2017	2016	**2017**	2016
Service cost	**65.71**	64.26	**8.19**	7.68
Net interest cost/(income)	**9.46**	6.86	**12.33**	12.18
Net periodic cost	**75.17**	71.12	**20.52**	19.86

Other changes in plan assets and benefit obligation recognized in other comprehensive income :

	Pension benefits		Post retirement medical benefits	
	Year ended March 31,			
	2017	2016	**2017**	2016
Remeasurements				
Return on plan assets, (excluding amount included in net Interest expense)	**(26.41)**	(20.34)	**-**	-
Actuarial (gains)/losses arising from changes in demographic assumptions	**(0.96)**	1.46	**2.17**	-
Actuarial (gains)/losses arising from changes in financial assumptions	**16.01**	3.87	**21.82**	7.84
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	**(6.50)**	6.17	**(10.46)**	(16.53)
Total recognized in other comprehensive income	**(17.86)**	(8.84)	**13.53**	(8.69)
Total recognized in Statement of Profit and Loss and other comprehensive income	**57.31**	62.28	**34.05**	11.17

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The assumptions used in accounting for the pension and post retirement medical plans are set out below:

	Pension benefits			Post retirement medical benefits		
	As at March 31,		As at April 1,	As at March 31,		As at April 1,
	2017	2016	2015	**2017**	2016	2015
Discount rate	**6.75%-7.50%**	6.75%-8.00%	6.75%-8.00%	**7.30%**	8.00%	8.00%
Rate of increase in compensation level of covered employees	**4.00% -11.00%**	5.00% - 12.00%	5.00% - 11.00%	**NA**	NA	NA
Increase in health care cost	**NA**	NA	NA	**6.00%**	6.00%	6.00%

Plan Assets

The fair value of Company's pension plan asset as at March 31, 2017, 2016 and April 1, 2015 by category are as follows:

	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Asset category:	**1%**	2%	6%
Cash and cash equivalents	**72%**	77%	67%
Debt instruments (quoted)	**5%**	1%	6%
Debt instruments (unquoted)	**1%**	1%	0%
Equity instruments (quoted)	**21%**	19%	21%
Deposits with Insurance companies	**100%**	100%	100%

The Company's policy is driven by considerations of maximizing returns while ensuring credit quality of the debt instruments. The asset allocation for plan assets is determined based on investment criteria prescribed under the Indian Income Tax Act, 1961, and is also subject to other exposure limitations. The Company evaluates the risks, transaction costs and liquidity for potential investments. To measure plan asset performance, the Company compares actual returns for each asset category with published benchmarks.

The weighted average duration of the defined benefit obligation as at March 31, 2017 is **16.06 years** (2016 : 15.64 years, 2015 : 16.01 years).

The Company expects to contribute **₹70.92 crores** to the funded pension plans in FY 2017-18.

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation and health care cost:

Assumption	**Change in assumption**	**Impact on defined benefit obligation**	**Impact on service cost and interest cost**
Discount rate	Increase by 1%	Decrease by ₹93.84 crores	Decrease by ₹20.65 crores
	Decrease by 1%	Increase by ₹108.63 crores	Increase by ₹22.14 crores
Salary escalation rate	Increase by 1%	Increase by ₹77.45 crores	Increase by ₹19.40 crores
	Decrease by 1%	Decrease by ₹68.09 crores	Decrease by ₹16.76 crores
Health care cost	Increase by 1%	Increase by ₹24.91 crores	Increase by ₹6.02 crores
	Decrease by 1%	Decrease by ₹22.01 crores	Decrease by ₹4.96 crores

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Severance indemnity plan

Severance indemnity is a funded plan of Tata Daewoo Commercial Vehicles Limited (TDCV), a subsidiary of Tata Motors Limited.

The following table sets out, the amounts recognized in the financial statements for the severance indemnity plan.

(₹ in crores)

	As at March 31,	
	2017	2016
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	**333.92**	330.72
Service cost	**48.62**	55.53
Interest cost	**6.34**	7.61
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in financial assumptions	**(15.65)**	(65.32)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	**(19.53)**	(4.09)
Actuarial (gains)/losses arising from changes in demographic assumption on plan liabilities	**-**	3.31
Benefits paid from plan assets	**(4.26)**	(2.11)
Benefits paid directly by employer	**(1.35)**	(1.20)
Foreign currency translation	**0.17**	9.47
Defined benefit obligation, end of the year	**348.26**	333.92
Change in plan assets:		
Fair value of plan assets, beginning of the year	**261.76**	202.51
Interest income	**5.58**	5.24
Remeasurements gain/(loss)		
Return on plan assets, (excluding amount included in net Interest expense)	**(2.54)**	(1.93)
Employer's contributions	**64.64**	50.95
Benefits paid	**(4.68)**	(2.11)
Foreign currency translation	**(0.23)**	7.10
Fair value of plan assets, end of the year	**324.53**	261.76

	As at March 31,		As at April 1,
	2017	2016	2015
Amount recognized in the balance sheet consist of:			
Present value of defined benefit obligation	**348.26**	333.92	330.72
Fair value of plan assets	**324.53**	261.76	202.51
Net liability	**(23.73)**	(72.16)	(128.21)
Amounts in the balance sheet:			
Non- current liabilities	**(23.73)**	(72.16)	(128.21)

Total amount recognized in other comprehensive income for severance indemnity consists of:

	As at March 31,	
	2017	2016
Remeasurements (gains)/losses	**(96.81)**	(64.17)
	(96.81)	(64.17)

Net severance indemnity cost consist of the following components:

(₹ in crores)

	Year ended March 31, 2017	2016
Service cost	**48.62**	55.53
Net interest cost	**0.76**	2.37
Net periodic pension cost	**49.38**	57.90

Other changes in plan assets and benefit obligation recognized in other comprehensive income for severance indemnity plan:

	Year ended March 31, 2017	2016
Remeasurements (gains)/losses		
Return on plan assets, (excluding amount included in net Interest expense)	**2.54**	1.93
Actuarial (gains) / losses arising from changes in financial assumptions	**(15.65)**	(65.32)
Actuarial (gains) / losses arising from changes in experience adjustments on plan liabilities	**(19.53)**	(4.09)
Actuarial (gains) / losses arising from changes in demographic assumptions	**-**	3.31
Total recognized in other comprehensive income	**(32.64)**	(64.17)
Total recognized in Statement of Profit and Loss and other comprehensive income	**16.74**	(6.27)

The assumptions used in accounting for the Severance indemnity plan is set out below:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Discount rate	**2.30%**	1.90%	2.30%
Rate of increase in compensation level of covered employees	**3.00%**	3.00%	5.00%

The table below outlines the effect on the service cost, the interest cost and the defined benefit obligation in the event of a decrease/increase of 1% in the assumed rate of discount rate, salary escalation rate:

Assumption	Change in assumption	Impact on scheme liabilities	Impact on service cost and interest cost
Discount rate	Increase by 1%	Decrease by ₹34.81 crores	Decrease by ₹10.58 crores
	Decrease by 1%	Increase by ₹40.81 crores	Increase by ₹11.75 crores
Salary escalation rate	Increase by 1%	Increase by ₹40.10 crores	Increase by ₹12.57 crores
	Decrease by 1%	Decrease by ₹34.91 crores	Decrease by ₹10.78 crores

Severance indemnity plans asset allocation by category is as follows:

	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Deposit with banks	**100%**	100%	100%

The weighted average duration of the defined benefit obligation as at March 31, 2017 is **10.85 years** (2016 : 11.80 years, 2015 : 12.60 years)

The Company expects to contribute ₹**22.03 crores** to the funded severance indemnity plans in FY 2017-18

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Jaguar Land Rover Pension plan

Jaguar Land Rover Ltd UK, has pension arrangements providing employees with defined benefits related to pay and service as set out in the rules of each fund. The UK defined benefit schemes are administered by a separate fund that is legally separated from the Company. The trustees of the pension schemes are required by law to act in the interest of the fund and of all relevant stakeholders in the scheme and are responsible for the investment policy with regard to the assets of the schemes and all other governance matters. The board of trustees must be composed of representatives of the Company and plan participants in accordance with the plan's regulations.

Through its defined benefit pension plans the Company is exposed to a number of risks, the most significant of which are detailed below :

Asset volatility

The plan liabilities are calculated using a discount rate set with references to corporate bond yields; if plan assets under perform compared to the corporate bonds discount rate, this will create or increase a deficit. The defined benefit plans hold a significant proportion of equity type assets, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

As the plans mature, the Company intends to reduce the level of investment risk by investing more in assets that better match the liabilities.

However, the Company believes that due to the long-term nature of the plan liabilities and the strength of the supporting group, a level of continuing equity type investments is an appropriate element of the Company's long term strategy to manage the plans efficiently.

Changes in bond yields

A decrease in corporate bond yields will increase plan liabilities, although this is expected to be partially offset by an increase in the value of the plans' bond holdings and interest rate hedging instruments.

Inflation risk

Some of the Company's pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation). The plans hold a significant proportion of assets in index linked gilts, together with other inflation hedging instruments and also assets which are more closely correlated with inflation. However an increase in inflation will also increase the deficit to some degree.

Life expectancy

The majority of the plan's obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plan's liabilities. This is particularly significant in the UK defined benefit plans, where inflationary increases result in higher sensitivity to changes in life expectancy.

The following table sets out the disclosure pertaining to employee benefits of Jaguar Land Rover Limited

(₹ in crores)

	Pension benefits	
	As at March 31,	
	2017	2016
Change in defined benefit obligation:		
Defined benefit obligation, beginning of the year	**73,179.07**	72,869.15
Service cost	**1,735.73**	2,212.58
Interest cost	**2,410.74**	2,589.71
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	**(666.24)**	(356.02)
Actuarial (gains)/losses arising from changes in financial assumptions	**20,469.33**	(5,614.53)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	**(1,867.22)**	625.26
Past service cost	**-**	1.38
Plan curtailment	**-**	-
Plan settlement	**-**	-
Plan combinations	**-**	-
Benefits paid	**(1,972.42)**	(1,629.23)
Member contributions	**17.53**	16.37
Foreign currency translation	**(12,638.83)**	2,464.40
Defined benefit obligation, end of the year	**80,667.69**	73,179.07
Change in plan assets:		
Fair value of plan assets, beginning of the year	**67,803.30**	64,689.55
Interest Income	**2,261.71**	2,299.76
Remeasurements gains/(losses)		
Return on plan assets, (excluding amount included in net Interest expense)	**10,072.49**	(507.90)
Plan settlement		-
Employer's contributions	**1,989.95**	885.82
Members contributions	**17.53**	16.37
Plan settlement	**-**	-
Benefits paid	**(1,972.42)**	(1,629.23)
Expenses paid	**(78.90)**	(82.45)
Foreign currency translation	**(11,248.17)**	2,131.38
Fair value of plan assets, end of the year	**68,845.49**	67,803.30

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	Pension benefits		
	Year ended March 31,		As at April 1,
	2017	2016	2015
Amount recognized in the balance sheet consist of:			
Present value of defined benefit obligation	**80,667.69**	73,179.07	72,869.15
Fair value of plan Assets	**68,845.49**	67,803.30	64,689.55
Surplus/(deficit)	**(11,822.20)**	(5,375.77)	(8,179.60)
Restriction of pension asset	-	(17.18)	(3.51)
Net liability	**(11,822.20)**	(5,392.95)	(8,183.11)
Amount recognized in the balance sheet consist of:			
Non-current assets	**3.81**	4.10	3.61
Non-current liabilities	**(11,826.01)**	(5,397.04)	(8,186.72)
Net liability	**(11,822.20)**	(5,392.94)	(8,183.11)

Total amount recognized in other comprehensive income:

	Pension benefits	
	As at March 31,	
	2017	2016
Remeasurements (gains)/losses	**3,018.32**	(4,827.53)
	3,018.32	(4,827.53)

Net pension and post retirement cost consist of the following components:

	Pension benefits	
	Year ended March 31,	
	2017	2016
Current service cost	**1,735.73**	2,212.58
Past service cost	**-**	1.38
Administrative expenses	**78.90**	82.45
Interest cost on Onerous obligations	**-**	0.10
Net interest cost/(income)	**149.03**	289.95
Net periodic pension cost	**1,963.66**	2,586.46

Amount recognized in other comprehensive income

	Pension benefits	
	Year ended March 31,	
	2017	2016
Remeasurements (gains)/losses		
Actuarial (gains)/losses arising from changes in demographic assumptions	**(666.24)**	(356.02)
Actuarial (gains)/losses arising from changes in financial assumptions	**20,469.33**	(5,614.53)
Actuarial (gains)/losses arising from changes in experience adjustments on plan liabilities	**(1,867.22)**	625.26
Return on plan assets, (excluding amount included in net Interest expense)	**(10,072.49)**	507.90
Change in onerous obligation, excluding amounts included in interest expenses	**(17.53)**	9.86
Total recognized in other comprehensive income	**7,845.85**	(4,827.53)
Total recognized in Statement of Profit and Loss and other comprehensive income	**9,809.51**	(2,241.07)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The assumptions used in accounting for the pension plans are set out below:

	Pension benefits		
	As at March 31,		As at April 1,
	2017	2016	2015
Discount rate	**2.60%**	3.60%	3.40%
Expected rate of increase in compensation level of covered employees	**3.70%**	3.50%	3.60%
Inflation increase	**3.20%**	3.00%	3.10%
The assumed life expectations on retirement at age 65 are (years)			
Retiring today :			
Males	**21.50**	21.50	21.40
Females	**24.50**	24.40	23.90
Retiring in 20 years :			
Males	**23.30**	23.20	23.10
Females	**26.30**	26.20	25.80

For the valuation as at March 31, 2017 and 2016, the mortality assumptions used are the SAPS base table, in particular S2NxA tables and the Light table for members of the Jaguar Executive Pension Plan. A scaling factor of 120% for males and 110% for females has been used for the Jaguar Pension Plan, 115% for males and 105% for females for the Land Rover Pension Scheme and 95% for males and 85% for females for Jaguar Executive Pension Plan.

For the valutation as at March 31, 2015, the mortality assumptions used are the SAPS base table, in particular S1NxA tables and the Light table for members of the Jaguar Executive Pension Plan. A scaling factor of 115% has been used for the Jaguar Pension Plan, 110% for the Land Rover Pension Scheme, and 105% for males and 90% for females for Jaguar Executive Pension Plan.

There is an allowance for future improvements in line with the CMI (2014) projections and an allowance for long-term improvements of 1.25% per annum (2016,2015: CMI(2014) projections with 1.25% per annum improvements).

The Company noted that on March 27, 2017, a new mortality projection model (CMI (2016)) was released which potentially indicated a small reduction in longevity of, on average, 0.5 years compared to current assumptions. The Company considered adopting the new mortality tables and noted that there was uncertainty about the appropriate level of initial mortality improvements both for the general population and when applying the model to other populations. On this basis, following discussion with and recommendation by the Company's pension advisor, it is considered that the CMI (2014) mortality tables represent the Company's best estimate of the future longevity of its defined benefit schemes' members both during and after employment as at March 31, 2017.

Pension plans asset allocation by category is as follows:

(₹ in crores)

	As at March 31,						As at April 1,		
	2017			2016			2015		
	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total	Quoted*	Unquoted	Total
Equity Instruments									
Information Technology	**1,149.04**	**-**	**1,149.04**	1,193.15	-	1,193.15	1,090.90	-	1,090.90
Energy	**493.60**	**-**	**493.60**	505.90	-	505.90	647.14	-	647.14
Manufacturing	**841.55**	**-**	**841.55**	935.43	-	935.43	887.51	-	887.51
Financials	**1,327.06**	**-**	**1,327.06**	1,699.05	-	1,699.05	1,701.06	-	1,701.06
Others	**3,649.43**	**-**	**3,649.43**	4,174.79	-	4,174.79	3,858.20	-	3,858.20
	7,460.68	**-**	**7,460.68**	8,508.32	-	8,508.32	8,184.81	-	8,184.81
Debt Instruments									
Government	**23,709.13**	**-**	**23,709.13**	24,722.15	-	24,722.15	24,951.95	110.94	25,062.89
Corporate Bonds (Investment Grade)	**161.84**	**16,758.23**	**16,920.07**	1,508.15	13,945.58	15,453.73	351.31	11,075.37	11,426.68
Corporate Bonds (Non Investment Grade)	**995.30**	**3,350.03**	**4,345.33**	1,574.96	2,672.66	4,247.63	499.22	4,400.57	4,899.79
	24,866.27	**20,108.26**	**44,974.53**	27,805.26	16,618.25	44,423.51	25,802.48	15,586.88	41,389.36
Property Funds									
UK	**-**	**1,537.45**	**1,537.45**	639.54	1,097.70	1,737.24	1,211.08	1,044.67	2,255.75
Other	**-**	**1,262.33**	**1,262.33**	725.44	458.17	1,183.61	480.73	157.17	637.90
	-	**2,799.78**	**2,799.78**	1,364.98	1,555.87	2,920.85	1,691.81	1,201.84	2,893.65
Cash and Cash equivalents	**752.54**	**-**	**752.54**	1,622.69	-	1,622.69	1,201.83	-	1,201.83

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(₹ in crores)

	As at March 31,						As at April 1,		
	2017			2016			2015		
Other									
Hedge Funds	**-**	**3,261.02**	**3,261.02**	-	3,560.37	3,560.37	-	3,624.00	3,624.00
Private Markets	**-**	**1,407.98**	**1,407.98**	-	763.62	763.62	-	517.71	517.71
Alternatives	**2,646.04**	**3,066.81**	**5,712.85**	3,312.19	839.98	4,152.17	1,571.63	1,349.75	2,921.38
	2,646.04	**7,735.81**	**10,381.85**	3,312.19	5,163.97	8,476.16	1,571.63	5,491.46	7,063.09
Derivatives									
Foreign exchange contracts	**-**	**137.56**	**137.56**	-	(85.91)	(85.91)	-	(120.18)	(120.18)
Interest Rate and inflation	**-**	**9,159.98**	**9,159.98**	-	5,498.05	5,498.05	-	4,076.99	4,076.99
	-	**9,297.54**	**9,297.54**	-	5,412.14	5,412.14	-	3,956.81	3,956.81
Collateralized debt obligations	**-**	**(6,821.43)**	**(6,821.43)**	-	(3,560.37)	(3,560.37)	-	-	-
	-	**(6,821.43)**	**(6,821.43)**	-	(3,560.37)	(3,560.37)	-	-	-
Total	**35,725.53**	**33,119.96**	**68,845.49**	42,613.44	25,189.86	67,803.30	38,452.56	26,236.99	64,689.55

* determined on the basis of quoted prices for identical assets or liabilities in active markets.

As at March 31, 2017 and 2016, the schemes held Gilt Repos, reflected as a collateralized debt obligation.

The split of Level 1 assets is 66% (2016: 63%, 2015: 59%), Level 2 assets 27% (2016: 31%, 2015: 37%) and Level 3 assets 7% (2016: 6%, 2015: 4%). Private market holdings are classified as Level 3 instruments. Included in the value for Interest Rate and Inflation derivatives are Repo transactions, as noted above.

The sensitivity analysis below is based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same methods (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the consolidated balance sheet.

Assumption	Change in assumption	Impact on defined benefit obligation	Impact on service cost and interest cost
Discount rate	Increase/decrease by 0.25%	Decrease/increase by ₹4,474.80 crores	Decrease/increase by ₹113.96 crores
Inflation rate	Increase/decrease by 0.25%	Increase/decrease by ₹3,997.38 crores	Increase/decrease by ₹113.96 crores
Mortality rate	Increase/decrease by 1 year	Increase/decrease by ₹2,314.27 crores	Increase/decrease by ₹61.36 crores

Jaguar Land Rover contributes towards the UK defined benefit schemes. Following the April 5, 2015 valuations, it is intended to eliminate the pension scheme funding deficits over the 10 years following the valuation date. As at March 31, 2017, there is no additional liability; however, following the changes to the defined benfit schemes' rules in April 2017, an additional obligation may arise in the future. The current agreed contribution rate for defined benefit accrual is 31% of pensionable salaries in the UK. Deficit contribution levels remain in line with prior expectation for 2016-18 and then increase to ₹508.45 crores per annum to March 2025.

The average duration of the benefit obligation as at March 31, 2017 is **21.60 years** (2016: 20.5 years, 2015: 23.5 years).

On April 3, 2017, Jaguar Land Rover Automotive Plc approved and communicated to its Defined Benefit scheme members that the defined benefit scheme rules were to be amended with effect from April 6, 2017 so that, amongst other changes, retirement benefits will be calculated on a career average basis rather than based upon a member's final salary at retirement. These changes were effective from April 6, 2017 and as a result of the re-measurement of the scheme's liabilities, a past service credit of approximately GBP 437 million (₹3,536.14 crores) has arisen and will be recognised in quarter ended June 30, 2017.

Excluding this past service credit but allowing for the new benefit structure effective April 6, 2017, the expected net periodic pension cost for the year ended March 31, 2018 is ₹2,182.81 crores. The Company expects to pay ₹2,647.43 crores to its defined benefit schemes in the year ended March 31, 2018.

DEFINED CONTRIBUTION PLAN

The Company's contribution to defined contribution plans aggregated **₹754.95 crores**, ₹676.85 crores for years ended March 31, 2017 and 2016, respectively.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

37. Commitments and contingencies

In the ordinary course of business, the Company faces claims and assertions by various parties. The Company assesses such claims and assertions and monitors the legal environment on an ongoing basis, with the assistance of external legal counsel, wherever necessary. 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.

The following is a description of claims and assertions where a potential loss is possible, but not probable. The Company believes that none of the contingencies described below would have a material adverse effect on the Company's financial condition, results of operations or cash flows.

Litigation

The Company is involved in legal proceedings, both as plaintiff and as defendant. There are claims which the Company does not believe to be of material nature, other than those described below.

Income Tax

The Company has ongoing disputes with Income Tax Authorities relating to tax treatment of certain items. These mainly include disallowed expenses, the tax treatment of certain expenses claimed by the Company as deductions and the computation of, or eligibility of, the Company's use of certain tax incentives or allowances.

Most of these disputes and/or disallowances, being repetitive in nature, have been raised by the income tax authorities consistently in most of the years.

The Company has a right of appeal to the Commissioner of Income Tax (Appeals), or CIT (A), the Dispute Resolution Panel, or DRP, and to the Income Tax Appellate Tribunal, or ITAT, against adverse decisions by the assessing officer, DRP or CIT (A), as applicable. The income tax authorities have similar rights of appeal to the ITAT against adverse decisions by the CIT (A) or DRP. The Company has a further right of appeal to the High Court of Bombay or Supreme Court against adverse decisions by the appellate authorities for matters involving substantial question of law. The income tax authorities have similar rights of appeal.

As at March 31, 2017, there are matters and/or disputes pending in appeal amounting to ₹**158.61 crores**, which includes ₹**2.18 crores** in respect of equity accounted investees (₹134.08 crores, which includes ₹7.47 crores in respect of equity accounted investees as at March 31, 2016 and ₹134.55 crores, which includes ₹15.70 crores in respect of equity accounted investees as at April 1, 2015).

Customs, Excise Duty and Service Tax

As at March 31, 2017, there was pending litigation for various matters relating to customs, excise duty and service taxes involving demands, including interest and penalties, of ₹**1,464.22 crores**, which includes ₹**5.99 crores** in respect of equity accounted investees (₹1,421.88 crores, which includes ₹6.63 crores in respect of equity accounted investees, as at March 31, 2016 and ₹1465.10 crores, which includes ₹6.14 crores in respect of equity accounted investees, as at April 1, 2015). These demands challenged the basis of valuation of the Company's products and denied the Company's claims of Central Value Added Tax, or CENVAT, credit on inputs. The details of the demands for more than ₹20 crores are as follows:

As at March 31, 2017, the Excise Authorities had denied a CENVAT credit of ₹**29.43 crores** and imposed a penalty of ₹**Nil** for the period between April 2011 to September 2012 (₹52.41 crores and a ₹23.00 crores CENVAT credit and penalty, respectively, as at March 31, 2016 and ₹52.41 crores and a ₹23.00 crores CENVAT credit and penalty, respectively, as at April 1, 2015) in respect of consulting engineering services alleged to have been used exclusively for producing prototypes at the Engineering Research Centre, in Pune. The contention of the Excise Authorities is that since the Company claims exemptions from CENVAT under Notification No.167/71-CE, dated September 11, 1971, the Company is not entitled to avail service tax credits on consulting engineering services used in the Engineering Research Centre. The matter is being contested by the Company before the appellate authorities. The Company believes it has a merit in its case, since the consulting engineering services are not exclusively used in the manufacture of prototypes and they form part of the assessable value of final products manufactured by the Company on which CENVAT is paid.

The Excise Authorities have raised a demand for ₹**90.72 crores** as at March 31, 2017 (₹90.72 crores as at March 31, 2016 and ₹90.72 crores as at April 1, 2015), on account of alleged undervaluation's of ex-factory discounts given by Company on passenger vehicles through invoices. The matter is being contested by the Company before the High Court of Bombay.

As at March 31, 2017, the Excise Authorities have raised a demand and penalty of ₹**218.23 crores,** (₹198.56 crores as at March 31, 2016 and ₹187.60 crores as at April 1, 2015), due to the classification of certain chassis (as dumpers instead of goods transport vehicles) which were sent to automotive body builders by the Company, which the Excise Authorities claim requires the payment of the National Calamity Contingent Duty, or NCCD. The Company has obtained a technical expert certificate on the classification. The appeal is pending before the Custom Excise & Service Tax Appellate Tribunal.

The Excise Authorities had denied the Company's claim of a CENVAT credit of ₹**24.96 crores** (₹22.74 crores as at March 31, 2016 and ₹83.67 crores as at April 1, 2015) claimed by the Company from Fiscal 1992 to Fiscal 2013, on technical grounds. The matter is being contested by the Company before the appellate authorities.

As at March 31, 2017, the Excise Authorities had levied penalties and interest amounting to ₹**679.88 crores** (₹679.88 crores as at March 31, 2016 and ₹679.88 crores as at April 1, 2015) with respect to CENVAT credit claimed by the Company from March 2010 to November 2012, on inputs, stating that vehicles manufactured at Uttarakhand plant are "Exempted Products" and the Company may not claim a CENVAT credit on these vehicles. The Company has challenged this demand as NCCD and the automobile cess is assessed on those vehicles, which are "duties of excise". Therefore, the Company asserts that these vehicles are not "Exempted Products". The matter is being contested by the Company before the appellate authorities.

As at March 31, 2017, the Excise Authorities have raised a demand amounting to ₹**29.54 crores** (₹29.54 crores as at March 31, 2016 and ₹29.54 crores as at April 1, 2015) on pre-delivery inspection charges and free after-sales service charges incurred by dealers on certain of the Company's products on the alleged grounds that the pre-delivery inspection charges and free after-sales services are provided by the dealer on behalf of the Company and should be included in excisable value of the vehicle. The case is pending before Tribunal.

As at March 31, 2017, the Excise Authorities have raised a demand amounting to ₹**Nil** (₹21.89 crores as at March 31, 2016 and ₹21.89 crores as at April 1, 2015) with respect to customs duties on dies and fixtures imported under the EPCG Scheme and, in the case of the fixtures, are installed at premises of a vendor. The Tribunal has rejected the stay application filed by the department. The department has further filed an appeal with CESTAT.

As at March 31, 2017, the Excise Authorities have raised demand amounting to ₹**34.68 crores** (₹14.73 crores as at March 31, 2016 and ₹12.70 crores as at April 1, 2015) with respect to denial of CENVAT credit on service tax availed on freight outward and courier services. The Company asserts that since freight forms part of the services on which the taxes have been paid, CENVAT credit can be availed. The Excise Authorities have raised show cause notice which is being contested.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sales Tax

The total sales tax demands (including interest and penalty), that are being contested by the Company amount to ₹ **1,057.93 crores**, which includes ₹ **11.54 crores** in respect of equity accounted investees as at March 31, 2017 (₹ 1,251.38 crores, which includes ₹ 22.79 crores in respect of equity accounted investees, as at March 31, 2016 and ₹ 993.15 crores, which includes ₹ 22.65 crores in respect of equity accounted investees, as at April 1, 2015). The details of the demands for more than ₹ 20 crores are as follows:

The Sales Tax Authorities have raised demand of ₹ **208.59 crores** (₹ 403.38 crores as at March 31, 2016 and ₹ 120.12 crores as at April 1, 2015) towards rejection of certain statutory forms for concessional lower/nil tax rate (Form F and Form C) on technical grounds such as late submission, single form issued against different months / quarters dispatches / sales, etc. and denial of exemption from tax in absence of proof of export for certain years. The Company has contended that the benefit cannot be denied on technicalities, which are being complied with. The matter is pending at various levels.

In some of the states in India, the Sales Tax Authorities have raised disputes totaling up to ₹ **40.80 crores** as at March 31, 2017 (₹ 41.10 crores as at March 31, 2016 and ₹ 41.10 crores as at April 1, 2015), treating the stock transfers of vehicles from the Company's manufacturing plants to regional sales offices and the transfers between two regional sales offices as sales liable for levy of sales tax. The Company is contesting this issue.

The Sales Tax Authorities have denied input tax credit and levied interest and penalty thereon due to varied reasons aggregating to ₹ **305.46 crores** as at March 31, 2017 (₹ 330.17 crores as at March 31, 2016 and ₹ 366.45 crores as at April 1, 2015). The reasons for disallowing credit was mainly due to Taxes not paid by Vendors, incorrect method of calculation of set off as per the department, alleging suppression of sales as per the department etc. The matter is contested in appeal.

Sales tax demand aggregating ₹ **258.35 crores** as at March 31, 2017 (₹ 252.66 crores as at March 31, 2016 and ₹ 258.40 crores as at April 1, 2015) has been raised by Sales Tax Authorities disallowing the concessional rate of 2% on certain purchases of raw materials in case the final product is stock transferred for sale outside the state. The matter is pending with various authorities.

Other Taxes and Dues

Other amounts for which the Company may contingently be liable aggregate to ₹ **300.01 crores**, which includes ₹ **1.76 crores** in respect of equity accounted investees as at March 31, 2017 (₹ 339.41 crores, which includes ₹ 1.59 crores in respect of equity accounted investees, as at March 31, 2016 and ₹ 385.09 crores, which includes ₹ 1.15 crores in respect of equity accounted investees, as at April 1, 2015). Following are the cases involving more than ₹ 20 crores:

The municipal authorities in certain states levy octroi duty (a local indirect tax) on goods brought inside the municipal limits at rates based on the classification of goods. Demands aggregating ₹ **61.65 crores** as at March 31, 2017 (₹ 61.65 crores as at March 31, 2016 and ₹ 61.65 crores as at April 1, 2015) had been raised demanding higher octroi duties on account of classification disputes relating to components purchased for the manufacture of vehicles and retrospective increase in octroi rates relating to past periods. The dispute relating to classification is presently pending before the Supreme Court and the other dispute is pending before the Bombay High Court on remand by the Supreme Court.

As at March 31, 2017, property tax amounting to ₹ **53.70 crores** (₹ 50.56 crores as at March 31, 2016 and ₹ 49.10 crores as at April 1, 2015) has been demanded by the local municipal authorities in respect of vacant land of the Company in the plant in Pimpri, Pune. The Company has filed Special Leave Petition (SLP) before the Supreme Court against an unfavorable decision of the Bombay High Court. The Supreme Court has disposed of the SLP and remanded the matter back to the local municipal corporation for fresh adjudication.

As at March 31, 2017, a penalty of ₹ **20.31 crores** (₹ 20.31 crores as at March 31, 2016 and ₹ 56.21 crores as at April 1, 2015) is likely to be imposed relating to a matter of regularization of construction of certain buildings in respect of which approvals from appropriate authorities are awaited. However, as the buildings were constructed as per the applicable development rules, the Company believes it will be possible to get the waiver of the same.

As at March 31, 2017, Sales tax / VAT amounting to ₹ **29.95 crores** (₹ 24.10 crores as at March 31, 2016 and ₹ 15.10 crores as at April 1, 2015) has been demanded by local authorities on dealers in respect of spare parts used for carrying out warranty repairs. The dispute is pending before the Supreme Court.

As at March 31, 2017, bonus payable to employees amounting to ₹ **12.13 crores** (₹ 34.84 crores as at March 31, 2016 and ₹ nil as at April 1, 2015) is due, as a result of retrospective amendment to the notification dated January 1, 2016. Similar cases contesting the retrospective applicability of the said notification is pending in the High Courts of Kerala, Karnataka, Tamil Nadu and Gujarat state.

Other claims

There are other claims against the Company, the majority of which pertain to government body investigations with regards to regulatory compliances, motor accident claims, product liability claims and consumer complaints. Some of the cases also relate to the replacement of parts of vehicles and/or the compensation for deficiencies in the services by the Company or its dealers.

Commitments

The Company has entered into various contracts with vendors and contractors for the acquisition of plant and machinery, equipment and various civil contracts of a capital nature amounting to ₹ **19,610.93 crores**, which includes ₹ **1,403.80 crores** in respect of equity accounted investees as at March 31, 2017 (₹ 10,838.44 crores, which includes ₹ 1,002.09 crores in respect of equity accounted investees, as at March 31, 2016 and ₹ 8,929.10 crores, which includes ₹ 184.80 crores in respect of equity accounted investees, as at April 1, 2015), which are yet to be executed.

The Company has entered into various contracts with vendors and contractors for the acquisition of intangible assets of a capital nature amounting to ₹ **640.21 crores** as at March 31, 2017, (₹ 250.61 crores as at March 31, 2016 and ₹ 251.65 crores as at April 1, 2015), which are yet to be executed.

Under the joint venture agreement with Chery Jaguar Land Rover Automotive Co. Limited, the Company is committed to contribute ₹ **3,295.60 crores** as at March 31, 2017 (₹ 3,593.00 crores as at March 31, 2016 and ₹ 3,528.20 crores as at April 1, 2015) towards its share in the capital of the joint venture of which ₹ **2,707.10 crores** (₹ 2,951.40 crores as at March 31, 2016 and ₹ 2,898.20 crores as at April 1, 2015) has been contributed as at March 31, 2017. As at March 31, 2017, the Company has an outstanding commitment of ₹ **588.50 crores** (₹ 641.60 crores as at March 31, 2016 and ₹ 630.00 crores as at April 1, 2015).

The Company has contractual obligation towards Purchase Commitment for ₹ 12,186.90 crores (₹ 19,743.80 crores as on March 31, 2016 and ₹ 9,127.77 crores as on April 1, 2015).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

38. Capital Management

The Company's capital management is intended to create value for shareholders by facilitating the meeting of long-term and short-term goals of the Company.

The Company determines the amount of capital required on the basis of annual operating plans and long-term product and other strategic investment plans. The funding requirements are met through equity, convertible and non-convertible debt securities, senior notes and other long-term/short-term borrowings. The Company's policy is aimed at combination of short-term and long-term borrowings.

The Company monitors the capital structure on the basis of total debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

Total debt includes all long and short-term borrowings as disclosed in notes 24, 25 and 27 to the consolidated financial statements. Equity comprises all components excluding (profit)/loss on cash flow hedges and foreign currency translation reserve.

The following table summarizes the capital of the Company: **(₹ in crores)**

	As at March 31,	
	2017	2016
Equity*	**81,808.56**	80,857.07
Short-term borrowings and current portion of long-term borrowings	**17,974.80**	18,849.57
Long-term borrowings	**60,629.18**	50,510.39
Total borrowings	**78,603.98**	69,359.96
Total capital (Debt + Equity)	**160,412.54**	150,217.03

* Details of equity :	As at March 31,	
	2017	2016
Total equity as reported in balance sheet	**58,515.06**	79,385.25
Currency translation reserve attributable to		
- Shareholders of Tata Motors Limited	**5,300.13**	(4,652.20)
- Non-controlling interests	**7.52**	(23.43)
Hedging reserve	**17,985.85**	6,147.45
Equity as reported above	**81,808.56**	80,857.07

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

39. Disclosure on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the consolidated financial statements.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2017.

(₹ in crores)

		Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets									
(a)	Other investments - non-current	-	630.27	56.61	3.88	-	-	690.76	690.76
(b)	Investments - current	-	-	3,040.94	12,000.21	-	-	15,041.15	15,041.15
(c)	Trade receivables	14,075.55	-	-	-	-	-	14,075.55	14,075.55
(d)	Cash and cash equivalents	13,986.76	-	-	-	-	-	13,986.76	13,986.76
(e)	Other bank balances	22,091.12	-	-	-	-	-	22,091.12	22,091.12
(f)	Loans and advances - non-current	753.66	-	-	-	-	-	753.66	753.66
(g)	Loans and advances - current	710.45	-	-	-	-	-	710.45	710.45
(h)	Finance receivable - current	6,810.12	-	-	-	-	-	6,810.12	6,810.12
(i)	Finance receivable - non-current	10,753.13	-	-	-	-	-	10,753.13	10,718.92
(j)	Other financial assets - non-current	135.78	-	-	-	1,156.97	1,618.37	2,911.12	2,911.12
(k)	Other financial assets - current	45.76	-	-	-	424.00	1,086.18	1,555.94	1,555.94
	Total	**69,362.33**	**630.27**	**3,097.55**	**12,004.09**	**1,580.97**	**2,704.55**	**89,379.76**	**89,345.55**

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (including current maturities of long-term borrowings) (note below)	-	-	64,744.04	64,744.04	66,339.97
(b)	Short-term borrowings	-	-	13,859.94	13,859.94	13,859.94
(c)	Trade payables	-	-	57,698.33	57,698.33	57,698.33
(d)	Acceptances	-	-	4,834.24	4,834.24	4,834.24
(e)	Other financial liabilities - non-current	1,169.84	10,089.73	150.01	11,409.58	11,409.58
(f)	Other financial liabilities - current	3,541.10	10,716.85	7,262.02	21,519.97	21,519.97
	Total	**4,710.94**	**20,806.58**	**148,548.58**	**174,066.10**	**175,662.03**

Note:

Includes USD denominated bonds designated as cash flow hedges against forecasted USD revenue amounting to **₹7,782 crores** (USD 1200 million)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2016.

(₹ in crores)

		Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets									
(a)	Other investments - non-current	-	584.25	181.93	3.85	-	-	770.03	770.03
(b)	Investments - current	-	-	1,889.36	17,343.68	-	-	19,233.04	19,233.04
(c)	Trade receivables	13,570.91	-	-	-	-	-	13,570.91	13,570.91
(d)	Cash and cash equivalents	17,153.61	-	-	-	-	-	17,153.61	17,153.61
(e)	Other bank balances	13,306.79	-	-	-	-	-	13,306.79	13,306.79
(f)	Loans and advances - non-current	503.88	-	-	-	-	-	503.88	503.88
(g)	Loans and advances - current	1,117.10	-	-	-	-	-	1,117.10	1,117.10
(h)	Finance receivable - current	6,079.92	-	-	-	-	-	6,079.92	6,079.92
(i)	Finance receivable - non-current	9,671.55	-	-	-	-	-	9,671.55	9,750.22
(j)	Other financial assets - non-current	234.25	-	-	-	221.52	1,369.74	1,825.51	1,825.51
(k)	Other financial assets - current	78.45	-	-	-	240.66	516.62	835.73	835.73
	Total	61,716.46	584.25	2,071.29	17,347.53	462.18	1,886.36	84,068.07	84,146.74

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (including current maturities of long-term borrowings)	-	-	57,909.18	57,909.18	58,848.50
(b)	Short-term borrowings	-	-	11,450.78	11,450.78	11,450.78
(c)	Trade payables	-	-	57,580.46	57,580.46	57,580.46
(d)	Acceptances	-	-	3,981.33	3,981.33	3,981.33
(e)	Other financial liabilities - non-current	1,973.06	5,771.05	199.63	7,943.74	7,953.97
(f)	Other financial liabilities - current	1,748.82	4,733.48	7,400.51	13,882.81	13,882.81
	Total	3,721.88	10,504.53	138,521.89	152,748.30	153,697.85

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at April 01, 2015.

(₹ in crores)

		Cash and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Investments - Amortised cost	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value
Financial assets									
(a)	Other investments - non-current	-	583.82	181.53	3.50	-	-	768.85	768.85
(b)	Investments - current	-	4.68	433.89	13,636.21	-	-	14,074.78	14,074.78
(c)	Trade receivables	12,972.80	-	-	-	-	-	12,972.80	12,972.80
(d)	Cash and cash equivalents	19,743.09	-	-	-	-	-	19,743.09	19,743.09
(e)	Other bank balances	10,668.84	-	-	-	-	-	10,668.84	10,668.84
(f)	Loans and advances - non-current	496.71	-	-	-	-	-	496.71	496.71
(g)	Loans and advances - current	779.78	-	-	-	-	-	779.78	779.78
(h)	Finance receivable - current	4,959.45	-	-	-	-	-	4,959.45	4,959.45
(i)	Finance receivable - non-current	9,606.60	-	-	-	-	-	9,606.60	9,456.31
(j)	Other financial assets - non-current	386.56	-	-	-	104.84	156.24	647.64	647.64
(k)	Other financial assets - current	17.12	-	-	-	129.71	1,542.97	1,689.80	1,689.80
	Total	59,630.95	588.50	615.42	13,639.71	234.55	1,699.21	76,408.34	76,258.05

		Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities						
(a)	Long-term borrowings (including current maturities of long-term borrowings)	-	-	59,556.18	59,556.18	61,006.55
(b)	Short-term borrowings	-	-	13,154.68	13,154.68	13,154.68
(c)	Trade payables	-	-	52,094.70	52,094.70	52,094.70
(d)	Acceptances	-	-	4,076.75	4,076.75	4,076.75
(e)	Other financial liabilities - non-current	3,017.22	4,704.72	272.91	7,994.85	8,016.97
(f)	Other financial liabilities - current	1,219.82	5,226.13	7,778.02	14,223.97	14,223.97
	Total	4,237.04	9,930.85	136,933.24	151,101.13	152,573.62

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e; as prices) or indirectly (i.e; derived from prices). This level of hierarchy includes Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

(₹ in crores)

		As at March 31, 2017			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
(a)	Investments	**3,326.32**	**-**	**401.50**	**3,727.82**
(b)	Derivative assets	**-**	**4,285.52**	**-**	**4,285.52**
	Total	**3,326.32**	**4,285.52**	**401.50**	**8,013.34**
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	**25,517.52**	**-**	**25,517.52**
	Total	**-**	**25,517.52**	-	**25,517.52**

		As at March 31, 2016			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
(a)	Investments	2,099.85	-	555.69	2,655.54
(b)	Derivative assets	-	2,348.54	-	2,348.54
	Total	2,099.85	2,348.54	555.69	5,004.08
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	14,226.41	-	14,226.41
	Total	-	14,226.41	-	14,226.41

		As at April 1, 2015			
		Level 1	Level 2	Level 3	Total
Financial assets measured at fair value					
(a)	Investments	642.97	-	560.95	1,203.92
(b)	Derivative assets	-	1,933.76	-	1,933.76
	Total	642.97	1,933.76	560.95	3,137.68
Financial liabilities measured at fair value					
(a)	Derivative liabilities	-	14,167.89	-	14,167.89
	Total	-	14,167.89	-	14,167.89

There have been no transfers between level 1 and level 2 for the year ended March 31, 2017 and 2016, April 1, 2015.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

(₹ in crores)

		As at March 31, 2017			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
(a)	Investments	**12,000.21**	**-**	**3.88**	**12004.09**
(b)	Finance receivables	**-**	**-**	**17,529.04**	**17,529.04**
	Total	**12,000.21**	**-**	**17,532.92**	**29,533.13**
Financial liabilities not measured at fair value					
(a)	Long-term borrowings (including current maturities of long term borrowings)	**35,323.52**	**31,016.45**	**-**	**66,339.97**
(b)	Short-term borrowings	**-**	**13,859.94**	**-**	**13,859.94**
	Total	**35,323.52**	**44,876.39**	**-**	**80,199.91**

		As at March 31, 2016			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
(a)	Investments	17,343.68	-	3.85	17,347.53
(b)	Finance receivables	-	-	15,830.14	15,830.14
	Total	17,343.68	-	15,833.99	33,177.67
Financial liabilities not measured at fair value					
(a)	Long-term borrowings (including current maturities of long term borrowings)	30,123.46	28,725.04	-	58,848.50
(b)	Short-term borrowings	-	11,450.78	-	11,450.78
	Total	30,123.46	40,175.82	-	70,299.28

		As at April 1, 2015			
		Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value					
(a)	Investments	13,636.21	-	3.50	13,639.71
(b)	Finance receivables	-	-	14,415.76	14,415.76
	Total	13,636.21	-	14,419.26	28,055.47
Financial liabilities not measured at fair value					
(a)	Long-term borrowings (including current maturities of long term borrowings)	31,169.68	29,836.87	-	61,006.55
(b)	Short-term borrowings	-	13,154.68	-	13,154.68
	Total	31,169.68	42,991.55	-	74,161.23

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

The fair value of finance receivables has been estimated by discounting expected cash flows using rates at which loans of similar credit quality and maturity would be made and internal assumptions such as expected credit losses and estimated collateral value for repossessed vehicles as at March 31, 2017, 2016 and April 1, 2015. As unobservable inputs are applied, finance receivables are classified in Level 3.

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of the similar maturity.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long-term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI as the directors believe that this provides a more meaningful presentation for medium or long-term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, for substantially all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Offsetting

Certain financial assets and financial liabilities are subject to offsetting where there is currently a legally enforceable right to set off recognized amounts and the Company intends to either settle on a net basis, or to realise the asset and settle the liability, simultaneously.

Certain derivative financial assets and financial liabilities are subject to master netting arrangements, whereby in the case of insolvency, derivative financial assets and financial liabilities will be settled on a net basis.

The following table discloses the amounts that have been offset, in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2017:

(₹ in crores)

		Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
					Financial instruments	Cash collateral	
Financial assets							
(a)	Derivative financial instruments	**4,285.52**	**-**	**4,285.52**	**(3,402.13)**	**-**	**883.39**
(b)	Trade receivables	**14,103.26**	**(27.71)**	**14,075.55**	**-**	**-**	**14,075.55**
(c)	Cash and cash equivalents	**14,237.61**	**(250.85)**	**13,986.76**	**-**	**-**	**13,986.76**
	Total	**32,626.39**	**(278.56)**	**32,347.83**	**(3,402.13)**	**-**	**28,945.70**
Financial liabilities							
(a)	Derivative financial instruments	**25,517.52**	**-**	**25,517.52**	**(3,402.13)**	**-**	**22,115.39**
(b)	Accounts payable	**57,726.04**	**(27.71)**	**57,698.33**	**-**	**-**	**57,698.33**
(c)	Short-term borrowings/Current maturities of long-term borrowings	**18,225.65**	**(250.85)**	**17,974.80**	**-**	**-**	**17,974.80**
	Total	**101,469.21**	**(278.56)**	**101,190.65**	**(3,402.13)**	**-**	**97,788.52**

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at March 31, 2016:

		Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
					Financial instruments	Cash collateral	
Financial assets							
(a)	Derivative financial instruments	2,348.54		2,348.54	(2,173.24)	-	175.30
(b)	Trade receivables	13,609.66	(38.75)	13,570.91	-	-	13,570.91
(c)	Cash and cash equivalents	18,184.49	(1,030.88)	17,153.61	-	-	17,153.61
	Total	34,142.69	(1,069.63)	33,073.06	(2,173.24)	-	30,899.82
Financial liabilities							
(a)	Derivative financial instruments	14,226.41	-	14,226.41	(2,173.24)	-	12,053.17
(b)	Accounts payable	57,619.21	(38.75)	57,580.46	-	-	57,580.46
(c)	Short-term borrowings/Current maturities of long-term borrowings	19,880.45	(1,030.88)	18,849.57	-	-	18,849.57
	Total	91,726.07	(1,069.63)	90,656.44	(2,173.24)	-	88,483.20

The following table discloses the amounts that have been offset in arriving at the balance sheet presentation and the amounts that are available for offset only under certain conditions as at April 1, 2015:

(₹ in crores)

		Gross amount recognized	Gross amount recognized as set off in the balance sheet	Net amount presented in the balance sheet	Amounts subject to an enforceable master netting arrangement		Net amount after offsetting
					Financial instruments	Cash collateral	
Financial assets							
(a)	Derivative financial instruments	1,933.76	-	1,933.76	(1,830.49)	-	103.27
(b)	Trade receivables	13,019.23	(46.43)	12,972.80	-	-	12,972.80
(c)	Cash and cash equivalents	20,602.86	(859.77)	19,743.09	-	-	19,743.09
	Total	35,555.85	(906.20)	34,649.65	(1,830.49)	-	32,819.16
Financial liabilities							
(a)	Derivative financial instruments	14,167.89	-	14,167.89	(1,830.49)	-	12,337.40
(b)	Accounts payable	52,141.13	(46.43)	52,094.70	-	-	52,094.70
(c)	Short-term borrowings/Current maturities of long-term borrowings	18,963.49	(859.77)	18,103.72	-	-	18,103.72
	Total	85,272.51	(906.20)	84,366.31	(1,830.49)	-	82,535.82

(b) Transfer of financial assets

The Company transfers finance receivables in securitization transactions and direct assignments. In such transactions the Company surrenders control over the receivables, though it continues to act as an agent for the collection of receivables. In most of these transactions, the Company also provides credit enhancements to the transferee.

Because of the existence of credit enhancements in such transactions, the Company continues to have the obligation to pay to the transferee, limited to the extent of credit enhancement, even if it does not collect the equivalent amounts from the original asset and continues to retain substantially all risks and rewards associated with the receivables, and hence, such transfer or assignment does not meet the derecognition criteria resulting into the transfer not being recorded as sale. Consequently, the proceeds received from the transfer are recorded as collateralized debt obligation.

Further, the Company transfers certain trade receivables under the debt factoring arrangements. These do not qualify for derecognition, due to the recourse arrangement in place. Consequently the proceeds received from transfer are recorded as loans from banks / financial institutions and classified under short-term borrowings.

The carrying amount of trade receivables and finance receivables along with the associated liabilities is as follows:

	As at March 31,				As at April 1,	
	2017		2016		2015	
Nature of Asset	**Carrying amount of asset sold**	**Carrying amount of associated liabilities**	**Carrying amount of asset sold**	**Carrying amount of associated liabilities**	**Carrying amount of asset sold**	**Carrying amount of associated liabilities**
(a) Trade receivables	**1,494.87**	**1,494.87**	1,514.35	1,514.35	1,715.43	1,715.43
(b) Finance receivables	**1,004.38** [1]	**1,027.12**	35.51 [1]	40.07	583.33 [1]	616.80

[1] Net of provision of ₹ **29.00 crores**, ₹ 9.43 crores and ₹ 113.72 crores as at March 31, 2017, 2016 and April 1, 2015, respectively.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(c) **Cash flow hedges**

As at March 31, 2017, the Company and its subsidiaries have a number of cash flow hedging instruments in a hedging relationship. The Company and its subsidiaries uses both U.S. dollar/Pounds sterling forward and option contracts, U.S. dollar/Euro forward contracts and other currency options to hedge future cash flows from sales and purchases. The Company and its subsidiaries have designated some of its U.S. dollar denominated bonds as cash flow hedging instruments of foreign currency risk arising from future anticipated sales. Cash flow hedges are expected to be recognized in profit or loss during the years ending March 31, 2018 to 2022.

The Company and its subsidiaries also have a number of foreign currency derivative contracts, which are entered into as an economic hedge of the financial risks of the Company. These contracts do not meet the hedge accounting criteria of Ind AS 109, hence the change in fair value is recognized immediately in the Statement of Profit and Loss.

Options are designated on spot basis. The time value of options are identified as cost of hedge. Changes in the time value of options are recognised in Cost of Hedge reserve. Cross currency basis spread arising from forward exchange contracts are considered ineffective in the hedge relationship and thus the change in fair value of forward exchange contracts attributable to cross currency basis spread are recognised in the Statement of Profit and Loss.

Changes in fair value of foreign currency derivatives and bonds, to the extent determined to be an effective hedge, is recognized in other comprehensive income and the ineffective portion of the fair value change is recognized in Statement of Profit and Loss.

Accordingly, the fair value change arising from foreign currency derivatives and bonds, designated as cash flow hedges of future anticipated sales (net loss) of ₹**25,861.67 crores**, (net loss) ₹4,006.35 crores, was recognized in other comprehensive income during the years ended March 31, 2017 and March 31, 2016, respectively. Amounts reclassified from hedging reserve of (net loss) ₹**9,928.70 crores** and (net gain) ₹1,365.57 crores during the years ended March 31, 2017 and 2016, respectively, have been recognised as revenue in the Statement of Profit and Loss.

The Company and its subsidiaries have entered into forward exchange contracts and foreign currency options to hedge the exchange rate risk arising from future anticipated purchase of raw materials which are designated as cash flow hedges. The fair value change (net gain) of ₹**2,026.77 crores** and (net gain) of ₹2,430.04 crores was recognised in other comprehensive income during the year ended March 31, 2017 and 2016 respectively.

Amounts recycled from hedging reserve of (net gain) of ₹**1,020.39 crores** and (net loss) of ₹1,902.67 crores was recognized in inventory during the year ended March 31, 2017 and March 31, 2016 respectively in the Balance Sheet.

Changes in fair value attributable to cross currency basis spread in forwards of ₹**231.78 crores** (net loss) and ₹102.93 crores (net loss) during the years ended March 31, 2017 and 2016, respectively, have been classified as foreign exchange gain/loss in the statement of profit and loss. Amounts reclassified from hedging reserve, where forecast sales are no longer expected to occur, amounts to net loss of ₹**367.31 crores** and net loss of ₹19.72 crores during the years ended March 31, 2017 and 2016, respectively, have been classified as foreign exchange gain/loss in the Statement of Profit and Loss.

Changes in fair value of foreign currency derivatives not hedge accounted of ₹**2,041.94 crores** (net loss) and ₹571.27 crores (net gain) during the years ended March 31, 2017 and 2016, respectively, have been classified as foreign exchange gain/loss in the Statement of Profit and Loss.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(d) **Financial risk management**

In the course of its business, the Company is exposed primarily to fluctuations in foreign currency exchange rates, interest rates, equity prices, liquidity and credit risk, which may adversely impact the fair value of its financial instruments.

The Company has a risk management policy which not only covers the foreign exchange risks but also other risks associated with the financial assets and liabilities such as interest rate risks and credit risks. The risk management policy is approved by the board of directors. The risk management framework aims to:

- Create a stable business planning environment by reducing the impact of currency and interest rate fluctuations on the Company's business plan.
- Achieve greater predictability to earnings by determining the financial value of the expected earnings in advance.

(i) Market risk

Market risk is the risk of any loss in future earnings, in realizable fair values or in future cash flows that may result from a change in the price of a financial instrument. The value of a financial instrument may change as a result of changes in the interest rates, foreign currency exchange rates, equity price fluctuations, liquidity and other market changes. Future specific market movements cannot be normally predicted with reasonable accuracy.

(i) - (a) Foreign currency exchange rate risk:

The fluctuation in foreign currency exchange rates may have potential impact on the Statement of Profit and Loss and equity, where any transaction references more than one currency or where assets/liabilities are denominated in a currency other than the functional currency of the respective consolidated entities.

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in U.S. dollar, Chinese renminbi, Japanese yen, Singapore dollar and Euro, against the respective functional currencies of Tata Motors Limited and its subsidiaries.

The Company, as per its risk management policy, uses foreign exchange and other derivative instruments primarily to hedge foreign exchange and interest rate exposure. Furthermore, any movement in the functional currencies of the various operations of the Company against major foreign currencies may impact the Company's revenues from its international operations. Any weakening of the functional currency may impact the Company's cost of imports and cost of borrowings and consequently may increase the cost of financing the Company's capital expenditures.

The Company evaluates the impact of foreign exchange rate fluctuations by assessing its exposure to exchange rate risks. It hedges a part of these risks by using derivative financial instruments in accordance with its risk management policies.

The foreign exchange rate sensitivity is calculated for each currency by aggregation of the net foreign exchange rate exposure of a currency and a simultaneous parallel foreign exchange rates shift in the foreign exchange rates of each currency by 10%.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following analysis is based on the gross exposure as of the relevant balance sheet dates, which could affect the Statement of Profit and Loss. There is no exposure to the Statement of Profit and Loss on account of translation of financial statements of consolidated foreign entities. Furthermore, the exposure as indicated below is mitigated by some of the derivative contracts entered into by the Company as disclosed at clause (iv) below.

The following table sets forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at March 31, 2017:

(₹ in crores)

		U.S. dollar	Euro	Chinese Renminbi	Japanese Yen	Others [1]	Total
(a)	Financial assets	**10,498.74**	**9,862.42**	**4,000.96**	**127.98**	**4,432.32**	**28,922.42**
(b)	Financial liabilities	**37,547.87**	**21,301.83**	**3,399.19**	**538.22**	**2,939.25**	**65,726.36**

[1] Others mainly include currencies such as the Russian rouble, Singapore dollar, Swiss franc, Australian dollars, South African rand, Thai baht and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's profit/(loss) before tax by approximately **₹2,892.24 crores** and **₹6,572.64 crores** for financial assets and financial liabilities respectively for the year ended March 31, 2017.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at March 31, 2016:

		U.S. dollar	Euro	Chinese Renminbi	Japanese Yen	Others [2]	Total
(a)	Financial assets	7,341.18	6,620.76	6,392.92	257.76	4,134.87	24,747.49
(b)	Financial liabilities	36,779.68	16,536.28	5,450.94	616.39	2,789.65	62,172.94

[2] Others mainly include currencies such as the Russian rouble, Swiss franc, Australian dollars, South African rand, Singapore dollars, Thai baht and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's profit/(loss) before tax by approximately ₹2,474.75 crores and ₹6,217.29 crores for financial assets and financial liabilities respectively for the year ended March 31, 2016.

The following table set forth information relating to foreign currency exposure (other than risk arising from derivatives disclosed at clause (iv) below) as at April 1, 2015:

		U.S. dollar	Euro	Chinese Renminbi	Singapore Dollar	Others [3]	Total
(a)	Financial assets	8,950.83	4,544.11	6,860.78	197.79	3,854.21	24,407.72
(b)	Financial liabilities	30,737.64	10,670.30	6,990.16	2,421.41	2,327.72	53,147.23

[3] Others mainly include currencies such as the Russian rouble, Japanese yen, Swiss franc, Australian dollars, South African rand, Thai baht and Korean won.

10% appreciation/depreciation of the respective foreign currencies with respect to functional currency of the Company would result in decrease/increase in the Company's profit/(loss) before tax by approximately ₹2,440.77 crores and ₹5,314.72 crores for financial assets and financial liabilities respectively for the year ended March 31, 2015.

(Note: The impact is indicated on the income/loss before tax basis)

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(i) - (b) Interest rate risk

Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rates. Any movement in the reference rates could have an impact on the Company's cash flows as well as costs.

The Company is subject to variable interest rates on some of its interest bearing liabilities. The Company's interest rate exposure is mainly related to debt obligations. The Company also uses a mix of interest rate sensitive financial instruments to manage the liquidity and fund requirements for its day to day operations like short term non-convertible bonds and short term loans.

In its financing business, the Company enters into transactions with customers which primarily result in receivables at fixed rates. In order to manage this risk, the Company has a policy to match funding in terms of maturities and interest rates and also for certain part of the portfolio, the Company does not match funding with maturities, in order to take advantage of market opportunities.

The Company also enters into arrangements of securitization of receivables in order to reduce the impact of interest rate movements. Futher, Company also enters in to interst rate swap contract with banks to manage its interest rate risk.

As at March 31, 2017, 2016 and April 1, 2015, financial liability of **₹18,928.36 crores,** ₹22,117.12 crores and ₹21,583.07 crores respectively, was subject to variable interest rates. Increase/decrease of 100 basis points in interest rates at the balance sheet date would result in an impact (decrease/increase in case of profit/(loss) before tax of **₹189.28 crores** and ₹221.17 crores on income for the year ended March 31, 2017 and 2016 respectively.

The model assumes that interest rate changes are instantaneous parallel shifts in the yield curve. Although some assets and liabilities may have similar maturities or periods to re-pricing, these may not react correspondingly to changes in market interest rates. Also, the interest rates on some types of assets and liabilities may fluctuate with changes in market interest rates, while interest rates on other types of assets may change with a lag.

The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The period end balances are not necessarily representative of the average debt outstanding during the period.

This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

(Note: The impact is indicated on the income/loss before tax basis).

(i) - (c) Equity price risk

Equity price risk is related to the change in market reference price of the investments in equity securities.

The fair value of some of the Company's investments measured at fair value through other comprehensive income exposes the Company to equity price risks. These investments are subject to changes in the market price of securities. The fair value of Company's investment in quoted equity securities as at March 31, 2017 and 2016, was **₹260.29 crores** and ₹210.50 crores, respectively. A 10% change in equity prices as at March 31, 2017 and 2016, would result in an impact of **₹26.03 crores** and ₹21.05 crores, respectively.

(Note: The impact is indicated on equity before consequential tax impact, if any).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(ii) **Credit risk**

Credit risk is the risk of financial loss arising from counterparty failure to repay or service debt according to the contractual terms or obligations. Credit risk encompasses both the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks.

Financial instruments that are subject to concentrations of credit risk, principally consist of investments classified as fair value through profit or loss, trade receivables, finance receivables, loans and advances and derivative financial instruments. None of the financial instruments of the Company result in material concentrations of credit risks.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹**88,716.87 crores** as at March 31, 2017 and ₹83,443.73 crores as at March 31, 2016, being the total of the carrying amount of balances with banks, short term deposits with banks, trade receivables, finance receivables, margin money and other financial assets excluding equity investments.

Financial assets that are neither past due nor impaired

None of the Company's cash equivalents, including time deposits with banks, are past due or impaired. Regarding trade receivables and other receivables, and other loans or receivables that are neither impaired nor past due, there were no indications as at March 31, 2017, that defaults in payment obligations will occur.

Credit quality of financial assets and impairment loss

The ageing of trade receivables and finance receivables as of balance sheet date is given below. The age analysis have been considered from the due date. **(₹ in crores)**

		As at March 31,						As at April 1,		
		2017			2016			2015		
		Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
	Trade receivables									
	Period (in months)									
(a)	Not due	**11,943.87**	**(90.99)**	**11,852.88**	11,048.06	(8.46)	11,039.60	11,416.65	(9.09)	11,407.56
(b)	Overdue up to 3 months	**1,771.82**	**(31.98)**	**1,739.84**	2,268.93	(272.28)	1,996.65	1,090.00	(28.08)	1,061.92
(c)	Overdue 3-6 months	**185.93**	**(25.49)**	**160.44**	420.99	(222.36)	198.63	258.22	(24.11)	234.11
(d)	Overdue more than 6 months	**1,551.37**	**(1,228.98)**	**322.39** [1]	1,107.22	(771.19)	336.03 [1]	983.63	(714.42)	269.21 [1]
	Total	**15,452.99**	**(1,377.44)**	**14,075.55**	14,845.20	(1,274.29)	13,570.91	13,748.50	(775.70)	12,972.80

Trade receivables consist of a large number of various types of customers, spread across geographical areas. Ongoing credit evaluation is performed on the financial condition of these trade receivables and where appropriate, allowance for losses are provided. Further, the Company groups the trade receivables depending on the type of customers and accordingly credit risk is determined.

1 Trade receivables overdue more than six months include ₹**212.29 crores** as at March 31, 2017 (₹230.02 crores as at March 31, 2016 and ₹152.93 crores as at April 1, 2015) outstanding from state government organizations in India, which are considered recoverable.

		As at March 31,						As at April 1,		
		2017			2016			2015		
		Gross	Allowance	Net	Gross	Allowance	Net	Gross	Allowance	Net
	Finance receivables [2]									
	Period (in months)									
(a)	Not due [3]	**18,004.78**	**(1,604.08)**	**16,400.70**	17,515.42	(2,774.06)	14,741.36	17,509.48	(3,988.89)	13,520.59
(b)	Overdue up to 3 months	**298.24**	**(20.39)**	**277.85**	217.22	(24.21)	193.01	257.28	(46.44)	210.84
(c)	Overdue more than 3 months	**2,857.74**	**(1,973.04)**	**884.70**	3,025.52	(2,208.42)	817.10	2,687.30	(1,852.68)	834.62
	Total	**21,160.76**	**(3,597.51)**	**17,563.25**	20,758.16	(5,006.69)	15,751.47	20,454.06	(5,888.01)	14,566.05

2 Finance receivables originated in India.

3 Allowance in the "Not due" category includes allowance against installments pertaining to impaired finance receivables which have not yet fallen due.

(iii) Liquidity risk

Liquidity risk refers to the risk that the Company cannot meet its financial obligations. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements.

The Company has obtained fund and non-fund based working capital lines from various banks. Furthermore, the Company has access to funds from debt markets through commercial paper programs, non-convertible debentures, senior notes and other debt instruments. The Company invests its surplus funds in bank fixed deposit and liquid and liquid plus schemes of mutual funds, which carry no/low mark to market risks. The Company has also invested 15% of the non-convertible debentures (taken/issued by the Company) falling due for repayment in the next 12 months in bank deposits, to meet the regulatory norms of liquidity requirements.

The Company also constantly monitors funding options available in the debt and capital markets with a view to maintaining financial flexibility.

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as at March 31, 2017:

(₹ in crores)

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Financial liabilities						
(a) Trade payables	57,698.33	57,698.33	-	-	-	57,698.33
(b) Acceptances	4,834.24	4,834.24	-	-	-	4,834.24
(c) Borrowings and interest thereon	79,547.22	21,733.53	13,055.95	39,614.01	19,358.94	93,762.43
(d) Other financial liabilities	6,468.79	6,318.78	30.53	69.78	78.89	6,497.98
(e) Derivative liabilities	25,517.52	15,791.87	10,470.86	6,052.83	1.15	32,316.71
Total	174,066.10	106,376.75	23,557.34	45,736.62	19,438.98	195,109.69

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of finance receivables in securitization transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralized debt obligations	1,027.38	629.67	367.07	110.82	1,107.56

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of March 31, 2016:

(₹ in crores)

		Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Financial liabilities							
(a)	Trade payables	57,580.46	57,580.46	-	-	-	57,580.46
(b)	Acceptances	3,981.33	3,981.33	-	-	-	3,981.33
(c)	Borrowings and interest thereon	70,330.36	22,295.86	6,566.36	32,659.96	23,117.45	84,639.63
(d)	Other financial liabilities	6,629.74	6,434.76	124.68	38.90	67.82	6,666.16
(e)	Derivative liabilities	14,226.41	7,048.99	6,662.57	4,392.17	7.29	18,111.02
	Total	1,52,748.30	97,341.40	13,353.61	37,091.03	23,192.56	1,70,978.60

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of finance receivables in securitization transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided. The contractual maturities of such collateralized debt obligations are as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralized debt obligations	40.07	38.73	2.84	-	41.57

The table below provides details regarding the contractual maturities of financial liabilities, including estimated interest payments as of April 1, 2015:

		Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Due after 5th Year	Total contractual cash flows
Financial liabilities							
(a)	Trade payables	52,094.70	52,094.70	-	-	-	52,094.70
(b)	Acceptances	4,076.75	4,076.75	-	-	-	4,076.75
(c)	Borrowings and interest thereon	73,740.39	22,164.53	11,345.45	32,046.48	25,421.74	90,978.20
(d)	Other financial liabilities	7,021.40	6,774.25	120.87	120.42	68.38	7,083.92
(e)	Derivative liabilities	14,167.89	6,967.44	5,703.53	4,945.34	12.91	17,629.22
	Total	1,51,101.13	92,077.67	17,169.85	37,112.24	25,503.03	1,71,862.79

Contractual maturities of borrowings includes cash flows relating to collateralized debt obligations. This represents the amount received against the transfer of finance receivables in securitization transactions and/or direct assignments, which do not qualify for derecognition. The liability of the Company in such cases is limited to the extent of credit enhancements provided.The contractual maturities of such collateralized debt obligations are as follows:

	Carrying amount	Due in 1st Year	Due in 2nd Year	Due in 3rd to 5th Year	Total contractual cash flows
Collateralized debt obligations	616.80	536.44	106.56	4.45	647.45

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(iv) Derivative financial instruments and risk management

The Company has entered into variety of foreign currency, interest rates and commodity forward contracts and options to manage its exposure to fluctuations in foreign exchange rates, interest rates and commodity price risk. These financial exposures are managed in accordance with the Company's risk management policies and procedures.

The Company also enters into interest rate swaps and interest rate currency swap agreements, mainly to manage exposure on its fixed rate or variable rate debt. The Company uses interest rate derivatives or currency swaps to hedge exposure to exchange rate fluctuations on principal and interest payments for borrowings denominated in foreign currencies.

Specific transactional risks include risks like liquidity and pricing risks, interest rate and exchange rate fluctuation risks, volatility risks, counterparty risks, settlement risks and gearing risks.

Fair value of derivative financial instruments are determined using valuation techniques based on information derived from observable market data.

The fair value of derivative financial instruments is as follows:

(₹ in crores)

	As at March 31,		As at April 1,
	2017	2016	2015
(a) Foreign currency forward exchange contracts and options	**(21,685.18)**	(10,798.79)	(11,839.38)
(b) Commodity Derivatives	**385.66**	(962.81)	(389.01)
(c) Others including interest rate and currency swaps	**67.52**	(116.27)	(5.74)
Total	**(21,232.00)**	(11,877.87)	(12,234.13)

The gain/(loss) on commodity derivative contracts, recognized in the Statement of Profit and Loss was ₹**918.40 crores** and (₹1,155.53 crores) for the years ended March 31, 2017 and 2016 respectively.

In respect of the Company's foreign currency forward and option contracts, a 10% appreciation of the foreign currency underlying such contracts, would have resulted in an approximate gain/(loss) of (₹**13,011.69 crores**)/(₹15,934.81 crores) in the Company's hedging reserve and an approximate gain/(loss) of ₹**816.50 crores**/(₹1,172.08 crores) respectively, in the Company's Statement of Profit and Loss for the year ended March 31, 2017 and March 31, 2016 respectively.

In respect of the Company's foreign forward and option contracts, a 10% depreciation of the foreign currency underlying such contracts, would have resulted in an approximate gain/(loss) of ₹**12,194.42 crores**/₹16,013.08 crores in the Company's hedging reserve and an approximate gain/(loss) of (₹**90.35 crores)** and ₹961.11 crores respectively, in the Company's Statement of Profit and Loss for the year ended March 31, 2017 and March 31, 2016 respectively.

In respect of the Company's commodity derivative contracts, a 10% depreciation/appreciation of all commodity prices underlying such contracts, would have resulted in an approximate gain/(loss) of (₹**461.24 crores**)/₹**461.24 crores** and (₹496.35 crores)/₹496.35 crores in the Statement of Profit and Loss for the years ended March 31, 2017 and 2016 respectively.

Exposure to gain/loss on derivative instruments offset to some extent the exposure to foreign currency risk, interest rate risk as disclosed above.

(Note: The impact is indicated on the income/loss before tax basis).

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

40. Disclosure on Financial instruments designated as hedging instrument in cashflow hedge

The details of cash flow hedges entered into by one of the Company's subsidiaries to hedge the currency fluctuation of its functional currency (GBP) against foreign currencies to hedge future cash flows arising from revenue and cost of materials is as follows:

Outstanding contracts	Average strike rate			Nominal amounts			Fair value		
				£ in million			₹ in crores		
	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
Fx Forwards									
Cash flow hedges - USD									
Sell - USD/ Buy - GBP									
<1 year	**0.667**	0.657	0.643	**2,767.7**	3,458.5	2,920.3	**(4,228.80)**	(1,882.32)	(1,458.84)
Between 1-5 years	**0.668**	0.651	0.645	**4,850.8**	6,253.7	5,341.5	**(6,228.30)**	(3,341.79)	(2,180.87)
Cash flow hedges - Chinese Yuan									
Sell - Chinese Yuan / Buy - GBP									
<1 year	**0.100**	0.100	0.100	**3,435.7**	3,318.3	2,445.7	**(3,874.38)**	(1,962.50)	(1,593.82)
Between 1-5 years	**0.102**	0.099	0.099	**4,132.3**	4,400.8	3,700.8	**(2,096.60)**	(1,765.87)	(1,253.61)
Cash flow hedges -Euro									
Buy - Euro / Sell - GBP									
<1 year	**0.795**	0.794	0.818	**1,574.1**	1,502.7	1,807.7	**977.50**	38.18	(1,781.49)
Between 1-5 years	**0.804**	0.764	0.795	**2,327.5**	2,076.8	2,129.8	**1,464.62**	1,233.24	(1,158.38)
Cash flow hedges - Other									
<1 year	**0.002**	0.002	0.003	**1,675.7**	1,370.1	1,056.4	**(2,483.39)**	(418.08)	1,150.99
Between 1-5 years	**0.003**	0.002	0.004	**1,829.5**	1,148.0	687.4	**(1,459.77)**	(526.90)	45.30
Fx Options									
Cash flow hedges - USD									
Sell - USD/ Buy - GBP									
<1 year	**0.760**	-	-	**11.4**	-	-	**-**	-	-
Between 1-5 years	**0.728**	-	-	**127.4**	-	-	**5.66**	-	-
Cash flow hedges - Chinese Yuan									
Sell - Chinese Yuan / Buy - GBP									
<1 year	**0.105**	-	-	**10.5**	-	-	**-**	-	-
Between 1-5 years	**0.103**	-	-	**10.3**	-	-	**1.62**	-	-
Cash flow hedges -Euro									
Buy - Euro / Sell - GBP									
<1 year	**0.956**	-	-	**186.5**	-	-	**(28.32)**	-	-
Between 1-5 years	**0.969**	-	-	**1,588.9**	-	-	**(158.60)**	-	-
USD denominated Bonds									
< 1 year									
Between 1-5 years	**0.803**	-	-	**963.0**	-	-	**(7,964.60)**	-	-

41. Segment reporting

The Company primarily operates in the automotive segment. The automotive segment includes all activities relating to development, design, manufacture, assembly and sale of vehicles including financing thereof, as well as sale of related parts and accessories. The Company provides financing for vehicles sold by dealers in India. The vehicle financing is intended to drive sale of vehicles by providing financing to the dealers' customers and as such is an integral part of automotive business. The financing activity is assessed as an integral part of the overall automotive business. The operating results of the financing activity does not include all of the interest or cost of funds employed for the purposes of financing, and therefore the operating results of this activity is not used to make decisions about resources to be allocated or to assess performance.

The Company's products mainly include Tata and other brand vehicles and Jaguar and Land Rover vehicles.

As at March 31, 2017, the automotive segment is bifurcated into the following :

Tata and other brand vehicles, including financing thereof and Jaguar Land Rover.

The Company's other segment comprises primarily activities relating to information technology or IT services, machine tools and factory automation solutions.

The segment information presented is in accordance with the accounting policies adopted for preparing the consolidated financial statements of the Company. Segment revenues, expenses and results include inter-segment transfers. Such transfers are undertaken either at competitive market prices charged to unaffiliated customers for similar goods or at contracted rates. These transfers are eliminated on consolidation.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

For the year ended/as at March 31, 2017 (₹ in crores)

	Automotive and related activity				Others	Inter-segment eliminations	Total
	Tata and other brand vehicles (including financing thereof) [1]	Jaguar Land Rover	Intra-segment eliminations	Total			
Revenues:							
External revenue	56,292.59	2,16,388.82	-	2,72,681.41	1,810.71	-	2,74,492.12
Inter-segment/intra-segment revenue	156.19	-	(145.19)	11.00	1,373.35	(1,384.35)	-
Total revenues	56,448.78	2,16,388.82	(145.19)	2,72,692.41	3,184.06	(1,384.35)	2,74,492.12
Earnings before other income, finance cost and tax	207.05	15,117.07	-	15,324.12	471.90	(202.22)	15,593.80
Reconciliation to Profit before tax:							
Other income							754.54
Finance costs							(4,238.01)
Foreign exchange (gain)/loss (net)							(3,910.10)
Exceptional items:							
a) Employee separation cost							(67.61)
b) Others							1,182.17
Profit before tax							9,314.79
Depreciation and amortisation expense	3,157.71	14,650.51	-	17,808.22	96.77	-	17,904.99
Capital expenditure	4,018.58	27,783.03	-	31,801.61	124.12	(174.99)	31,750.74
Share of profit/(loss) of equity accounted investees (net)	25.21	1,384.37	-	1,409.58	83.42	-	1,493.00
Segment assets	64,890.05	1,54,654.50	-	2,19,544.55	2,205.13	(1,023.72)	2,20,725.96
Investment in equity accounted investees	377.31	3,835.72	-	4,213.03	392.98	-	4,606.01
Reconciliation to total assets:							
Other investments							15,731.91
Current and non-current tax assets (net)							1,195.67
Deferred tax assets (net)							4,457.34
Other unallocated financial assets [2]							27,037.47
Total assets							2,73,754.36
Segment liabilities	17,548.81	89,478.99	-	1,07,027.80	747.75	(250.44)	1,07,525.11
Reconciliation to total liabilities:							
Borrowings							78,603.98
Current tax liabilities (net)							1,392.58
Deferred tax liabilities (net)							1,174.00
Other unallocated financial liabilities [3]							26,543.63
Total liabilities							2,15,239.30

[1] Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
[2] Includes interest-bearing loans and deposits and accrued interest income.
[3] Includes interest accrued and other interest bearing liabilities.

For the year ended/as at March 31, 2016 (₹ in crores)

	Automotive and related activity						
	Tata and other brand vehicles (including financing thereof)[1]	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
Revenues:							
External revenue	53,386.49	2,22,822.93	-	2,76,209.42	1,451.17	-	2,77,660.59
Inter-segment/intra-segment revenue	76.03	-	(63.78)	12.25	1,502.72	(1,514.97)	-
Total revenues	53,462.52	2,22,822.93	(63.78)	2,76,221.67	2,953.89	(1,514.97)	2,77,660.59
Earnings before other income, finance cost and tax	2,188.15	19,056.29	-	21,244.44	436.24	(83.95)	21,596.73
Reconciliation to Profit before tax:							
Other income							885.35
Finance costs							(4,889.08)
Foreign exchange (gain)/loss (net)							(1,616.88)
Exceptional items:							
a) Employee separation cost							(32.72)
b) Others							(1,817.63)
Profit before tax							14,125.77
Depreciation and amortisation expense	2,527.52	14,100.10	-	16,627.62	83.16	-	16,710.78
Capital expenditure	3,681.61	27,616.04	-	31,297.65	211.54	(83.80)	31,425.39
Share of profit/(loss) of equity accounted investees (net)	20.67	598.71	-	619.38	(41.91)	-	577.47
Segment assets	60,550.01	1,59,802.80	(10.00)	2,20,342.81	2,286.84	(939.31)	2,21,690.34
Investment in equity accounted investees	373.05	3,238.07	-	3,611.12	152.83	-	3,763.95
Reconciliation to total assets:							
Other investments							20,003.07
Current and non-current tax assets (net)							1,412.56
Deferred tax assets (net)							3,957.03
Other unallocated financial assets[2]							16,314.20
Total assets							2,67,141.15
Segment liabilities	14,333.95	82,957.43	(10.00)	97,281.38	828.45	(278.59)	97,831.24
Reconciliation to total liabilities:							
Borrowings							69,359.96
Current tax liabilities (net)							723.53
Deferred tax liabilities (net)							4,474.78
Other unallocated financial liabilities[3]							15,366.39
Total liabilities							1,87,755.90

[1] Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
[2] Includes interest-bearing loans and deposits and accrued interest income.
[3] Includes interest accrued and other interest bearing liabilities.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

For the year ended/as at April 1, 2015 (₹ in crores)

	Automotive and related activity						
	Tata and other brand vehicles (including financing thereof)[1]	Jaguar Land Rover	Intra-segment eliminations	Total	Others	Inter-segment eliminations	Total
Segment assets	57,809.70	1,41,761.05	-	1,99,570.75	2,155.54	(1,087.00)	2,00,639.29
Investment in equity accounted investees	367.09	2,602.99	-	2,970.08	203.58	-	3,173.66
Reconciliation to total assets:							
Other investments							14,843.63
Current and non-current tax assets (net)							1,159.53
Deferred tax assets (net)							4,049.41
Other unallocated financial assets[2]							14,278.20
Total assets							2,38,143.72
Segment liabilities	14,201.93	76,238.47	-	90,440.40	779.26	(280.89)	90,938.77
Reconciliation to total liabilities:							
Borrowings							72,710.86
Current tax liabilities (net)							820.13
Deferred tax liabilities (net)							2,559.49
Other unallocated financial liabilities[3]							15,412.14
Total liabilities							1,82,441.39

[1] Tata and other brand vehicles include Tata Daewoo and Fiat brand vehicles.
[2] Includes interest-bearing loans and deposits and accrued interest income.
[3] Includes interest accrued and other interest bearing liabilities.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Entity-wide disclosures

Information concerning principal geographic areas is as follows:

(₹ in crores)

Net sales to external customers by geographic area by location of customers:		Year ended March 31, 2017	2016
(a)	India	**47,101.21**	46,027.25
(b)	United States of America	**42,935.31**	43,809.17
(c)	United Kingdom	**50,588.18**	46,209.94
(d)	Rest of Europe	**47,122.48**	41,575.25
(e)	China	**41,369.40**	48,760.19
(f)	Rest of the World	**45,375.54**	51,278.79
	Total	**2,74,492.12**	2,77,660.59

Non-current assets (Property, plant and equipment, Intangible assets, other non-current assets and Goodwill) by geographic area:		As at March 31, 2017	2016	As at April 1, 2015
(a)	India	**28,347.32**	27,656.40	26,900.82
(b)	United States of America	**251.84**	354.47	338.10
(c)	United Kingdom	**96,966.41**	1,01,735.19	87,748.93
(d)	Rest of Europe	**1,306.66**	278.63	120.61
(e)	China	**91.04**	154.08	101.71
(f)	Rest of the World	**3,005.75**	3,121.01	1,843.63
	Total	**1,29,969.02**	1,33,299.78	1,17,053.80

Information about product revenues:		Year ended March 31, 2017	2016
(a)	Tata and Fiat vehicles	**48,069.14**	46,347.41
(b)	Tata Daewoo commercial vehicles	**5,793.30**	4,783.94
(c)	Finance revenues	**2,429.23**	2,240.03
(d)	Jaguar Land Rover vehicles	**2,16,388.82**	2,22,822.93
(e)	Others	**1,811.63**	1,466.28
	Total	**2,74,492.12**	2,77,660.59

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

42. Related-Party Transactions

The Company's related parties principally consist of Tata Sons Limited, subsidiaries and joint ventures of Tata Sons Limited, the Company's associates and their subsidiaries, joint operations and joint ventures of the Company. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its associates, joint operations and joint ventures. Transactions and balances with its own subsidiaries are eliminated on consolidation.

The following table summarizes related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2017:

(₹ in crores)

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
Purchase of products	2,058.52	21.30	2,275.75	66.84	4,422.41
Sale of products	250.49	4,983.53	323.72	461.50	6,019.24
Services received	10.98	1,088.57	0.07	1,970.15	3,069.77
Services rendered	16.64	771.88	16.12	130.13	934.77
Bills discounted	-	-	-	3,202.77	3,202.77
Purchase of property, plant and equipment	13.79	-	-	0.11	13.90
Interest (income)/expense, dividend (income)/paid, (net)	(11.10)	(594.36)	(12.12)	64.26	(553.32)
Amounts receivable in respect of loans and interest thereon	-	-	-	9.33	9.33
Amounts payable in respect of loans and interest thereon	56.00	-	-	105.55	161.55
Trade and other receivables	49.52	565.86	-	160.01	775.39
Trade payables	39.76	22.63	123.96	471.11	657.46
Loans given/repaid	-	-	132.50	90.60	223.10
Loans taken/repaid	629.00	-	-	1,216.58	1,845.58
Conversion of Optionally Convertible Preference shares into Equity shares	160.00	-	-	-	160.00
Deposit given as security	-	-	-	3.00	3.00

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

The following table summarizes related-party transactions and balances included in the consolidated financial statements for the year ended/as at March 31, 2016:

(₹ in crores)

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
Purchase of products	1,768.73	-	2,781.45	67.40	4,617.58
Sale of products	212.38	3,105.15	597.12	756.68	4,671.33
Services received	9.64	842.70	0.12	1,850.36	2,702.82
Services rendered	21.85	626.35	7.97	112.31	768.48
Bills discounted	-	-	-	2,901.80	2,901.80
Sale of Investments	-	-	-	7.15	7.15
Purchase of property, plant and equipment	11.45	-	-	0.92	12.37
Interest (income)/expense, dividend (income)/paid, (net)	(11.98)	-	(14.33)	37.63	11.32
Amounts receivable in respect of loans and interest thereon	160.00	-	191.78	35.34	387.12
Amounts payable in respect of loans and interest thereon	27.00	-	-	106.17	133.17
Trade and other receivables	22.27	673.71	-	454.52	1,150.50
Trade payables	58.51	14.81	168.04	162.60	403.96
Loans given/repaid	-	-	-	125.00	125.00
Loans taken/repaid	345.00	-	-	918.13	1,263.13
Proceeds from issue of shares	-	-	-	1,966.76	1,966.76
Deposit given as security	-	-	-	3.00	3.00

The following table summarizes related-party balances included in the consolidated financial statements as at April 1, 2015:

	Associates and its subsidiaries	Joint ventures	Joint operations	Tata Sons Ltd, its subsidiaries and joint ventures	Total
Amounts receivable in respect of loans and interest thereon	25.66	-	183.97	100.64	310.27
Amounts payable in respect of loans and interest thereon	3.49	-	-	7.81	11.30
Trade and other receivables	15.22	436.18	-	159.58	610.98
Trade payables	76.49	4.65	143.68	335.87	560.69
Loans given/repaid	-	-	-	95.00	95.00
Loans taken/repaid	94.00	-	-	-	94.00
Purchase of unquoted equity shares	-	1,225.86	-	-	1,225.86
Purchase of Optionally Convertible Preference shares	160.00	-	-	-	160.00
Deposit given as security	-	-	-	3.00	3.00

Compensation of key management personnel:

	Year ended March 31, 2017	2016
Short-term benefits^	**69.31**	55.78
Post-employment benefits*	**18.47**	11.20

^ Includes ₹**8.08 crores** (₹4.61 crores for the year 2015 -2016) of managerial remuneration which is subject to the approval of Central Government.

* Excludes provision for encashable leave and gratuity for certain key management personnels as a separate actuarial valuation is not available.

Other transactions with key management personnel:

	Year ended March 31, 2017	2016
Issue of shares pursuant to rights issue	**-**	0.08
Sale of products	**0.81**	1.10
Dividend Paid	- **	-

*** amount less than ₹50,000/-*

Refer note 36 for information on transactions with post-employment benefit plans.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

43. Earnings per Share ("EPS")			Year ended March 31,	
			2017	2016
(a)	Profit after tax	₹ crores	**7,454.36**	11,579.31
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**2,88,72,18,310**	2,87,31,88,838
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**50,84,83,714**	50,60,63,234
(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	**6,333.80**	9,840.94
(f)	Share of profit for 'A' Ordinary shares for Basic EPS*	₹ crores	**1,120.56**	1,738.37
(g)	Earnings per Ordinary share (Basic)	₹	**21.94**	34.25
(h)	Earnings per 'A' Ordinary share (Basic)	₹	**22.04**	34.35
(i)	Profit after tax for Diluted EPS	₹ crores	**7,454.36**	11,579.31
(j)	The weighted average number of Ordinary shares for Basic EPS	Nos.	**2,88,72,18,310**	2,87,31,88,838
(k)	Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	**5,99,766**	6,21,740
(l)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	**2,88,78,18,076**	2,87,38,10,578
(m)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	**50,84,83,714**	50,60,63,234
(n)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	**2,52,396**	2,57,050
(o)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	**50,87,36,110**	50,63,20,284
(p)	Share of profit for Ordinary shares for Diluted EPS	₹ crores	**6,333.52**	9,840.50
(q)	Share of profit for 'A' Ordinary shares for Diluted EPS*	₹ crores	**1,120.84**	1,738.81
(r)	Earnings per Ordinary share (Diluted)	₹	**21.93**	34.24
(s)	Earnings per 'A' Ordinary share (Diluted)	₹	**22.03**	34.34

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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated profit or loss	Share of profit or loss	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Total comprehensive income
Parent								
Tata Motors Ltd	32.80%	20,553.79	-34.85%	(2,597.62)	-0.36%	98.68	12.49%	(2,498.94)
Subsidiaries								
Indian								
TAL Manufacturing Solutions Ltd	0.14%	85.35	0.16%	11.89	0.00%	0.55	-0.06%	12.44
TML Drivelines Ltd	1.30%	812.63	0.69%	51.19	0.00%	(1.27)	-0.25%	49.92
Concorde Motors (India) Ltd	0.20%	123.69	-0.60%	(44.91)	0.00%	(0.16)	0.23%	(45.07)
Sheba Properties Ltd	-0.49%	(308.97)	21.33%	1,590.01	-0.03%	8.98	-7.99%	1,598.99
Tata Technologies Ltd	1.20%	752.71	2.87%	214.05	0.01%	(3.39)	-1.05%	210.66
Tata Motors Insurance Broking & Advisory Services Ltd	0.04%	22.86	0.14%	10.50	0.00%	0.04	-0.05%	10.54
TML Distribution Company Ltd	0.49%	304.05	0.36%	26.83	0.00%	0.26	-0.14%	27.09
Tata Motors Finance Ltd	4.92%	3,081.42	-16.86%	(1,256.58)	0.00%	1.03	6.28%	(1,255.55)
Tata Motors Financial Solutions Ltd	1.93%	1,207.06	-6.33%	(471.61)	0.00%	(0.34)	2.36%	(471.95)
Tata Marcopolo Motors Ltd	0.18%	110.75	0.18%	13.45	0.00%	(0.43)	-0.07%	13.02
Jaguar Land Rover India Limited	0.41%	254.33	0.90%	67.09	0.00%	-	-0.34%	67.09
Foreign								
Tata Daewoo Commercial Vehicle Co. Ltd	3.75%	2,347.61	3.90%	290.68	-0.11%	29.43	-1.60%	320.11
Tata Motors European Technical Centre Plc	0.49%	306.12	-0.65%	(48.66)	0.00%	-	0.24%	(48.66)
Tata Motors (SA) (Proprietary) Ltd	0.02%	11.42	0.01%	0.84	0.00%	0.45	-0.01%	1.29
Tata Motors (Thailand) Ltd	-0.61%	(379.84)	-1.36%	(101.70)	0.00%	0.80	0.50%	(100.90)
TML Holdings Pte Ltd, Singapore	16.29%	10,209.63	10.87%	810.59	0.00%	-	-4.05%	810.59
Tata Hispano Motors Carrocera S.A	-1.03%	(647.94)	-0.12%	(9.29)	-0.20%	53.92	-0.22%	44.63
Tata Hispano Motors Carroceries Maghreb	-0.04%	(22.46)	-0.10%	(7.43)	0.18%	(49.02)	0.28%	(56.45)
Trilix S.r.l	0.08%	52.08	0.20%	15.19	0.02%	(5.08)	-0.05%	10.11
Tata Precision Industries Pte Ltd	0.00%	0.93	0.00%	(0.07)	0.00%	(0.06)	0.00%	(0.13)
PT Tata Motors Indonesia	0.25%	158.40	-0.03%	(2.00)	0.00%	0.72	0.01%	(1.28)
INCAT International Plc	0.06%	39.01	-0.01%	(0.39)	0.03%	(7.03)	0.04%	(7.42)
Tata Technologies Inc	0.55%	344.89	0.21%	15.91	0.03%	(7.40)	-0.04%	8.51
INCAT Solutions of Canada Inc. (Liquidated w.e.f December 13, 2016)	0.00%	-	0.00%	-	-0.01%	1.77	-0.01%	1.77
Tata Technologies de Mexico, S.A. de C.V.	0.01%	5.62	0.03%	2.14	0.00%	(0.20)	-0.01%	1.94
Tata Technologies Europe Ltd	0.92%	573.78	1.47%	109.28	0.40%	(109.62)	0.00%	(0.34)
INCAT GmbH.	0.02%	15.10	0.00%	0.33	0.00%	(1.31)	0.00%	(0.98)
Tata Technologies (Thailand) Ltd	0.01%	7.23	0.00%	0.06	0.00%	(0.08)	0.00%	(0.02)
Tata Technologies Pte. Ltd	1.16%	725.17	-0.05%	(3.94)	0.06%	(15.34)	0.10%	(19.28)
Cambric Limited, Bahama	0.03%	19.20	-0.01%	(0.50)	0.00%	-	0.00%	(0.50)
Cambric UK Ltd.	0.00%	0.00	-0.05%	(3.68)	0.00%	(0.25)	0.02%	(3.93)
Cambric GmbH	0.00%	1.96	0.00%	0.14	0.00%	(0.12)	0.00%	0.02
Midwest Managed Services, Utah	0.00%	2.18	0.02%	1.48	0.00%	-	-0.01%	1.48
Tata Technologies SRL, Romania	0.03%	17.93	0.06%	4.22	0.00%	(1.37)	-0.01%	2.85
Cambric Manufacturing Technologies (Shanghai) Co. Ltd.	0.04%	25.56	0.27%	20.13	0.01%	(1.63)	-0.09%	18.50
Jaguar Land Rover Automotive Plc	25.65%	16,073.26	35.11%	2,616.96	0.00%	-	-13.08%	2,616.96
Jaguar Land Rover Limited	88.06%	55,183.97	106.17%	7,914.08	84.39%	(23,174.21)	76.28%	(15,260.13)
Jaguar Land Rover Holdings Limited (formerly known as Land Rover)	64.55%	40,450.88	26.21%	1,953.81	0.00%	-	-9.77%	1,953.81
JLR Nominee Company Limited (formerly known as Jaguar Land Rover Exports Ltd)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover North America, LLC	0.97%	607.95	2.32%	172.83	0.00%	(0.47)	-0.86%	172.36
Jaguar Land Rover Deutschland GmbH	0.90%	566.73	1.23%	91.65	0.00%	-	-0.46%	91.65
Jaguar Land Rover Austria GmbH	0.13%	79.86	0.18%	13.16	0.00%	-	-0.07%	13.16
Jaguar Land Rover Italia SpA	0.65%	409.90	1.33%	99.06	0.00%	-	-0.50%	99.06
Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	0.00%	(0.10)	0.06%	4.42	0.00%	-	-0.02%	4.42
Jaguar Land Rover France SAS	0.19%	121.44	0.44%	32.45	0.00%	-	-0.16%	32.45
Jaguar Land Rover Australia Pty Limited	0.17%	106.53	1.46%	108.89	0.00%	-	-0.54%	108.89
Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	13.47%	8,443.53	93.09%	6,939.08	0.00%	-	-34.69%	6,939.08
Jaguar Land Rover Japan Limited	0.46%	290.64	0.60%	44.43	0.00%	-	-0.22%	44.43
Jaguar Land Rover Korea Company Limited	0.22%	137.11	1.64%	122.15	0.00%	-	-0.61%	122.15
Jaguar Land Rover Canada ULC	0.27%	168.63	1.80%	134.53	0.00%	-	-0.67%	134.53
Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA	0.80%	499.67	-8.48%	(631.94)	0.00%	-	3.16%	(631.94)
Limited Liability Company "Jaguar Land Rover" (Russia)	1.01%	634.25	8.59%	640.55	0.00%	-	-3.20%	640.55
"Jaguar Land Rover (South Africa) (Pty) Ltd	0.38%	241.25	1.78%	132.84	0.00%	-	-0.66%	132.84
Jaguar Land Rover Belux NV	0.12%	73.08	0.36%	26.79	0.00%	-	-0.13%	26.79

(₹ in crores)

Name of enterprises	As % of consolidated net assets	Net Assets (total assets minus total liabilities)	As % of consolidated profit or loss	Share of profit or loss	As % of consolidated OCI	Share of OCI	As % of total comprehensive income	Total comprehensive income
Jaguar Land Rover South Africa Holdings Limited	2.15%	1,344.92	2.42%	180.37	0.00%	-	-0.90%	180.37
Land Rover Ireland Limited	0.01%	7.12	0.01%	0.53	0.00%	-	0.00%	0.53
Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	0.66%	412.48	0.90%	66.79	0.00%	0.14	-0.33%	66.93
Jaguar Land Rover Nederland BV	0.06%	36.80	0.27%	20.49	0.00%	-	-0.10%	20.49
The Lanchester Motor Company Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Daimler Motor Company Limited	0.02%	12.14	0.00%	-	0.00%	-	0.00%	-
S S Cars Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Daimler Transport Vehicles Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
The Jaguar Collection Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars (South Africa) (Pty) Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Cars Ltd	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Land Rover Exports Ltd (non-trading)	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Jaguar Land Rover Pension Trustees Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Shanghai Jaguar Land Rover Automotive Services Company Ltd	0.00%	2.60	-0.02%	(1.51)	0.00%	-	0.01%	(1.51)
Jaguar Land Rover Slovakia s.r.o	0.27%	171.68	-0.08%	(6.23)	-0.05%	14.92	-0.04%	8.69
Jaguar Land Rover Singapore Pte Ltd	0.03%	16.74	0.20%	14.73	0.00%	-	-0.07%	14.73
Jaguar Racing Limited	0.03%	18.47	0.27%	19.88	0.00%	-	-0.10%	19.88
Jaguar Land Rover Colombia SAS	0.01%	8.92	0.02%	1.76	0.00%	-	-0.01%	1.76
InMotion Ventures Limited	-0.08%	(49.23)	-0.71%	(52.98)	0.00%	-	0.26%	(52.98)
Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	0.04%	23.27	0.05%	3.55	0.00%	(0.94)	-0.01%	2.61
PT Tata Motors Distribusi Indonesia	-0.01%	(8.53)	-0.60%	(44.56)	0.00%	-	0.22%	(44.56)
TMNL Motor Services Nigeria Ltd	0.00%	(0.07)	0.00%	(0.20)	0.00%	(0.33)	0.00%	(0.53)
Minority Interests in all subsidiaries								
Indian								
Concorde Motors (India) Ltd	0.00%	-	0.00%	-	0.00%		0.00%	-
Tata Marcopolo Motors Ltd	-0.09%	(54.17)	-0.09%	(6.59)	0.00%	0.21	0.03%	(6.38)
Tata Motors Finance Ltd	0.00%	-	0.00%	-	0.00%		0.00%	-
Tata Technologies Ltd	-0.64%	(401.75)	-1.30%	(97.03)	-0.12%	33.25	0.32%	(63.78)
Foreign								
Tata Motors (SA) (Proprietary) Ltd	-0.01%	(4.56)	0.00%	(0.34)	0.00%	(0.18)	0.00%	(0.52)
Tata Precision Industries Pte Ltd	0.00%	(0.22)	0.00%	-	0.00%		0.00%	-
Tata Motors (Thailand) Limited	0.03%	19.57	0.06%	4.80	0.00%	(0.03)	-0.02%	4.77
Trilix S.r.l	-0.02%	(12.04)	-0.04%	(3.04)	0.00%	1.02	0.01%	(2.02)
Joint operations								
Indian								
Fiat India Automobiles Private Limited	2.40%	1,503.66	1.90%	141.32	0.00%	(0.83)	-0.70%	140.49
Tata Cummins Private Ltd	0.61%	381.87	0.42%	31.12	0.01%	(2.38)	-0.14%	28.74
Adjustments arising out of consolidation	-175.96%	(110,269.60)	-180.23%	(13,434.83)	14.62%	(4,014.30)	87.22%	(17,449.13)
Sub - total (a)		**58,061.89**		**5,961.36**		**(27,151.60)**		**(21,190.24)**
Joint ventures (as per proportionate consolidation/investment as per the equity method								
Indian								
Tata HAL Technologies Ltd	0.00%	-	-0.03%	(2.30)	0.00%	-	0.01%	(2.30)
Foreign								
Spark 44 Ltd	0.10%	64.77	0.40%	29.95	0.05%	(13.03)	-0.08%	16.92
Chery Jaguar Land Rover Automotive Co Ltd	5.85%	3,668.61	18.17%	1,354.42	1.02%	(280.16)	-5.37%	1,074.26
Sub - total (b)		3,733.38		1,382.07		(293.19)		1,088.88
Associates (Investment as per the equity method)								
Indian								
Tata AutoComp Systems Ltd	0.34%	212.06	0.19%	13.90	0.01%	(3.66)	-0.05%	10.24
Automobile Corporation of Goa Ltd	0.22%	136.83	0.10%	7.10	0.00%	(0.01)	-0.04%	7.09
Tata Hitachi Construction Machinery Company Private Ltd	0.63%	392.98	1.15%	85.72	0.01%	(3.27)	-0.41%	82.45
Foreign								
Nita Company Ltd	0.05%	28.42	0.06%	4.21	0.00%	(0.97)	-0.02%	3.24
Tata Precision Industries (India) Ltd	-	-	-	-	0.00%	-	0.00%	-
Synaptiv Limited	0.00%	1.37	-	-	0.00%	-	0.00%	-
CloudCar Inc	0.15%	96.96	-	-	0.03%	(7.60)	0.04%	(7.60)
Jaguar Cars Finance Limited	0.01%	3.91	0.00%	-	0.00%	-	0.00%	-
Sub - total (c)		**872.39**		**110.93**		**(15.51)**		**95.42**
Total (b + c)		**4,606.01**	**100.00%**	**1,493.00**	**100.00%**	**(308.70)**	**100.00%**	**1,184.30**
Total (a + b)	**100.00%**	**62,667.90**	**100.00%**	**7,454.36**	**100.00%**	**(27,460.30)**	**100.00%**	**(20,005.94)**

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

45. Other Notes

(a) Disclosure on Specified Bank Notes (SBNs)

As required by MCA notification G.S.R. 308 (E) dated March 30, 2017, details in respect of Specified Bank Notes (SBNs) held and transacted during the period from November 8, 2016 to December 30, 2016 are given below:

(Amount in ₹)

Particulars	SBNs	Other denomination notes	Total
Closing cash in hand as on November 8, 2016	**9,59,50,250**	**1,07,28,889**	**10,66,79,139**
(+) Non-permitted receipts	**79,500**	**-**	**79,500**
(+) Permitted receipts	**-**	**1,85,09,67,818**	**1,85,09,67,818**
(-) Permitted payments	**4,99,500**	**2,61,55,712**	**2,66,55,212**
(-) Amount deposited in banks	**9,55,30,250**	**1,72,69,17,216**	**1,82,24,47,466**
Closing cash in hand as on December 30, 2016	**-**	**10,86,23,779**	**10,86,23,779**

(b) "Exceptional item VI (b)" of ₹ **147.93 crores** for the year ended March 31, 2017, relates to provision for inventory of BS III vehicles as at March 31, 2017. This does not include higher level of customer discounts and variable marketing expenses in March 2017, to support higher level of retail sales which have been netted off against "Income from operations".

(c) The following subsidiaries have been considered on Unaudited basis. Details for the same as per individual entity's financials are as under :

(₹ in crores)

Particulars	Net Worth As at March 31, 2017	Total Revenue for the year ended March 31, 2017	Net Increase / (Decrease) in Cash & Cash equivalent during 2016-2017
Subsidiaries :			
Tata Motors European Technical Centre Plc	**306.12**	**216.33**	**(36.86)**
Trilix S.r.l	**52.09**	**119.26**	**8.66**
Tata Precision Industries Pte Ltd	**0.94**	**-**	**(0.16)**
Tata Hispano Motors Carrocera S.A	**(647.95)**	**0.56**	**(0.29)**
Tata Hispano Motors Carroceries Maghreb S.A	**(22.46)**	**0.36**	**(17.46)**
Total	**(311.26)**	**336.51**	**(46.11)**
For the year ended/as at March 31, 2016	(406.42)	398.72	41.83

(d) 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 are 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.

(e) Current period figures are shown in bold prints.

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

R A MASHELKAR *[DIN: 00074119]*
N MUNJEE *[DIN: 00010180]*
V K JAIRATH *[DIN: 00391684]*
O P BHATT *[DIN:00548091]*
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 23, 2017

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Part - A

(₹ in crores)

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/(Loss) after tax	Profit/ (Loss)for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
1	TAL Manufacturing Solutions Ltd (subsidiary w.e.f March 13, 2000)	India	INR	1.00	115.00	(29.65)	519.80	434.45	329.80	11.89	-	11.89	11.89	-	-	100.00
2	TML Drivelines Ltd (subsidiary w.e.f March 13, 2000)	India	INR	1.00	77.00	735.63	1,037.42	224.79	524.03	65.14	13.95	51.19	51.19	-	36.50	100.00
3	Concorde Motors (India) Ltd (subsidiary w.e.f July 3, 1999)	India	INR	1.00	126.38	(2.69)	702.03	578.34	1,126.46	(44.91)	-	(44.91)	(44.91)	-	-	100.00
4	Sheba Properties Ltd (subsidiary w.e.f January 24, 1989)	India	INR	1.00	491.49	(800.46)	16,326.92	16,635.89	479.11	1,589.80	(0.21)	1,590.01	1,590.01	-	189.81	100.00
5	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)	South Korea	KRW	0.06	57.57	2,290.04	3,808.19	1,460.58	6,034.32	382.67	91.99	290.68	290.68	-	-	100.00
6	Tata Technologies Ltd (subsidiary w.e.f September 10, 1997)	India	INR	1.00	43.03	709.68	1,043.61	290.90	1,112.08	264.51	50.46	214.05	214.05	-	210.44	72.32
7	Tata Motors Insurance Broking & Advisory Services Ltd (subsidiary w.e.f October 21, 2004)	India	INR	1.00	2.50	20.36	30.22	7.36	45.16	15.98	5.48	10.50	10.50	-	10.66	100.00
8	Tata Motors European Technical Centre Plc (subsidiary w.e.f September 1, 2005)	UK	GBP	80.92	474.57	(168.45)	406.49	100.37	216.33	(42.07)	6.59	(48.66)	(48.66)	-	-	100.00
9	TML Distribution Company Ltd (subsidiary w.e.f March 28, 2008)	India	INR	1.00	225.00	79.05	673.60	369.55	2,573.76	41.90	15.07	26.83	26.83	-	-	100.00
10	Tata Motors (SA) (Proprietary) Ltd (subsidiary w.e.f December 5, 2007)	South Africa	ZAR	4.81	12.98	(1.56)	106.25	94.83	87.35	1.07	0.23	0.84	0.84	-	-	60.00
11	Tata Motors Finance Ltd (subsidiary w.e.f June 1, 2006)	India	INR	1.00	1,319.02	1,762.40	5,508.15	2,426.73	1,850.12	(856.29)	400.28	(1,256.57)	(1,256.57)	-	178.03	100.00
12	Tata Motors Finance Solutions Ltd (subsidiary w.e.f January 19, 2015)	India	INR	1.00	1,700.50	(493.44)	5,161.03	3,953.97	395.61	(466.36)	5.25	(471.61)	(471.61)	-	769.58	100.00
13	Tata Marcopolo Motors Ltd (subsidiary w.e.f September 20, 2006)	India	INR	1.00	170.00	(59.25)	420.31	309.56	572.25	13.45	-	13.45	13.45	-	-	51.00
14	Tata Motors (Thailand) Ltd (subsidiary w.e.f February 28, 2008)	Thailand	THB	1.89	525.41	(905.25)	416.68	796.52	108.03	(101.70)	-	(101.70)	(101.70)	-	-	95.28
15	TML Holdings Pte Ltd, Singapore (subsidiary w.e.f February 4, 2008)	Singapore	GBP	80.92	10791.87	(582.24)	17609.82	7400.19	-	817.63	7.04	810.59	810.59	-	-	100.00
16	Tata Hispano Motors Carrocera S.A (subsidiary w.e.f October 16, 2009)	Spain	EUR	69.30	2.88	(650.82)	44.57	692.51	0.56	(9.29)	-	(9.29)	(9.29)	-	-	100.00
17	Tata Hispano Motors Carroceries Maghreb (subsidiary w.e.f June 23, 2014)	Morocco	MAD	6.45	146.30	(168.76)	43.51	65.97	0.36	(7.43)	-	(7.43)	(7.43)	-	-	100.00
18	Trilix S.r.l (subsidiary w.e.f October 4, 2010)	Italy	EUR	69.30	0.61	51.47	75.08	23.00	119.26	21.78	6.59	15.19	15.19	-	-	80.00
19	Tata Precision Industries Pte Ltd (subsidiary w.e.f February 15, 2011)	Singapore	SGD	46.42	41.56	(40.63)	0.94	0.01	-	(0.07)	-	(0.07)	(0.07)	-	-	78.39
20	PT Tata Motors Indonesia(subsidiary w.e.f December 29, 2011	Indonesia	IDR	0.00	209.55	(51.15)	162.82	4.42	-	(1.98)	0.02	(2.00)	(2.00)	-	-	100.00
21	INCAT International Plc (subsidiary w.e.f October 3, 2005)	UK	GBP	80.92	2.07	36.94	40.77	1.76	0.05	(0.39)	-	(0.39)	(0.39)	-	-	72.32
22	Tata Technologies Inc (subsidiary w.e.f October 3, 2005)	USA	USD	64.85	776.28	(431.39)	452.87	107.98	760.17	27.62	11.71	15.91	15.91	-	-	72.37
23	INCAT Solutions of Canada Inc. (Liquidated w.e.f December 13, 2016) (Tata Technologies Canada Inc) (subsidiary w.e.f October 3, 2005)	USA	CAD	48.59	-	-	-	-	-	-	-	-	-	-	-	72.37
24	Tata Technologies de Mexico, S.A. de C.V.(subsidiary w.e.f October 3, 2005)	USA	MXN	3.46	1.01	4.62	10.87	5.24	22.64	2.14	-	2.14	2.14	-	-	72.37
25	Tata Technologies Europe Ltd (subsidiary w.e.f October 3, 2005)	UK	GBP	80.92	0.09	573.68	953.75	379.97	1,161.98	137.55	28.27	109.28	109.28	-	-	72.32
26	INCAT GmbH. (subsidiary w.e.f October 3, 2005)	Germany	EUR	69.30	0.95	14.15	15.61	0.51	0.35	0.33	-	0.33	0.33	-	-	72.32
27	Tata Technologies (Thailand) Ltd (subsidiary w.e.f October 10, 2005)	Thailand	THB	1.89	4.58	2.65	8.82	1.59	12.19	0.06	-	0.06	0.06	-	-	72.32
28	Tata Technologies Pte. Ltd (subsidiary w.e.f December 7, 2005)	Singapore	USD	64.85	251.56	473.62	731.03	5.86	35.62	(4.04)	(0.10)	(3.94)	(3.94)	-	-	72.32
29	Cambric Limited, Bahama (subsidiary w.e.f May 1, 2013)	USA	USD	64.85	17.51	1.69	21.02	1.82	3.31	(0.50)	-	(0.50)	(0.50)	-	-	72.32
30	Cambric UK Ltd.(subsidiary w.e.f May 1, 2013)	UK	EUR	69.30	0.00	0.00	0.00	-	(0.04)	(3.43)	0.25	(3.68)	(3.68)	-	-	72.32
31	Cambric GmbH (subsidiary w.e.f May 1, 2013)	Germany	EUR	69.30	0.20	1.77	1.96	-	0.07	(0.10)	(0.24)	0.14	0.14	-	-	72.32
32	Midwest Managed Services, Utah (subsidiary w.e.f May 1, 2013)	USA	USD	64.85	0.00	2.18	2.38	0.20	5.40	1.48	-	1.48	1.48	-	-	72.32
33	Tata Technologies SRL, Romania (subsidiary w.e.f May 1, 2013)	Romania	RON	15.16	8.79	9.13	22.20	4.28	56.91	4.59	0.37	4.22	4.22	-	-	72.32
34	Cambric Manufacturing Technologies (Shanghai) Co. Ltd.(subsidiary w.e.f March 10, 2014)	China	CNY	9.42	3.05	22.51	56.09	30.53	134.46	28.72	8.59	20.13	20.13	-	-	72.32
35	Jaguar Land Rover Automotive Plc (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	12,145.87	3,940.73	44,092.51	28,005.91	-	2,431.60	(8.09)	2,439.69	2,439.69	-	-	100.00
36	Jaguar Land Rover Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	28,815.09	18,425.15	182,309.47	135,069.23	169,394.87	6,772.88	89.01	6,683.87	6,683.87	-	12,000.21	100.00
37	Jaguar Land Rover Holdings Limited (formerly known as Land Rover) (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	40.46	40,933.45	44,610.39	3,636.48	-	1,941.24	125.42	1,815.81	1,815.81	-	-	100.00
38	JLR Nominee Company Limited (formerly known as Jaguar Land Rover Exports Ltd)(subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
39	Jaguar Land Rover North America, LLC (subsidiary w.e.f June 2, 2008)	USA	USD	64.85	259.40	407.91	10,435.02	9,767.71	44,938.46	262.64	99.87	162.77	162.77	-	-	100.00
40	Jaguar Land Rover Deutschland GmbH (subsidiary w.e.fJune 2, 2008	Germany	EUR	69.30	18.02	398.48	3,213.44	2,796.95	12,374.21	130.98	39.50	91.48	91.48	-	-	100.00
41	Jaguar Land Rover Austria GmbH (subsidiary w.e.f June 2, 2008)	Austria	EUR	69.30	1.39	82.47	542.62	458.77	1,933.47	17.33	3.47	13.86	13.86	-	-	100.00
42	Jaguar Land Rover Italia SpA (subsidiary w.e.f June 2, 2008)	Italy	EUR	69.30	173.25	278.59	2,036.03	1,584.20	8,451.14	81.77	26.33	55.44	55.44	-	-	100.00
43	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.(subsidiary w.e.f June 2, 2008)	Portugal	EUR	69.30	83.16	(9.70)	221.76	148.30	584.89	5.54	3.47	2.08	2.08	-	-	100.00
44	Jaguar Land Rover France SAS (subsidiary w.e.f February 1, 2009)	France	EUR	69.30	29.11	107.42	1,294.52	1,158.00	6,079.00	73.46	27.03	46.43	46.43	-	-	100.00
45	Jaguar Land Rover Australia Pty Limited (subsidiary w.e.f June 2, 2008)	Australia	AUD	49.57	3.47	84.77	1,919.51	1,831.27	5,923.11	120.96	36.19	84.77	84.77	-	-	100.00
46	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd (subsidiary w.e.f June 2, 2008)	China	CNY	9.42	63.09	6,062.96	11,482.53	5,356.48	42,483.01	7,070.29	1,038.49	6,031.80	6,031.80	-	-	100.00
47	Jaguar Land Rover Japan Limited (subsidiary w.e.f October 1, 2008)	Japan	JPY	0.58	27.85	259.77	976.04	688.42	2,442.48	30.44	9.42	21.02	21.02	-	-	100.00
48	Jaguar Land Rover Korea Company Limited (subsidiary w.e.f June 2, 2008)	Korea	KRW	0.06	0.29	117.78	1,833.76	1,715.69	5,333.39	91.55	10.19	81.35	81.35	-	-	100.00
49	Jaguar Land Rover Canada ULC (subsidiary w.e.f June 2, 2008)	Canada	CAD	48.59	-	22.35	1,289.20	1,266.85	4,730.65	28.18	5.83	22.35	22.35	-	-	100.00
50	Jaguar e Land Rover Brasil Indústria e Comércio de Veículos LTDA (subsidiary w.e.f June 2, 2008)	Brazil	BRL	20.71	304.59	(176.83)	628.64	500.89	529.46	159.23	8.90	150.33	150.33	-	-	100.00
51	Limited Liability Company "Jaguar Land Rover" (Russia) (incorporated on 25-5-2008) (subsidiary w.e.f May 15, 2009)	Russia	RUB	1.15	5.56	638.90	1,368.56	724.10	5,915.80	720.56	151.79	568.77	568.77	-	-	100.00
52	Jaguar Land Rover (South Africa) (Pty) Ltd (subsidiary w.e.f February 2, 2009)	South Africa	ZAR	4.81	-	266.90	1,137.07	870.17	2,201.30	145.49	41.64	103.86	103.86	-	-	100.00
53	Jaguar Land Rover Belux NV (subsidiary w.e.f June 2, 2008)	Belgium	EUR	69.30	8.66	72.07	891.20	810.46	3,604.99	35.34	13.86	21.48	21.48	-	-	100.00
54	Jaguar Land Rover South Africa Holdings Limited (subsidiary w.e.f September 9, 2011)	UK	ZAR	4.81	937.58	15.39	977.49	24.52	-	41.83	12.02	29.81	29.81	-	-	100.00
55	Land Rover Ireland Limited (subsidiary w.e.f June 2, 2008)	Ireland	EUR	69.30	-	10.40	14.55	4.16	-	0.35	-	0.35	0.35	-	-	100.00
56	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL) (subsidiary w.e.f June 2, 2008)	Spain	EUR	69.30	306.31	124.05	1,473.32	1,042.97	3,999.30	40.19	10.40	29.80	29.80	-	-	100.00
57	Jaguar Land Rover Nederland BV (subsidiary w.e.f June 2, 2008)	Netherlands	EUR	69.30	0.31	41.58	469.16	427.27	1,347.19	13.17	3.47	9.70	9.70	-	-	100.00
58	Jaguar Land Rover India Limited (subsidiary w.e.f October 25, 2012)	India	INR	1.00	280.25	(12.16)	696.17	428.08	1,482.83	96.56	6.49	90.07	90.07	-	-	100.00
59	The Lanchester Motor Company Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
60	The Daimler Motor Company Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	12.14	-	12.14	-	-	-	-	-	-	-	-	100.00
61	S S Cars Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
62	Daimler Transport Vehicles Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
63	The Jaguar Collection Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
64	Jaguar Cars (South Africa) (Pty) Ltd (subsidiary w.e.f June 2, 2008)	South Africa	ZAR	4.81	-	-	-	-	-	-	-	-	-	-	-	100.00
65	Jaguar Cars Ltd (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
66	Land Rover Exports Ltd (non-trading) (business transferred to JLR Exports Ltd 1.4.2012 (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
67	Jaguar Land Rover Pension Trustees Limited (subsidiary w.e.f June 2, 2008)	UK	GBP	80.92	-	-	-	-	-	-	-	-	-	-	-	100.00
68	Shanghai Jaguar Land Rover Automotive Services Company Ltd (subsidiary w.e.f March 10, 2014)	China	CNY	9.42	15.07	(16.48)	76.46	77.87	106.21	3.01	11.49	(8.47)	(8.47)	-	-	100.00
69	Jaguar Land Rover Slovakia s.r.o (Incorporated w.e.f. August 27, 2015) (subsidiary w.e.f August 27, 2015)	Slovakia	EUR	69.30	207.90	(36.73)	1,282.74	1,111.57	-	5.54	-	5.54	5.54	-	-	100.00
70	Jaguar Land Rover Singapore Pte Ltd (incorporated w.e.f November 25,2015)(subsidiary w.e.f November 25, 2015)	Singapore	SGD	46.42	3.25	7.43	173.59	162.91	446.05	8.82	1.39	7.43	7.43	-	-	100.00
71	Jaguar Racing Limited (Incorporated w.e.f. February 2, 2016) (subsidiary w.e.f February 2, 2016)	UK	GBP	80.92	-	14.57	42.89	28.32	126.23	18.61	4.05	14.57	14.57	-	-	100.00
72	Jaguar Land Rover Colombia SAS (subsidiary w.e.f August 22, 2016)	Colombia	COP	0.02	8.06	(0.47)	102.62	95.04	32.28	(1.02)	(0.55)	(0.47)	(0.47)			100.00
73	InMotion Ventures Limited (Incorporated w.e.f. March 18, 2016) (subsidiary w.e.f March 18, 2016)	UK	GBP	80.92	-	(39.65)	18.61	58.26	18.61	49.36	9.71	39.65	39.65	-	-	100.00
74	TMNL Motor Services Nigeria Ltd (incorporated w.e.f September 2, 2015)(subsidiary w.e.f September 2, 2015)	Nigeria	NGN	0.21	0.21	(0.29)	0.17	0.24	-	(0.20)	(0.00)	(0.20)	(0.20)	-	-	100.00
75	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd. (subsidiary w.e.f April 9, 2010)	South Korea	KRW	0.06	4.00	19.27	64.02	40.75	178.42	5.19	1.64	3.55	3.55	-	-	100.00
76	PT Tata Motors Distribusi Indonesia (subsidiary w.e.f February 11, 2013)	Indonesia	IDR	0.00	161.03	(169.56)	49.18	57.71	42.83	(44.56)	-	(44.56)	(44.56)	-	-	100.00

Statement pursuant to first proviso to sub-section (3) of section 129 of the Companies Act 2013, read with rule 5 of Companies (Accounts) Rules, 2014 in the prescribed Form AOC-1 relating to subsidiary companies

Part - A

(₹ in crores)

Sr. No	Subsidiary	Country	Reporting currency	Exchange Rate	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/(Loss) after tax	Profit/ (Loss)for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)	% of shareholding
	Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above															
1	Tata Technologies Limited (subsidiary w.e.f September 10, 1997)				43.03	1,403.30	2,152.45	706.12	2,810.06	452.15	98.24	353.91	353.91	-	220.42	72.32
2	Tata Motors Finance Ltd (subsidiary w.e.f June 1, 2006)				1,319.02	(2,249.72)	21,591.83	22,522.53	2,712.87	677.43	394.37	283.06	283.06	-	1,146.49	100.00
3	TML Holdings Pte Ltd, Singapore (subsidiary w.e.f February 4, 2008)				-	-	-	-	-	-	-	-	-	-	-	100.00
4	PT Tata Motors Indonesia (subsidiary w.e.f December 29, 2011)				220.38	(231.49)	51.55	62.66	38.67	(46.31)	0.11	(46.42)	(46.15)	-	-	100.00
	TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automtive Plc and Tata Daewoo Commercial Vehicle Co. Ltd., the consolidated accounts of which are given below :															
1	Jaguar Land Rover Automotive Plc Consolidated (subsidiary w.e.f June 2, 2008)				12,142.96	40,939.04	199,112.85	146,030.85	216,318.01	12,964.50	2,757.18	10,207.32	10,207.32	-	12,000.22	100.00
2	Tata Daewoo Commercial Vehicle Co. Ltd (subsidiary w.e.f March 30, 2004)				0.03	2,029.97	3,646.23	1,616.23	5,802.81	387.86	93.63	294.23	294.23	-	-	100.00

* Profit for the year is after share of minority interest and share of profit/(loss) in respect of investment in associate companies.

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Arrangements

Part - B

Sr. No	Name of Associates/Joint Arrangements	Shares of Associate/Joint Arrangements held by the Company at the year end					Profit/(loss) for the year			
		Latest audited Balance Sheet Date	No. of shares	Amount of Investment in Associates/ Joint Arrangements (₹ in crores)	Extent of Holding/ voting power %	Networth attributable to Shareholding as per latest audited Balance Sheet (₹ in crores)	Considered in consolidation (₹ in crores)	Not considered in consolidation (₹ in crores)	Description of how there is significant influence	Reason why the associate/ joint arrangements are not consolidated
	Joint Operations									
1	Fiat India Automobiles Private Limited	March 31,2017	122,257,983	1,567.04	50%	1,503.66	141.32	-	Note (a)	-
2	Tata Cummins Private Ltd	March 31,2017	90,000,000	90.00	50%	381.87	31.12	-	Note (a)	-
	Joint Ventures									
1	Tata HAL Technologies Ltd	March 31,2017	10,140,000	5.07	50%	-	(2.30)	-	Note (a)	-
2	Spark 44 Ltd (subsidiary w.e.f June 27, 2011)	March 31,2017	500,000	3.40	50%	64.77	29.95	-	Note (a)	-
3	Chery Jaguar Land Rover Automotive Co Ltd (subsidiary w.e.f November 16, 2012)	March 31,2017		2,748.28	50%	3,668.61	1,354.42	-	Note (a)	-
	Associates									
1	Tata AutoComp Systems Ltd	March 31,2017	52,333,170	77.47	26%	212.06	13.90	-	Note (b)	-
2	Nita Company Ltd	March 31,2017	16,000	1.27	40%	28.42	4.21	-	Note (b)	-
3	Automobile Corporation of Goa Ltd (subsidiary w.e.f May 21, 2007)	March 31,2017	3,030,529	109.63	47.19%	136.83	7.10	-	Note (b)	-
4	Jaguar Cars Finance Limited	March 31,2017	49,900	3.91	33%	3.91	-	-	Note (b)	-
5	Synaptiv Limited	March 31,2017		1.37	33%	1.37	-	-	Note (b)	-
6	CloudCar Inc	March 31,2017		96.96	43%	96.96	-	-	Note (b)	-
7	Tata Hitachi Construction Machinery Company Private Ltd	March 31,2017	45,714,286	240.20	39.99%	392.98	85.72	-	Note (b)	-

Note : (a) - These are jointly controlled companies.
(b) - There is a significant influence due to percentage (%) of share capital/voting power.

For and on behalf of the Board

N CHANDRASEKARAN *[DIN: 00121863]*
Chairman

R A MASHELKAR *[DIN: 00074119]*
N MUNJEE *[DIN: 00010180]*
V K JAIRATH *[DIN: 00391684]*
O P BHATT *[DIN:00548091]*
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 23, 2017

TATA MOTORS LIMITED

ANNEXURE TO BOARD'S REPORT AS PER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULES FRAMED THEREUNDER AND THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975 AS AT MARCH 31, 2017.

Sr No	Name	Age Yrs	Designation	Gross Renumeration	Net Renumeration	Qualifications	Exp Yrs	Date of Joining	Nature of emloyment	Last Employment - Designation - Period
1	A K Mukhopadhyay	56	Vice President - Business Planning	10,533,585.48	7,092,020.08	M.COM, FICWA, ACA, ACS	34	07.06.2001	Permanent	Steel Authority Of India Ltd - Bokaro Steel Plant, Finance / Price Panel- 18 yrs
2	A. K. Saxena*	60	Vice President (Purchasing)	10,160,337.93	4,510,372.93	ICWA	40	02.07.1976	Permanent	-
3	Abhijit Gajendragadkar*	54	Sr. VP - Business Planning & Controlling	15,302,735.23	9,438,122.83	CA	31	21.07.2004	Permanent	Accenture India Pvt Ltd,- 15 yrs
4	Ajit Kumar Jindal	59	Head Engineering (Comm. Vehicles - ERC)	13,260,884.84	7,972,620.64	BE (Mechanical),Phd	33	22.07.2005	Permanent	Eicher Motors Ltd,Design- 8 yrs
5	Ajoy Behari Lall	55	Head - Jamshedpur Plant	10,654,823.65	7,041,515.05	PG Diploma in Management	32	05.08.1985	Permanent	-
6	Amalendu Haldar*	60	AGM(OF & Sys- SCM, P&SC)	1,930,500.45	1,443,124.75	MSC Engg, MBA	39	03.07.1980	Permanent	Utkal Machinery Ltd.,- 1 yrs
7	Anil Kumar Sinha	53	Vice President - Mfg Operations - PVBU	11,777,858.60	7,684,720.60	PG Diploma in Mgmt (Management)	32	15.11.2011	Permanent	New Holland FIAT India Ltd,- 14 yrs
8	Anupkumar Trilokchandra Jain*	60	Head (Quality Assurance)	6,454,354.14	3,678,058.94	MBA	37	18.08.1979	Permanent	-
9	Ashesh Dhar	48	National Sales Head (South & East)	10,394,657.60	7,170,339.60	BE	26	11.08.2011	Permanent	Mahindra First Choice Wheels Ltd,Sales & Marketing- 5 yrs
10	Bhimsen Raghavendra Galgali*	60	Quality Head (CVBU Pune)	6,023,644.96	3,386,404.36	ME(Metallurgy)	37	08.10.1979	Permanent	-
11	C Ramakrishnan^	61	President- Group CFO	25,715,407.00	16,287,859.00	SSLC(Science), B.Com, CA	37	27.11.1980	Contractual	Balmer Lawrie & Co Ltd,Finance / Price Panel- 1 yrs
12	Chandrashekhar Keshav Tilak*	60	Dy General Manager (Auto Projects)	5,017,907.70	2,912,564.45	B E Mechanical	38	01.07.1978	Permanent	-
13	Chaugule Rajesh Manku*	46	Assistant Manager -Crash Safety	1,050,825.87	949,001.87	Diploma	25	27.08.1991	Permanent	-
14	Delna Avari*	39	Head (Marketing Communication & Services)	3,452,958.81	2,542,279.90	BA, PG Diploma in Mgmt (Marketing)	15	01.07.2002	Permanent	TAS,- 1 yrs
15	Dilip Bindumadhav Huddar	57	Head (Purchase and Supplier Quality)	11,286,424.96	6,879,275.16	BE (Mechanical)	36	27.06.2010	Permanent	Asia Motor Works,- 2 yrs
16	Dinesh Bhasin	58	Head - Customer Support (PVBU)	10,877,307.84	7,257,545.84	BE (Mechanical), MBA	17	30.06.2011	Permanent	Hyundai Motor India Ltd,After SS / Dealer Mgt- 1 yrs
17	Dr. Timothy Andrew Leverton^	58	Head, Advanced and Product Engineering	39,844,416.02	25,158,128.02	BSc Engg(Mechanical), MBA, Phd	7	01.04.2010	Permanent	-
18	Fernando Rodriguez Martin^	53	Vehicle Line Director - X4	17,694,508.51	11,279,255.51	ME (Aeronautical)	29	08.02.2016	Permanent	Renault Sas,Manuf/Prodn/ Operations- 27 yrs
19	G Ramasamy*	60	Assistant General Manager (Materials)	3,895,695.09	2,302,923.59	B Com, PG Diploma in Management	40	01.08.1979	Permanent	Patel Construction,- 3 yrs
20	G S Pavana Kumar*	50	AGM-Central Control Financial Reporting	1,043,814.25	983,449.75	B Com,ICWA	15	19.03.2001	Permanent	-
21	Gajendra Chandel^	55	Chief Human Resources Officer	23,131,105.92	14,007,778.72	BA(Arts),MA	25	08.04.2014	Permanent	Tata Autocomp Systems Ltd, HR / PSD / Safety / IR- 9 yrs
22	Girish Arun Wagh	46	Sr.Vice President - PPPM, PVBU	14,601,072.63	8,840,857.03	BE (Mechanism), PG Diploma in Mgmt (Management)	25	15.07.1992	Permanent	-
23	Gordon Calder	52	Sr. GM- Head body & Trim Engg.	11,752,230.19	7,566,289.19	BE(Mechanical)	28	18.06.2012	Permanent	EDAG,- 3 yrs
24	Guenter Butschek^	56	CEO & Managing Director	158,487,760.52	100,559,463.52	Grad in Busi Admin & Economics, Diploma, Germany	36	15.02.2016	Permanent	Airbus, Manuf/Prodn/Operations- 4 yrs

25	Hemalakshmi T Raju*	44	Head - (L&D) Tata Motors Academy	1,755,822.37	1,476,886.37	BA, MA, & Diploma in Management	19	10.12.2008	Permanent	Reliance Industries Ltd,HR / PSD / Safety / IR - 3 yrs
26	Hoshang K Sethna	53	Company Secretary	12,254,291.12	7,507,244.92	B Com, LLB, CS	30	03.07.1995	Permanent	Tata Oil Mills Co,- 1 yrs
27	Jagdish Chandra Belwal*	44	Chief Information Officer	10,473,670.54	6,390,851.54	BE	23	01.07.1994	Permanent	-
28	Johnny Oommen	48	Head - International Business (PCBU)	10,529,960.40	7,242,075.40	BA(Economics), MA (Economics), MBA	22	18.10.2010	Permanent	Al Jenaibi International Automobiles LLC, Manufacturing / Productions / Operations- 6 yrs
29	Karl-Heinz Servos^	58	Project Director (Vehicle Line Director Q5)	21,739,286.76	13,954,889.76	Diploma (Physics)	29	01.10.2011	Permanent	VW/ Audi,- 9 yrs
30	M K Dubey*	55	Head - Business Excellence,TMML	5,489,423.70	3,932,816.70	B Sc Engg, Diploma in Management	29	04.08.1987	Permanent	-
31	M S Sheshadri*	60	Asst General Manager - Govt Affairs	3,932,852.42	2,283,625.52	Diploma in Mechanical	38	18.11.1978	Permanent	-
32	Madhukar Krishnarao Hampiholi*	60	Senior Manager (Foundry Technology)	887,660.34	827,856.34	Diploma in Mechanical	40	01.08.1976	Permanent	-
33	Marcus Hotblack	63	Studio Chief Designer - Interior	10,357,700.49	7,134,528.49	BA, MA	39	04.04.2013	Permanent	RMIT University,Design- 2 yrs
34	Mayank Pareek^	56	President-Passenger Vehicle Business Unit	29,952,058.40	19,276,781.80	PG Diploma in Mgmt (Management)	26	01.10.2014	Permanent	Maruti Suzuki India Ltd,- 23 yrs
35	Minari Shah*	48	Head (Corporate Communications)	7,589,477.09	5,442,316.09	BA(History),MA	21	17.06.2013	Permanent	Hongkong & Shanghai Banking Corp Ltd,P R / Mass Comm - 1 yrs
36	Mukund Vyankatesh Guttikar*	60	Maintenance Lead-Closure Area	1,156,191.73	1,043,164.08	Diploma in Industrial Electronics	36	15.09.1980	Permanent	-
37	N S Kulkarni*	60	Head (Corporate Planning)	8,011,761.78	3,885,728.13	BE Mechanical, PG Diploma in Management	38	01.07.1978	Permanent	-
38	Nagesh Dinkar Pinge*^	58	Vice President (Internal Audit)	16,967,455.04	10,737,706.24	PG Diploma in Management	33	27.01.2009	Permanent	JSW Group,Internal Audit / Material- 1 yrs
39	Prakash Govindlal Sharma*	60	Head, Planning, CVBU	7,907,816.21	4,050,184.81	BSc (Mathematics), BE	37	11.05.1981	Permanent	Bajaj Tempo Limited,- 1 yrs
40	Prasad MSRK*	55	Head Human Resources - TMML	2,060,530.65	1,688,689.35	BA(Economics), MA	29	05.08.2009	Permanent	Hindustan Unilever Ltd,HR / PSD / Safety / IR - 2 yrs
41	Prasann Kumar Chobe	59	Sr Vice President (Head Mfg Opns-CVBU)	14,390,293.45	8,685,895.25	BTech(Mechanical)	39	01.07.1978	Permanent	-
42	Prem K Verma	59	CEO - TMFSL	14,973,174.61	8,783,798.41	Mcom (Commerce), DIPLOMA (Marketing)	40	25.10.2000	Permanent	Philips India Ltd,- 19 yrs
43	R Manoj*	60	Head (STU) - Mumbai	5,844,128.60	3,220,535.70	BSc (Physics), Diploma	38	01.09.1978	Permanent	-
44	R Ramakrishnan	53	Sr VP,Product Strategy & Planning & Cust.Value	16,252,502.69	9,844,682.49	BE	32	08.11.1985	Permanent	-
45	R T Wasan	51	Vice President, Sales & Marketing (CVBU)	12,129,624.13	7,385,550.13	SSLC(Others), BE (Mechanical), PG Diploma in Engg, MBA	26	03.05.1993	Permanent	J N Marshall Ltd,- 2 yrs
46	Raghuvar Seth*	29	Marketing Manager (SCV Pickups)	905,396.98	796,170.98	PG Diploma in Management	2	23.06.2014	Permanent	-
47	Rajendra M Petkar	50	Vice President - ERC	10,431,117.64	6,921,389.64	BE, M Tech	29	16.09.2015	Permanent	TATA Technologies Ltd., Manufacturing / Production / Operation - 17 yrs
48	Ramesh Dorairajan	53	Head - RCFI & Business Excellence	10,780,722.86	7,441,072.86	BA(Economics), Executive Management Program, PG Diploma in Mgmt	27	18.08.2011	Permanent	JCB India Ltd,Finance / Price Panel- 4 yrs
49	Ranjiv Kapur	55	Sr.General Manager (PVBU)	11,253,456.32	7,237,701.32	Bcom (Commerce), PG Diploma in Management	34	21.10.2013	Permanent	Samsung India,Sales & Marketing- 5 yrs
50	Ravindra Pisharody^	61	Executive Director (Commercial Vehicles)	29,543,042.00	17,770,223.00	Alumnus of IIT, Kharagpur and IIM, Kolkata	38	17.09.2007	Permanent	BP Singapore Ltd,Sales & Marketing- 3 yrs
51	Richard Winsor*	48	Studio Chief Designer - Exterior	10,280,256.60	7,135,078.60	MA	21	02.04.2013	Permanent	Nissan,Design- 1 yrs
52	Sunil Kumar Gupta*	60	Head (Finance & Business Planning) -IB	10,317,399.34	5,439,574.84	ICWA	37	02.06.1980	Permanent	Crescent Iron & Steel Corp Ltd.

53	Sanjeev Garg	50	Global Head (Customer Care - CVBU)	14,178,239.05	9,427,108.05	B Tech (Agriculture), PG Diploma in Mgmt	28	02.12.2011	Permanent	Force Motors Ltd,Sales & Marketing- 1 yrs
54	Satish Borwankar^	64	Executive Director (Quality)	25,387,951.83	15,391,105.83	B Tech(Mechanical)	43	02.08.1974	Permanent	-
55	Sibendra Nath Barman	55	Vice President - Sales	12,782,390.56	7,603,597.12	B Tech	26	14.10.2015	Permanent	MSIL,Manuf/Prodn/Operations- 25 yrs
56	Simanchala Panigrahy*	60	Head FMQ and Customer Quality	11,700,623.06	6,315,809.51	B Tech	36	02.01.1981	Permanent	-
57	Sowmya Ramanujam*	29	LTF Lead (Sales & Marketing) CVBU	857,994.09	756,462.09	PG Diploma in Management	3	23.06.2014	Permanent	Phyzok Learning Solutions,- 1 yrs
58	Sudhakar Mohan Singh*	56	Deputy General Manager (Plant Services)	1,324,237.03	1,310,921.23	BE	19	25.09.1997	Permanent	-
59	Suresh Pratap Singh Tanwar*	60	Vice President - SHE & Sustainability	5,459,658.01	4,153,326.01	BSc Engg (Environment Science)	39	15.02.2011	Permanent	Essar Steel Ltd,HR / PSD / Safety/ IR- 4 yrs
60	Sushant Chandrakant Naik	47	National Head (Government Affairs)	11,990,354.84	7,829,810.84	MMS(Management)	6	25.03.2014	Permanent	EMC West Asia JLT (Dubai),- 3 yrs
61	T George*	60	General Manager - ERC - Jamshedpur	3,541,444.44	2,147,001.24	BE, PG in Tool, Die & Mould Design	35	23.09.1981	Permanent	-
62	T N Umamaheswaran	55	Chief Technology Officer	10,674,751.04	7,015,928.84	B Tech, M Tech	32	16.09.2015	Permanent	TTL,Manuf/Prodn/Operations- 18 yrs
63	Tilak Raj Ahuja	43	Head - Supply Chain Management	10,379,434.08	7,140,171.08	Executive Management Program (Management)	24	28.05.2013	Permanent	General Motors India Pvt Ltd,- 4 yrs
64	Udaysing Mansingrao Shinde*	60	Asst General Manager (CPED)	3,039,437.04	2,039,004.44	BE	34	01.06.1982	Permanent	-
65	V S Noronha*	60	Vice President - Defence Business	14,690,292.85	8,026,818.25	BE	37	01.07.1979	Permanent	-
66	Vijay B Somaiya	57	VP & Head, Treasury & Investor Relations	12,797,911.30	7,814,819.30	CFA	35	12.07.1982	Permanent	-
67	Yugesh Sachanand Israni*	60	Vehicle Line Director, Light Trucks	4,910,529.55	2,549,875.40	BTech(Electrical)	38	01.07.1978	Permanent	-

B) Particulars of employees posted and working in a country outside India

	Name	Age Yrs	Designation	Gross Renumeration	Net Renumeration	Qualifications	Exp Yrs	Date of Joining	Nature of Employment	Last Employment - Designation - Period
1	Abhay Padmakar Bawale	55	CFO & Managing Director	7,392,446.00	7,096,549.99	BCom(Accounts), CS	32	27.08.2013	Premanent	Fiat India Automobiles Ltd,Finance / Price Panel- 5 yrs
2	Biswadev Sengupta	47	Head - PTTMI	7,819,824.40	7,150,598.79	BE (Automobile)	25	01.07.1992	Premanent	-
3	Bobby Salwan*	45	Area Manager - East Africa	807,393.54	779,634.54	-	21	15.01.2003	Premanent	New Hooland Ford,Sales & Marketing- 2 yrs
4	Joseph B*	44	Area Customer Care Manager SA-M&HCV & Southern Africa)	693,771.93	683,607.72	-	19	01.07.1997	Premanent	-
5	Sanjay K Mishra	48	CEO - Tata Motors (Thailand) Ltd	7,618,019.80	7,311,623.79	PG Diploma in Mgmt	26	01.07.1991	Premanent	-
6	Wali S S*	60	Regnl Customer Support Manager (Europe)	1,428,203.83	973,572.33	-	42	09.08.1974	Premanent	-

Notes:

a) * are employees employed with the Company for part of the year

b) None of the employees by themselves or along with their spouse or dependant children held 2% or more of the paid up share capital of the Company

c) None of the employees are related to any of the Directors of the Company

d) ^ are the top 10 employees receiving remunernation in the Company under Section 197(12) of the Act read with Rules framed thereunder

On behalf of the Board of Directors

N CHANDRASEKARAN
Chairman
(DIN: 00121863)

Mumbai,
May 23, 2017

DIVIDEND DISTRIBUTION POLICY

1) PREAMBLE

The Securities Exchange Board of India (SEBI) vide its notification dated July 08, 2016 has amended the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI LODR**"), by inserting Regulation 43A, making it mandatory for the top 500 listed Companies based on the market capitalization (calculated as on March 31 of every financial year) to formulate a Dividend Distribution Policy, which will be disclosed in their annual report and on their website.

Tata Motors Limited being one of the top 500 listed companies as per the criteria mentioned above, has framed a Dividend Distribution Policy ("**Policy**"). This policy has been adopted by the Board of Directors of the Company at its meeting held on May 23, 2017, being the effective date of this Policy.

2) SCOPE AND OBJECTIVE

This Policy seeks to lay down a broad framework for the distribution of dividend by the Company whilst appropriately balancing the need of the Company to retain resources for the Company's growth & sustainability. Through this policy, the Company also endeavors to maintain fairness and consistency while considering distributing dividend to the shareholders.

The Policy sets out the circumstances and different factors for consideration by the Board at the time of taking a decision on distribution or retention of profits, in the interest of providing transparency to the shareholders.

The Policy is not an alternative to the decision of the Board for recommending dividend, which is made every year after taking into consideration all the relevant circumstances enumerated hereunder or other factors as may be considered relevant by the Board.

The Policy is being recommended for adoption by the Board of Directors of all the Companies in the Tata Motors Group i.e. by all its subsidiaries and to the extent possible, the joint ventures after discussions with its partners.

3) STATUTORY REQUIREMENTS

This policy on dividend distribution shall be in accordance with the provisions of the Companies Act, 2013, read with applicable rules framed thereunder, as may be in force for the time being ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ("**SEBI LODR**"), such other applicable provisions of law.

4) DEFINITIONS

1. "Act" shall mean the Companies Act, 2013 including the Companies (Declaration and Payment of Dividend) Rules, 2014, as amended from time to time.
2. "Applicable Laws" shall mean the Companies Act, 2013 and Rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder; as amended from time to time and such other act, rules or regulations which deals with the distribution of dividend.
3. "Board" or "Board of Directors" shall mean Board of Directors of the Company.
4. "Company" shall mean "Tata Motors Limited" or "TML".
5. "Dividend" includes any interim dividend as defined under the Companies Act, 2013.
6. "Free Reserves" shall means such reserves which, as per the latest audited balance sheet of a Company, are available for distribution as dividend:

   Provided that -

   (i) any amount representing unrealized gains, notional gains or revaluation of assets, whether shown as reserves or otherwise, or

   (ii) any change in carrying amount of an asset or of a liability recognized in equity, including surplus in profit and loss account on measurement of the asset or the liability at fair value, shall not be treated as free reserves."
7. "SEBI LODR" shall mean Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 together with the circulars issued thereunder; as amended from time to time.
8. "Policy" or "this Policy" shall mean the Dividend Distribution Policy.

5) STATUTORY PROVISIONS RELATING TO DISTRIBUTION OF DIVIDEND

In accordance with the provisions of the Act, dividend shall be declared or paid only:

A. Out of distributable profits of current year or previous financial years:

(i) Current financial year's profit after tax of standalone financial statement as per applicable Accounting Standards:

(a) after providing for depreciation in accordance with Applicable laws and regulations; and

(b) after transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion; **OR**

(ii) Profits for any previous financial year(s):

a) after providing for depreciation in accordance with Applicable Laws and regulations; and

b) remaining undistributed; **OR**

(iii) A combination of (i) & (ii) above;

B. Out of free reserves – in the event of inadequacy/ absence of profits

In the event of inadequacy or absence of profits in any year, Company may declare dividend out of free reserves, subject to fulfilment of conditions specified under the Act, as amended from time to time.

C. Company may, in certain cases, declare dividend using a combination of A and B above.

6) PARAMETERS TO BE CONSIDERED WHILE RECOMMENDING/DECLARING DIVIDEND

The Board while determining quantum of the dividend payout to the shareholders, will consider following internal and external factors:

Internal Factors:

- Profits earned and available for distribution during the financial year
- Accumulated reserves, including retained earnings
- Mandatory transfer of Profits earned to specific reserves, such as Debenture Redemption Reserve, etc.
- Past dividend trends – rate of dividend, EPS and payout ratio, etc.
- Earning Stability
- Future Capital Expenditure requirement of the Company
- Growth plans, both organic and inorganic
- Capital restructuring, Debt reduction, Capitalisation of shares
- Crystallization of contingent liabilities of the Company
- Profit earned under the Consolidated Financial Statement
- Cash Flows
- Current and projected Cash Balance and Company's working capital requirements.
- Covenants in loan agreements, Debt servicing obligations and Debt maturity profile.

External Factors:

- Economic environment, both domestic and global.
- Unfavorable market conditions
- Changes in Government policies and regulatory provisions
- Cost of raising funds from alternate sources
- Inflation rates
- Sense of shareholders' expectations
- Cost of external financing

7) CIRCUMSTANCES UNDER WHICH THE SHAREHOLDERS OF THE COMPANY MAY OR MAY NOT EXPECT DIVIDEND

The decision regarding dividend payout is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. Hence, the shareholders of the Company may expect dividend only if the Company is having surplus funds after providing for all the expenses, depreciation, etc., and after complying with the statutory requirements under the Applicable Laws.

The shareholders of the Company may not expect dividend in the following circumstances, subject to the discretion of the Board of Directors:

- the Company has inadequacy of profits or incurs losses for the Financial Year;
- the Company undertakes /proposes to undertake a significant expansion project requiring higher allocation of capital;
- the Company undertakes /proposes to undertake any acquisitions or joint arrangements requiring significant allocation of capital.
- the Company has significantly higher working capital requirement affecting free cash flow.
- the Company proposes to utilize surplus cash for buy- back of securities;
- the Company is prohibited to recommend/declare dividend by any regulatory body.

The Board may also not recommend a dividend on considering any compelling factors/parameters mentioned in point 6 above.

8) QUANTUM, MANNER AND TIMELINES FOR DIVIDEND PAYOUT

Quantum:

The dividend history of the Company over the past 10 years is as follows:

Particulars	FY 06-07	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16
Dividend paid per share on Ordinary shares	15	15	6	15	20*	4	2	2	-	.20
Dividend payout (as a % to Standalone PAT)	35	33	35	44	81*	118	240	222	-	31
Dividend Payout (as % to Consolidated PAT)	32	31	-15	39	16*	11	8	5	-	1

*subdivision of shares on September 13, 2011(record date) from face value of Rs.10/- each to face value of Rs 2/- each.

The 'A' Ordinary Shares issued in 2008 are paid a higher dividend of 5% i.e Rs.0.10 per share of Rs 2/- each as per the terms of Issue.

Considering the aforementioned dividend payment track record of the Company, the Company shall endeavor to maintain a total dividend pay-out ratio in the range of 25% to 40% of the annual standalone profits after tax (PAT) of the Company. Under the applicable provisions of the Act, the Company's ability to declare and pay dividends is based on the standalone Financial Statements only. In future should the regulations be amended permitting the Company to pay dividend based on its Consolidated Profits, the Board would consider such a payout ratio on its Consolidated Profits. Till such time, The Company will endeavor to have a policy on dividend distribution with a similar payout ratio across its subsidiaries and to the extent possible, in its joint ventures after discussions with its partners.

Manner and timelines:

The Company may declare dividends for a year, usually payable for a financial year at the time when the Board considers and recommends the Annual Financial Statements, which is called final dividend. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the Annual General Meeting of the Company.

The Board of Directors shall also have the absolute power to declare interim dividend during the financial year, between two Annual General Meetings as and when they consider it fit.

9) SPECIFIC CLAUSE WITH REGARD TO DIVIDEND ON SHARES WITH DIFFERENTIAL VOTING RIGHTS

The payment of dividend shall be based on the respective rights attached to each class of shares as per their terms of issue.

The Company has two classes of shares- the Ordinary shares and 'A' Ordinary shares. The holders of "A" Ordinary shares shall as per the terms of its issue be entitled to receive dividend for each financial year at five percentage points more than the aggregate rate of dividend on Ordinary shares for that financial year.

10) POLICY REVIEW AND AMENDMENTS

The Policy will be reviewed periodically by the Board. Any changes in the policy will be communicated to the shareholders, alongwith the rationale for carrying out said changes in timely manner.

11) DISCLOSURES

The Policy shall be disclosed in the Annual report and on the website of the Company i.e. at www.tatamotors.com.

12) DISCLAIMER

a) The Policy does not constitute a commitment regarding the future dividends of the Company, but only represents a general guidance regarding dividend policy. The statement of the Policy does not in any way restrict the right of the Board to use its discretion in the recommendation of the Dividend to be distributed in the year and the Board reserves the right to depart from the policy as and when circumstances so warrant.

b) Given the aforementioned uncertainties, prospective or present investors are cautioned not to place undue reliance on any of the forward- looking statements in the Policy.

Notes

Jaguar Land Rover - Upcoming Plant, Nitra, Slovakia

Tata Motors' Manufacturing Facility, Lucknow

Tata Motors' Manufacturing Facility, Sanand

Tata Motors' Manufacturing Facility, Jamshedpur

Tata Marcopolo Motors Limited, Dharwad

Charanya Ravi – Performance Engineer, Panasonic Jaguar Racing

TATA MOTORS

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