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.

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.

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:**

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
	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.

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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,		As at April 1,
	2017	2016	2015
Carrying amount of the Company's interest in associates	**872.63**	526.57	571.84

	Year ended March 31,	
	2017	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,		As at April 1,
	2017	2016	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	As at March 31, 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	As at March 31, 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	As at March 31, 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.

Current	As at March 31, 2017	As at March 31, 2016	As at April 1, 2015
(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	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	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	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	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	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

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)

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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,		As at April 1,
	2017	2016	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,		As at April 1,
	2017	2016	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 uncertainity 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

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ 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.

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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

NOTES FORMING PART OF CONSOLIDATED 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	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.

(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 £ in million			Fair value ₹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)**	-	-

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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.

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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	Automotive and related activity						(₹ in crores)
	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	As at March 31, 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