

**TATA MOTORS**



**69<sup>TH</sup> ANNUAL REPORT 2013-14**

# 04



## Chairman's Message

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy.

# 14



## Major Launches during the Year

Our products represent the Horizonext philosophy with best-in-class offerings.

# 30



## Awards and Accolades

Range Rover Sport won the SUV of the Year award by Top Gear magazine in the UK, EVO in MENA, Car and Drive in China.

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## ANNUAL GENERAL MEETING

### Date

Thursday, July 31, 2014

### Time

3.00 p.m.

### Venue

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



*Horizonext*, rolled out last year as a next-level strategy, helps us anticipate customer requirements and deliver exciting driving experiences. This strategy rests on the pillars of intense product focus, benchmarking to world-class manufacturing practices, enriched customer purchase experience, consistent and outstanding service and a technology-intensive aftermarket support. With this, we strive for the next level in design, driving experiences, fuel economy and connectivity.

Through a broad range of activities, we pursue a singular goal: thrilling our customers and making the Company more efficient and successful. Outstanding operational excellence and efficiency, along with inspired and high performing people, is the strong foundation on which we shall build our roadmap to become one of the key players in the automotive space.

# CORPORATE INFORMATION

## Mr Ratan N Tata

*Chairman Emeritus*

## BOARD OF DIRECTORS

Mr Cyrus P Mistry

*Non Executive Director and Chairman*

Mr Ravi Kant

*Non Executive Director and Vice Chairman*

(Retires on June 1, 2014)

Mr N N Wadia

*Non Executive, Independent Director*

Dr R A Mashelkar

*Non Executive, Independent Director*

Mr S Bhargava

*Non Executive, Independent Director*

Mr N Munjee

*Non Executive, Independent Director*

Mr V K Jairath

*Non Executive, Independent Director*

Ms Falguni Nayar

*Non Executive, Independent Director*

Dr Ralf Speth

*Non Executive Director*

Mr Karl Slym

*Managing Director*

(Expired on January 26, 2014)

Mr Ravindra Pisharody

*Executive Director (Commercial Vehicles)*

Mr Satish B Borwankar

*Executive Director (Quality)*

## SENIOR MANAGEMENT

Mr Ravindra Pisharody

*Executive Director (Commercial Vehicles)*

Mr Satish Borwankar

*Executive Director (Quality)*

Mr C Ramakrishnan

*President and Chief Financial Officer*

Dr Timothy Levertton

*President and Head, Advanced and Product Engineering*

Mr Ranjit Yadav

*President (Passenger Vehicle Business Unit)*

Mr Prasann Chobe

*Senior Vice President (Head Mfg Operations, CVBU)*

Mr Girish Wagh

*Senior Vice President (Product Planning & Program Management, PVBU)*

Mr R Ramakrishnan

*Senior Vice President (Commercial, CVBU)*

Mr Abhijit Gajendragadkar

*Senior Vice President (Business Planning & Controlling)*

Mr Gajendra Chandell

*Chief Human Resources Officer*

Mr Nagesh Pingel

*Vice President (Internal Audit)*

## COMPANY SECRETARY

Mr H K Sethna

## REGISTERED OFFICE

Bombay House

24, Homi Mody Street

Mumbai 400 001

**Tel:** +91-22-66658282

**Fax:** +91-22-66657799

**Email:** inv\_rel@tatamotors.com

**Website:** www.tatamotors.com

## WORKS

Jamshedpur

Pune

Lucknow

Pantnagar

Sanand

Dharwad

## AUDITORS

Deloitte Haskins & Sells LLP

(Registration No. 117366W/W – 100018)

## SHARE REGISTRARS

TSR Darashaw Private Limited

6-10, Haji Moosa Patrawala Industrial Estate

20, Dr. E. Moses Road, Mahalaxmi,

Mumbai 400 011

**Tel:** +91-22-66568484

**Fax:** +91-22-66568494

**Email:** csg-unit@tsrdarashaw.com

**Website:** www.tsrdarashaw.com

## BANKERS

Allahabad Bank

Andhra Bank

Bank of America

Bank of Baroda

Bank of India

Bank of Maharashtra

Central Bank of India

Citibank N.A.

Corporation Bank

Deutsche Bank

Federal Bank

HDFC Bank

HSBC Bank

ICICI Bank

IDBI Bank

Indian Bank

ING Vysya Bank

Karur Vysya Bank

Punjab National Bank

Standard Chartered Bank

State Bank of India

State Bank of Mysore

State Bank of Patiala

Union Bank of India

United Bank of India

## CORPORATE IDENTITY NUMBER (CIN)

L28920MH1945PLC004520



# MISSION, VISION AND VALUES

TATA MOTORS



## Mission

To be **passionate** in **anticipating** and providing the **best** vehicles and experiences that **excite** our **customers** globally.

## Vision

**Most admired** by our customers, employees, business partners and shareholders for the **experience** and **value** they enjoy from being with **us**.

## Culture

- Accountability
- Customer & Product Focus
- Excellence
- Speed

## Values

- Inclusion • Integrity
- Accountability
- Customer • Innovation
- Concern for the Environment
- Passion for Excellence
- Agility

# CHAIRMAN'S MESSAGE

## Dear Shareholders,

The global economic situation showed signs of strengthening, with US economy speeding up, but the environment in the Eurozone remained weak with some early signs of improvement. GDP growth in China and India were low as compared to the high growth rates in the past. However, both these economies continue to hold a great promise for leading global growth in future.

The global auto industry recorded a surge in sales with impressive growth, riding on the back of strong demand in the world's top two automobile markets – China and the United States. The automotive industry in the US came back to strength from the poor period of recession, supported by low interest rates and improving consumer sentiment. Sales in China- the world's largest auto market since 2009- also crossed the 20 million cars mark. Pressure on local carmakers built up, as foreign automakers stepped up their investments in China. Europe did show some early signs of recovery, but with high levels of unemployment continuing to prevail in southern Europe, a clear turnaround was not visible. Consumer behavior in that region remains cautious.



## CYRUS P MISTRY

*Chairman*

On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers.

## INDIAN AUTO INDUSTRY AND TATA MOTORS

India's GDP growth continued to be below 5% and Industrial growth remained in negative territory. Consequently, the Indian auto industry witnessed a decline in both passenger vehicles and in commercial vehicles segment by 4.7% and 22.4% respectively. For most of last year, the economy was hamstrung by rising inflation and high interest rates, leading to relatively low consumer interest in buying new vehicles, and, in many cases, postponement of purchase. In the later part of the year, reduction in excise duty and partial lifting of mining bans did help in recovery of sentiment, but only to a limited extent. High delinquencies in vehicle financing led to tightening of lending norms by financiers, which badly impacted the sales of small commercial vehicles and passenger cars.

Tata Motors domestic business, in this tough environment, lost market share in both commercial vehicles and passenger vehicles business. While the competition in both the segments remained quite aggressive with almost all the players resorting to huge discounting, Tata Motors' approach was cautious and responsible. As integral part of this approach, the Company focused on keeping

To ensure long-term competitiveness of Tata Motors, the company also took several steps under the Horizonext strategy- new products, quality improvement and enhancement of the consumer experience- that will help improve sustainable profitability of the business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

inventory levels low in order to reduce the burden on its channel partners. On the product front, the company showcased several impressive new products at the Auto Expo '14, with a lineup that included Tata Bolt and Tata Zest, due to be launched in the coming months. Both the products have created high levels of excitement among the potential customers. The new Prima LX and Ultra range in commercial vehicles also showcased great promise to be category leaders. They aptly demonstrate Tata Motors' technological capabilities and the company's pursuit to offer world-class products and experience to its customers.

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business in long-term. The company has steadily progressed in all these areas and is inculcating a culture which is intolerant to poor quality and absolutely committed to customer delight.

## JAGUAR LAND ROVER

For luxury cars, it was a record breaking year with most of the manufacturers posting their highest ever sales. The US remains the world's largest market for luxury cars. China is close on its heels, with further growth coming from Asia-Pacific region, Latin America and the Middle East.

Jaguar Land Rover re-affirmed our confidence in the premium car market and rewarded us by harnessing the opportunities created by rising demand for high-performance luxury cars across the world. With its extra-ordinary line-up of new exciting products, JLR posted record sales of 434,311. The resolve, commitment and creativity of passionate designers and engineers in JLR is indeed praise-worthy. Jaguar F-TYPE managed to garner excellent reviews, while the new Range Rover and Range Rover Sport were exceptionally well received.

We will remain committed to make investments in these two iconic brands and plan to deliver a slew of new products during the next 5 years. JLR will continue to expand its manufacturing footprint in growing markets like China and Brazil, thus offering consumers

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in these markets an even greater opportunity to experience the cutting-edge technology and design of Jaguar and Land Rover products.

## LOOKING AHEAD

The global economy is on the path of recovery, with consumer sentiment showing signs of improvement in all the major markets. The auto industry in India too, after one of its worst years, is seeing early signs of recovery and renewed confidence amongst consumers, particularly with a stable government at the centre. We expect a turnaround of the industry by the later part of this financial year with a hope that the Government would also come out with policy interventions that support the growth of auto industry, given its critical importance to development of the economy.



Tata Motors is working on a strong pipeline of new products and technologies keeping in view the changing market, customers' aspirations and regulatory needs. The company is at an inflexion point with its entire product portfolio being revamped with relevant and exciting products for our target customers. Initiatives on cost-erosion and customer experience are being pursued with great rigor to help transform the organization into a more competitive and profitable business in the coming years.

Our employees, suppliers and channel partners remain our major source of strength. We sincerely thank them for their strong resolve and commitment shown to the cause of the company. Even in very difficult situations they have demonstrated utmost patience, understanding and dedication. Finally, I wish to thank you, our shareholders, for reposing faith in Tata Motors and its management, without which the company could not have taken the bold steps and decisions required towards making Tata Motors a respected global automobile company.



Chairman

Tata Motors is working on a strong pipeline of new products and technologies keeping in view the changing market, customers' aspirations and regulatory needs. The company is at an inflexion point with its entire product portfolio being revamped with relevant and exciting products for our target customers.

# BOARD OF DIRECTORS



## MR CYRUS P MISTRY

*Non-Executive Director and Chairman*

Mr Mistry was appointed as a Director of Tata Motors with effect from May 29, 2012, and as Deputy Chairman of the Company with effect from November 7, 2012. Mr Mistry took over as Chairman from Mr Ratan N Tata on his retirement with effect from December 28, 2012.

Mr Mistry was earlier Managing Director of the Shapoorji Pallonji group and was also responsible for building the infrastructure development vertical in the Shapoorji Pallonji group.

Mr Mistry is a Graduate of Civil Engineering from the Imperial College London (1990) and has a MSc in Management from the London Business School (1997). He was recently bestowed with the Alumni Achievement Award by the London Business School.



## MR RAVI KANT

*Non-Executive Director and Vice Chairman*  
(Retires on June 1, 2014)

Mr Kant has been with the Company since February 1999, joining as Senior Vice President (Commercial Vehicles) and was inducted on the Board as an Executive Director in July 2000 and became the Managing Director in July 2005. Upon retiring from his Executive position on June 1, 2009, Mr Ravi Kant continues to be on the Company's Board of Directors as Vice-Chairman and he retires on June 1, 2014 in accordance with the Company's Policy for Retirement Age of Directors.

Prior to joining the Company, he was with Philips India Limited as Director of Consumers Electronics business and prior to which with LML Ltd. as Senior Executive Director (Marketing) and Titan Watches Limited as Vice President (Sales & Marketing).

Mr Ravi Kant holds a Bachelor of Technology degree in Metallurgical Engineering from the Institute of Technology, Kharagpur and a Master's degree in Science from the University of Aston, Birmingham, UK.



## MR NUSLI N WADIA

*Non-Executive, Independent Director*

Educated in the UK, Mr Wadia is the Chairman of the Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group. He is also the Chairman / Trustee of various charitable institutions and non-profit organisations.

Mr Wadia has been on the Company's Board since December 1998 as an Independent Director.



### **DR RAGHUNATH A MASHELKAR**

*Non-Executive, Independent Director*

Dr Mashelkar is an eminent chemical engineering scientist retired from the post of Director General from the CSIR and is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance. The President of India honoured Dr Mashelkar with the Padmashri (1991) and the Padmabhushan (2000) and the Padma Vibhushan (2014). Dr Mashelkar holds a PhD in Chemical Engineering from the Bombay University.

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



### **MR NASSER MUNJEE**

*Non-Executive, Independent Director*

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

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

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



### **MR SUBODH BHARGAVA**

*Non-Executive, Independent Director*

Mr Bhargava retired from Eicher Group of Companies as Group Chairman and Chief Executive in March 2000. He was the past President of the Confederation of Indian Industry (CII) and the Association of Indian Automobile Manufacturers and the Vice President of the Tractor Manufacturers Association.

He is currently associated as a Director of several Indian corporates, including Tata Communications Limited and Tata Steel Limited. Mr Bhargava holds a degree in Mechanical Engineering from the University of Roorkee.

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



### MR VINESH K JAIRATH

*Non-Executive, Independent Director*

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

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

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



### DR RALF SPETH

*Non-Executive Director*

Dr Speth was appointed to the post of Chief Executive Officer at Jaguar Land Rover on February 18, 2010. He is on the Board of Jaguar Land Rover Automotive PLC, UK. Dr Speth earned a degree in Engineering from Rosenheim University, Germany and is a Doctorate of Engineering in Mechanical Engineering and Business Administration from Warwick University.

Having served BMW for 20 years, Dr Speth joined Ford Motor Company's Premier Automotive Group as Director of Production, Quality and Product Planning.

He was appointed as a Director of the Company w.e.f. November 9, 2010.



### MS FALGUNI S NAYAR

*Non-Executive, Independent Director*

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

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

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



### **MR RAVINDRA PISHARODY**

*Executive Director (Commercial Vehicles)*

Mr Pisharody is the Executive Director (Commercial Vehicles) since June 21, 2012 having joined Tata Motors as Vice President Commercial Vehicles (Sales & Marketing) in 2007. He is also on the board of various Tata Motors Group Companies. Before joining Tata Motors, he worked with Castrol Ltd., a subsidiary of BP and with Philips India, a subsidiary of the Dutch company in various roles. Mr Pisharody is an alumnus of IIT, Kharagpur and IIM, Kolkata.



### **MR SATISH B BORWANKAR**

*Executive Director (Quality)*

Mr Borwankar started his career with Tata Motors in 1974, as a Graduate Engineer Trainee and is currently the Executive Director (Quality) w.e.f. June 21, 2012. He has worked in various executive positions, for overseeing and implementing product development, manufacturing operations and quality control initiatives of the Commercial Vehicles Business Unit. He has played a significant role in setting up Greenfield projects of the Company. Mr Borwankar is a Mechanical Engineer from IIT, Kanpur.



# TATA MOTORS AT A GLANCE

**Tata Motors Limited is India's largest automobile company, with consolidated total revenues of ₹ 2,33,662 crores (USD 38.6 billion) in 2013-14.**

It is a leader in Commercial Vehicles in each segment, and among the top players in Passenger Vehicles with winning products in the compact, midsize car and utility vehicle segments.

With a presence across 175 countries, Tata cars, buses and trucks are marketed in several countries in Europe, Africa, the Middle East, South Asia, South East Asia, South America, CIS and Russia.

The Company's manufacturing base in India is spread across Jamshedpur (Jharkhand), Pune (Maharashtra), Lucknow (Uttar Pradesh), Pantnagar (Uttarakhand), Sanand (Gujarat) and Dharwad (Karnataka). The Company's dealership, sales, services and spare parts network comprises over 6,600 touch points. Through subsidiaries and associate companies, Tata Motors has operations in the UK, South Korea, Thailand, South Africa and Indonesia. Among them is Jaguar Land Rover, acquired in 2008.

The foundation of the Company's growth over the last 68 years is a deep understanding of economic stimuli and customer needs, and the ability to translate them into customer-desired offerings through leading-edge R&D. With over 4,500 engineers, scientists and technicians the company's Engineering Research Centre, established in 1966, has enabled pioneering technologies and products. The Company today has R&D centres in Pune, Jamshedpur, Lucknow, Dharwad in India, and in South Korea, Italy, and the UK.



## Production Performance (2013-14)

Domestic & International	Units Produced	Units Sold
Commercial Vehicles (CV)	443,202	432,600
Passenger Vehicles (PV)	562,224	587,946



## Key Performance Indicators (2013-14)

**₹ 118,777 crores**

Market Capitalisation

(as on March 31, 2014)

**₹ 233,662 crores**

Total Revenue

**₹ 18,869 crores**

Consolidated Profit Before Tax

**16.1%**

EBITDA Margin

**6,600**

Sales and service touch  
points, globally

**66,593**

Employee Strength (Group)

# MAJOR LAUNCHES DURING THE YEAR



Our products represent the **Horizonext philosophy with best-in-class offerings.** They merge unmatched global styling aesthetics with enhanced comfort and productivity, **pushing the performance envelope and reinforcing our long-term commitment towards clean fuel alternatives.**

## March 2014

### PRIMA LX TRUCKS

- ▶ 6 new models in the cargo segment (Prima LX 4928.S SRT, Prima LX 4928.S HRT, Prima LX 4028.S SR, Prima LX 4028.S HR, Prima LX 2523.T and Prima LX 3123.T)
- ▶ 4 new models in tippers (Prima LX 2523.K, Prima LX 2528.K, Prima LX 3123.K and Prima LX 3128.K), launched Magic Iris CNG, Ace Dicor (with Common Rail Engine)

## February 2014

- ▶ Bolt, a premium hatchback, displayed at Auto Expo 2014
- ▶ Zest, a sub 4-metre compact sedan displayed at Auto Expo 2014
- ▶ Magic Iris Electric displayed at the Auto Expo 2014
- ▶ Tata Starbus Urban FE-Parallel Hybrid Bus displayed at Auto Expo 2014
- ▶ Tata 7.5 T MRV on LPTA 1623 4x4 BSIII, a Medium Recovery Vehicle, showcased in DEFEXPO
- ▶ Tata Armoured Personnel Carrier (APC) Left Hand Drive (LHD) launched
- ▶ Prima CX 1618 T, a Medium Commercial Vehicle, launched
- ▶ Ultra 614, the new age truck, launched
- ▶ LPS 4923 LA launched
- ▶ Xenon Crew Cab 4X4 Luxury launched
- ▶ Land Rover unveiled the new Discovery XXV Special Edition

## January 2014

- ▶ Vista VX Tech, the advanced and dynamic premium hatchback, launched
- ▶ Nano Twist launched



## November 2013

- ▶ Tata CNG eMax range (Indigo eMax and Indica eMax) launched in Delhi, Maharashtra, Gujarat, Uttar Pradesh, Andhra Pradesh and Tripura
- ▶ Land Rover launched a new long wheelbase Range Rover and the exclusive Range Rover Autobiography Black
- ▶ Jaguar F-Type Coupé range, made global debut on the eve of the Los Angeles Auto Show

## August 2013

- ▶ Safari Storme Explorer Edition launched
- ▶ Safari Storme launched in Nepal
- ▶ ACE EX2 launched in Sri Lanka
- ▶ Land Rover launched its first-ever hybrid models – the Range Rover Hybrid and Range Rover Sport Hybrid

## October 2013

- ▶ Prima KL3TXF 6X4 truck tractor and Ultra 812 truck revealed at Johannesburg International Motor Show 2013
- ▶ Aria showcased in South Africa, Johannesburg Motorshow
- ▶ Nano CNG eMax launched

## June 2013

- ▶ Indica, Indigo, Nano and Sumo Gold refreshed

## May 2013

- ▶ Tata Vista D90 launched in Nepal

## September 2013

- ▶ Aria, Vista and Safari Storme launched in Indonesia
- ▶ Aria and Safari Storme launched in Tanzania
- ▶ Xenon Pickup launched in Nepal
- ▶ TATA Xenon XT launched in South Africa
- ▶ Manza launched in Nigeria
- ▶ Aria and Manza launched in Ghana

## April 2013

- ▶ Prima Trucks [4023 LX ( 4X2), 4923 LX (6X4), 4028 ( 4X2), 4938 (6X4), 4038 (4X2), 4928 (6X4)] launched in Sri Lanka

# PRESENCE ACROSS MARKETS

We operate in **over 175 markets**  
and have **over 6,600 sales and service  
touch points.**

## North America



**United States,** Canada, Guam, Mexico, Puerto Rico and  
St. Barthelemy

## Central and South America

Antigua & Barbuda, Argentina,  
Aruba, Bahamas, Barbados,  
Bolivia, Brazil, British Virgin  
Islands, Cayman Islands, Chile,  
Colombia, Costa Rica, Dominican  
Republic, Ecuador, El Salvador,  
Falkland Isles, Guatemala,  
Grenada, Guyana, Haiti,  
Honduras, Jamaica, Netherland  
Antilles, Nicaragua, Panama,  
Paraguay, Peru, St. Kitts and  
Nevis, Suriname, Trinidad and  
Tobago, Turks & Caicos Islands,  
Uruguay and Venezuela



## Africa

Algeria, Angola, Benin, Botswana, Burkina Faso, Burundi, Congo: Democratic Republic, Congo: Republic, Djibouti,  
Egypt, Ethiopia, Gabon, Gambia, Ghana, Guinea, Ivory Coast, Kenya, Liberia, Madagascar, Malawi, Mauritania,  
Mauritius, Morocco, Mozambique, Namibia, Nigeria, Rwanda, Senegal, Seychelles, Sierra Leone, South Africa,  
Sudan, Tanzania, Togo, Tunisia, Uganda, Zambia and Zimbabwe

### MANUFACTURING FACILITIES

SOUTH AFRICA  
MOROCCO





## Europe

**UK,** Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Faroe Islands, Finland, France, Georgia, Germany, Gibraltar, Gran Canaria, Greece, Guadeloupe, Hungary, Iceland, Ireland, Israel, Italy, Kazakhstan, Latvia, Lithuania, Luxembourg, Liechtenstein, Malta, Martinique, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Reunion, Romania, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tenerife, Turkey and Ukraine

### MANUFACTURING FACILITIES

UK  
SPAIN

### R&D CENTRES

UK  
ITALY  
SPAIN



## Asia and Oceania

**India,** China, Afghanistan, Australia, Bahrain, Bangladesh, Bhutan, Brunei, Cambodia, Fiji, Hong Kong, Indonesia, Iraq, Israel, Japan, Jordan, Korea, Kuwait, Laos, Lebanon, Macau, Malaysia, Maldives, Mongolia, Myanmar, Nepal, New Caledonia, New Zealand, Oman, Pakistan, Palestine, Papua New Guinea, Philippines, Qatar, Russia, Saudi Arabia, Singapore, Sri Lanka, South Korea, Syria, Tahiti, Taiwan, Thailand, UAE, Vietnam and Yemen

### MANUFACTURING FACILITIES

INDIA  
THAILAND  
SOUTH KOREA

### R&D CENTRES

INDIA  
SOUTH KOREA



# THE NEXT LEVEL IN DESIGN



At Tata Motors, we are redefining the way we design. **DesignNext**, our new design language, shapes our philosophy in engineering vehicles that not only look good but feel good too. For our range of commercial vehicles, we are incorporating key elements of which an excellent combination of sleek, smart styling and enhanced comfort that increases driver productivity. For instance,

- ▶ All-new, next-generation designs for the Tata Truck range, delivers state-of-the-art, world-class aesthetics
- ▶ Interiors designed for professionals that are comfortable, intuitive and offer a fatigue-free 'work environment'
- ▶ Beautiful and professional styling with all-new engineering aggregates that ensure cost saving and productivity

## Tata Ultra

The Tata Ultra is our new-generation, segment-defining, Light Commercial Vehicle.

The exteriors are modern, clean with a sophisticated surface-language and high quality details. The interiors have been designed around the driver and provide a calm and comfortable, professional operating environment with superlative ergonomics.

## Tata Prima CX

The Prima CX brings the professional looks and the world-class performance of the Tata Prima to the Medium Commercial Vehicle Segment in India.

The exteriors are understated and purposeful with complementing details. The interiors are driver-centric with class-leading quality and operating ergonomics.

## The Zest and the Bolt, redefined design aesthetics with segment-defining drive experience

In the Zest, the classy sedan, the projector headlamps are complemented by chrome accents, daytime running lights, rear treatment of LED lamps, and the trendy 15" alloy wheels, combined with a signature Buzz Blue colour, add up to a dynamic and stylish pouncing stance. Matching aesthetic design with function, the dynamic premium hatchback, Bolt's floating roof spoiler not only provides an extra-sporty touch but also aids in aerodynamics. The sporty, confident look is further enhanced with fog lamp bezels.

The interiors of both these cars are geared for a premium feel. The driver-focused dashboard architecture carries premium chrome embellishment to render the cockpit with an aura of elegance. The instrument cluster and the central AC vents are connected in a single wing-shaped graphics.

**Our passenger vehicles,** similarly, focus on addressing the requirements of the aspiring global Indian through:

- ▶ A new signature Tata grill with the Humanity Line
- ▶ New front identity, dynamic silhouette
- ▶ Premium interiors and chrome embellishments sleek cockpit
- ▶ Striking all-new colours



We have integrated DesignNext across all products showing the direction of our design philosophy. Three Tata Motors design studios based in Coventry (UK), Turin (Italy) and Pune (India) have given the vehicles a distinct DNA with several segment-first features and a new design language on the exterior and the interior of the car. This year, we unveiled, the **NEXON Design Concept**, a stylish new compact SUV, the **Nano Twist Active Concept**, the next in design for the smart city car and the **ADD Venture Concept**, an active van for fun and leisure, on-the-go, in a move towards the next level in design.

The new design semantics visually move into the dynamic headlamps to create a unique design signature. With flowing lines that create an illusion of movement even when the car is standing still, its exterior exaggerates size to give it a feeling of a larger hatchback or a sedan.

## THE NEXT LEVEL IN DRIVING EXPERIENCES



To ensure superior performance, we have implemented the **DriveNext concept, a new approach to the driving dynamics that offers the driver complete control of a highly responsive machine** – from the precision of the steering to the balance and handling and in the response of the power train.

In the passenger vehicles business, we have ushered change with aggressive focus to performance, showcased by our next-generation **REVOTRON series of petrol engines and the F-Tronic technology with class-defining Automatic Manual Transmission (AMT)**.

We continue to deliver on the promise of more sophisticated technologies and a pure driving fascination to our customers, who expect safe, comfortable and powerful vehicles that must be increasingly fuel-efficient and environment-friendly. In order to meet these requirements, Tata Motors has displayed technologies that set ambitious benchmarks in the passenger car market redefining ride and handling in vehicles such as the **Safari Storme LadaKh, the Sumo Extreme and the Nano Twist F-Tronic**.

We are powering **the diesel variant of Zest with the first-in-class F-Tronic technology-enabled, 5-speed Automated Manual Transmission and a segment-leading 90PS engine with 200 Nm of uninterrupted flat torque** to offer a peppy drive with seamless delivery of power.

Further, we are introducing **EPAS (Electronic Power Assisted System), with 'Active Return' function and speed sensitive power steering in both cars – the Zest and Bolt – a first for both segments**. Safety is enhanced with the new and advanced ABS for improved braking efficiency and with yet another segment-first, the Cornering Stability feature. The improved dual-path suspension provides effective isolation from road inputs without compromising on the body control, translating into a class leading balance between ride and handling. This provides for a very comfortable but engaging drive experience. A silent, quieter cabin will ensure a pleasant and superlative drive experience.



## REVOTRON, our disruptive Petrol Engine Technology

With the launch of REVOTRON 1.2T, the Turbocharged Intercooled Multi-point Fuel Injected (MPFI) Petrol engine, we made a strategic shift towards a more complete portfolio in our passenger vehicles business.

The REVOTRON series has been designed based on extensive feedback from car owners, car enthusiasts and expert drivers from across the globe; observing their driving habits followed by extensive testing in gruelling climatic conditions in India as well as in countries like the UK and Korea.

The engine has been manufactured to be lightweight and low on friction, delivering high performance and fuel economy.

The engine comes with another segment-first – a selectable multi-drive mode and uses low viscosity, fuel efficient engine oil. An optimised water-jacket and head gasket, using Computational Fluid Dynamics (CFD) technology, ensures efficient combustion and reduces thermal inertia.

## Embracing new standards in driving comfort

We are committed to enhance the driving experience introducing new standards with innovative technology in the Commercial Vehicles segment. In Commercial Vehicles, it is all about catering to customer needs, with new standards in drivability and comfort. For instance, the **LPS 4923 LiftAxle** is the first prime mover in India with a lift axle technology and first 6x2 tractor in the 49-tonne gross vehicle weight (GVW) category. The resultant hub reduction on the drive axle leads to better drivability, longer axle life and lesser wear and tear of the tyres. The **Prima 4038.S Truck** goes a step further with massive power of 370 BHP@2,100 RPM and has undergone modifications to match international standards of the Truck Racing environment, in terms of enhanced safety and stands for sheer adrenalin.





## THE NEXT LEVEL IN FUEL ECONOMY



Through **our FuelNext philosophy**, we ensure a cleaner and greener environment, transport efficiency and driving comfort at its best.

We continue to shape technological transformations in the country. Our futuristic electric vehicle, **Magic Iris Electric**, a clean, eco-friendly passenger commercial vehicle, which comes with a segment-first solar charger makes this possible.

Flexible, green and economical transportation solutions that can be compared and accessed online are in high demand, especially in metropolitan areas. Demand for our mobility solutions are increasing due to our innovations.

The REVOTRON engine was developed using a range of eco-friendly and future-oriented technologies. This next-generation petrol engine incorporates latest know-how like multi-drive modes, allowing the best of economy and driving pleasure. The Advance Engine Management Systems (AMS) provides a digitally precise control for vehicle performance and emissions and offers the design of reciprocating components to ensure the best out of every drop of fuel.

Our range of Commercial Vehicles and Buses, follow a similar environmentally-conscious ethos. The **Starbus Urban FE**, a Parallel Hybrid Bus, ensures lower emissions, reduced running costs and improved mileage. The **Prima 4032.S LNG** offers a green alternative to diesel and is also a superior fuel compared to CNG thus ensuring better fuel economy. The **Starbus Urban 9/18 FE**, an Articulated Bus with its single deck and two sections carries more passengers, and retains the maneuverability needed in urban transportation (air cooled engine clean fuel option for public transport) besides reducing traffic congestion.

The REVOTRON engine was developed using a range of **eco-friendly and future-oriented technologies**. This next-generation petrol engine incorporates latest know-how like multi-drive modes, allowing the best of economy and driving pleasure.

## ENHANCING FUEL PERFORMANCE

In order to enhance the fuel performance our vehicles, we partnered with Westport Innovations, which creates the world's most advanced natural gas engines and vehicles. We launched a new spark-ignited (SI) natural gas 3.8L turbocharged engine featuring the Westport WP580 Engine Management System (EMS). Designed to support many engine configurations, the Westport WP580 EMS will be applied to our 5.7L engine targeting medium-duty applications.

India has one of the largest natural gas light-duty vehicle fleets in the world. We see an enormous opportunity for natural gas trucks and buses with the development of fuelling infrastructure in the country. We are focused on increasing our market share of the natural gas vehicle and engine market by expanding our portfolio of natural gas engines.

## Key features of Westport WP580 EMS

### ► Unique engine control strategies

Specifically tailored to maximize the performance of the base engine. Key benefits include reduced fuel consumption and emissions, increased vehicle load carrying capabilities with launch torque, and integrated vehicle functionality.

### ► Compatible and cost-effective design with natural gas components

With proven OEM track record, these natural gas components such as electronic control units and spark plugs have been fully validated for the application. They are manufactured to automotive industry quality standards resulting in high levels of reliability and lower cost.

### ► Meeting current and future emissions profile

The system is designed to meet Euro VI emission standards.



## THE NEXT LEVEL IN CONNECTIVITY



In our *Horizonext* journey towards great products that exceed customer needs, **ConnectNext is one of the key 'Next' pillars personifying the 'connect' of our cars with customers and their environment.**

As we work on our next-generation product pipeline, we continue to bring best-in-class vehicle experience across different passenger car categories to enhance some of our great existing brands.

*ConnectNext* is all about delivering a new level of driving experience. It is about cars that talk, show drivers the way, steer them from harm and seamlessly connect their digital lives while on the move. We are offering a new kind of ownership experience by unlocking new time for the users to work, talk, learn and socialize, seamlessly and safely, within and outside their car.

Innovative in-car connectivity in our passenger vehicles will offer a major in-car access to smartphone features and content, ensuring safe use of connectivity while driving. This app is geared to provide customers smart-phone integration, listening to music, navigation, hands-free calling, Driver Information System (DIS), rear-seat entertainment, Driver assistance system, shortcuts to other useful driving applications and more.

### Superior after-market services

We believe that excellence of after-market services is a market imperative and the true hallmark of a market leader. Our comprehensive and renewed customer service programme brings best-in-class vehicle after-sales service experience. We are empowering our network with tools, technology and processes to ensure that Tata Motors Service truly stands for responsiveness, reliability and best value that delight our customers.

**Innovative in-car connectivity in our passenger vehicles** will offer a major in-car access to smartphone features and content, ensuring safe use of connectivity while driving.



Service initiatives harness technology, our strong dealer network and customer insights. We have involved our over 800 technology backed sales outlets across 500 towns and cities to take customer engagement to the next level.

For our commercial vehicle segment, we have a touch point every 50 km on the highways of India. Our focus is to enhance our after-market experience levels. We are bringing in enhancements with equipment, manpower and processes for faster service that delivers more value to our customers.

- ▶ Tata Alert-On-site breakdown assistance within 4 hours of dialling a toll-free helpline number.
- ▶ Tata Motors Profile is a customer-focused service programme to ensure quality reconditioning and reduction in down time of commercial vehicles. This new service programme will help extend life of aggregates using reduced quantity of materials than required for a new part.

- ▶ **Responsive:** Tata Motors Service will bring speedy assistance through 5 Responsive Service offerings.
  - ▷ **Doorstep Service:** Quick service delivery for emergency services or for even periodic maintenance customers with busy schedules.
  - ▷ **Online Service:** Online service appointment facility enhancing convenience.
  - ▷ **Speed-O-Service:** This service offering has been designed to offer quick repair services in just 90 minutes.
  - ▷ **Quick Repairs:** This addresses minor repairs like bulb change, fuse repairs or even flat tyre replacements, which require only 30 minutes of workshop time.
  - ▷ **24X7 On-road assistance programme:** A breakdown assistance programme with on-road towing service, available across 2,700 authorised service providers, by dialling a toll free helpline.
- ▶ **Service with unmatched Reliability:** Quality Service is a key deliverable across all Tata Motors Service Stations. Nearly 20,000 technicians, and 20,000 staff trained and certified by Tata Motors.
- ▶ **Best Value:** Tata Motors is known for delivering Best Value products which give value for years. Service products are also designed on same philosophy.



# CORPORATE SOCIAL RESPONSIBILITY AT TATA MOTORS

**As a responsible corporate citizen, our Corporate Social Responsibility (CSR) Strategy complements our business philosophy and objectives.**

We have adopted the Tata Group Affirmative Action (AA) Policy attempting to voluntarily address the prevailing social inequities in India by encouraging positive discrimination for the Scheduled Castes and Scheduled Tribes (SC/ ST) communities. Every year, we participate in TAAP (Tata Affirmative Action Programme) Assessment, developed on the lines of TBEM (Tata Business Excellence Model).

Proximity-linked CSR investments are implemented across locations where we serve communities in the vicinity of our manufacturing plants and office locations. We encourage collaboration with all our stakeholders and cascade sustainable initiatives across the company ecosystem, both upstream and downstream, including inter alia subsidiaries and associate companies, channel partners – dealers and service stations and supply chain.



## VIDYADHANAM

- ▶ Scholarship Programmes
- ▶ Special Coaching Classes
- ▶ School Infrastructure Improvement
- ▶ Co-Curricular activities
- ▶ More than 37,000 children were benefited in 2013-14

## AAROGYA

- ▶ Addressing Malnutrition
- ▶ Preventive and Curative Healthcare Services
- ▶ Creating health awareness
- ▶ More than 2,84,000 persons were benefited in 2013-14

## KAUSHALYA

- ▶ Driver Training Programme
- ▶ Training in Automotive and Technical Trades
- ▶ Training in Agriculture and allied activities
- ▶ ITI adoption Programme- training 137 youth across India
- ▶ More than 20,000 youth were benefited in 2013-14

## VASUNDHARA

- ▶ Tree Plantation Programmes
- ▶ Creating Environmental Awareness
- ▶ Soil and Water Conservation
- ▶ 1,64,000 trees were planted in 2013-14
- ▶ More than 18,500 people participated in our environmental awareness programmes in 2013-14

## LEARN & EARN PROGRAMME | EMPLOYABILITY

Our Learn & Earn programme aims to provide gainful livelihood opportunities to youth. Unemployed youth – typically school dropouts, undergo certified training in Motor Mechanic Vehicle (MMV) trade which comprises of theory classes held at Technical Training Institutes coupled with practical On the Job Training (OJT) imparted at TML Dealers/ Service Stations. The youth get to learn industry-relevant curriculum besides earning a monthly stipend during the training period and benefit from the forward-placement linkages built into the programme.



## UTTARAKHAND FLOOD RELIEF WORK

We contributed ₹ 4.5 crores towards relief and rehabilitation of those affected by flash floods in Uttarakhand in June 2013 (comprising of matching contribution by employees and the Company) to the Tata Relief Committee. Additionally, three truckloads of relief material were immediately dispatched with our employees serving as volunteers to help 500 families stranded in remote villages of Pithoragarh District in Uttarakhand.

## AMRUTDHARA | DRINKING WATER

Through SMDF (Sumant Moolgaokar Development Foundation) we implemented the 'Amrutdhara' initiative aimed at providing access to safe drinking water to needy and deserving communities. Since the inception a total of 296 drinking water projects have been implemented across the country under this initiative.

## SEVA | EMPLOYEE VOLUNTEERING

We continue to encourage employee volunteering through our group-wide Tata Engage initiative. We celebrated Tata Volunteering Week (TVW) during March 3-9, 2014 to commemorate the 175th Birth Anniversary of our Founder Late Mr J N Tata. About 6,500 employees registered themselves as CSR Volunteers and more than 5,200 participated in different social activities during this week. The Joy of Giving Week (JoGW) held in October 2013 also witnessed widespread employee volunteering and contributions across manufacturing and office locations.



## INTERNATIONAL CSR INITIATIVES

### JAGUAR LAND ROVER (JLR)

#### Responsible Business of the Year

JLR was the first ever manufacturer to win the UK's top CSR accolade, 'Responsible Business of the Year' in July 2013; being recognised for investments in UK jobs and facilities. JLR improves its environmental performance and increases the skills and education opportunities for young people and existing employees.

#### Employee volunteering

JLR encourages its employees to engage with the local community. The company works with local authorities and community groups to identify initiatives which need support. In 2013, JLR donated 21,000 hours of employee time by 14.5% of its workforce or 3,600 employees on community projects.

#### Educating tomorrow's Engineers

JLR's 'Inspiring Tomorrow's Engineers' (ITE) programme, in collaboration with schools across UK to promote learning and engagement with STEM (science, technology, engineering and maths) subjects, helps to nurture engineering talent. Five dedicated Education Business Partnership Centres (EBPCs) and careers outreach events such as Big Bang Young Scientist and Engineer Fair helped it engage more than 328,000 students in 2013.

The 'Inspiring Tomorrow's Engineers' programme won BITC's National Education Award 2013 in recognition of the positive impact its long-term school partnerships are having on increasing employability skills and promoting engineering careers to young people.



#### National Schools Challenge Projects

Students aged 5 to 19 years, across the UK participate in Jaguar Land Rover's school challenges 'Jaguar Maths in Motion', the 'Jaguar Primary School Challenge' and 'Land Rover 4x4 in Schools Technology Challenge'. These are designed to apply STEM subjects to hands-on projects which simulate the exciting challenges our engineers encounter. In 2013-14, more than 226,000 young people participated in these challenges. JLR has supported 'Jaguar Maths in Motion', the largest Maths challenge of its kind in the UK, since it was established in 2000. To date, more than one million young people have participated in the grand prix style challenge.



### TATA DAEWOO COMMERCIAL VEHICLE COMPANY (TDCV)

TDCV donated 2,573 hours of employee time in 2013-14 in volunteering initiatives such as supporting lunch for the poor, delivery of coal briquettes and helping at orphanages.

### TATA MOTORS SOUTH AFRICA (TMSA)

TMSA partnered with two organisations for reaching out to and serving the poor communities in Pretoria, South Africa. TMSA donated packing wood generated out of the vehicle kits that was earlier sold at Rand 400 per tonne to underprivileged people living in low-cost housing areas.

#### Imperial Technical Training Academy, South Africa

The Imperial Technical Training Academy, trains nearly 125 out of 500 enrolled apprentices over a year. TMSA in conjunction with Accordian investments had given one Tata truck, one Telcoline pickup and one Xenon Pickup along with a host of live aggregates. This has enabled practical training of apprentices in skills like dismantling and assembly. In the last 2 years, nearly 35% of the youth trained at the Academy were absorbed by Associated Motor Holdings (AMH) workshops and the rest of them found employment with other garages.

#### Upgradation of Don Bosco ITI, Nairobi, Kenya

TMSA partnered with Don Bosco, Nairobi in Kenya to provide quality training to local youth. The course curriculum gives special impetus on communication and integrating theory with on-the-job practical knowledge. Jointly, Tata Kenya and TMSA will regularly interact for supporting the apprentice program and will invite network partners, who are key customers in the country to visit the institutes and employ candidates. In the last two years, we have recruited around 12 students and 16 apprentices from this programme.

### Jaguar Land Rover's 'Inspiring Tomorrow's Engineers' programme won BITC's National Education Award 2013

in recognition of the positive impact its long-term school partnerships are having on increasing employability skills and promoting engineering careers to young people.





# AWARDS AND ACCOLADES



## Corporate

- Won the 'Innovative, Advanced & Highly Impactful' award (Runner up) at the International Automotive Engineering Show 2013 Awards
- 2nd runner up at the Best Change Interventions of Asia Seminar for PACT
- Won 41 awards at the 15th National Suggestion Summit of Indian National Suggestion Schemes' Association (INSSAN), North Indian chapter
- Tata Genuine Parts won the 'Manufacturing Supply Chain Operational Excellence' for automobiles in Asia Manufacturing Supply Chain Awards 2014
- MES Brownfield transition in Tata Motors PV plant, won 1st prize in CSI Awards for Excellence in IT
- Awarded 'Star Performer' at Indian Engineering Export Promotion Council (EEPC) Awards 2012-13
- Tata Genuine Parts won the winner's title in the 'Supply Chain Visionary of the Year' category at the 7th Express, Logistics & Supply Chain Awards
- Won four awards at the Association of Business Communicators of India (ABCI) Awards – 1 Gold, 1 Silver, 2 Bronze
- Jamshedpur plant won Trophy for Outstanding Performance in the field of Energy Conservation (in Large & Medium Category)
- Lucknow plant Quality Circle 'PARIVARTAN (Production Eng.)' bagged the 1st position in the 26th CII Quality Circle Preliminaries Competition 2013-14, CII Northern Region
- Sanand plant was awarded the WCQ Level II Status while the Dharwad plant was awarded the WCQ Level I Status

## Commercial Vehicles

- Won two awards at Stevie Awards 2014 – 1st place in 'Favorite Customer Service Category', 3rd in 'Customer Service Department of the Year'
- Won LCV Cargo Carrier, HCV Cargo Carrier and CV Variant of the year awards at the Apollo CV Awards
- Customer Support won Golden Peacock Award for the Tata Alert initiative
- New Xenon XT ranked second amongst pickups by Bakkie & Truck Magazine



## Passenger Vehicles

- Tata Nano adjudged 'The Most Trusted Brand' and the 'The Most Attractive Brand' in the hatchback category in the Brand Trust Report, India Study 2014
- Tata Nano 'Celebrate Awesomeness' won the 'Best TVC of the Year' at the NDTV Car & Bike Awards
- Tata Nano eMax powered by CNG won the prestigious 'Green Vehicle Of The Year' at the 2013 Vicky.in People's Choice Car and Bike Awards
- Jaguar was voted highest ranking nameplate among luxury brands according to J D Power 2013 US Sales Satisfaction Index Study
- Range Rover achieved the Highest Automotive Performance, Execution and Layout (APEAL) score of any model in the J.D. Power 2013 APEAL survey – the first time a model outside the large premium car segment has ranked highest among all models in the industry
- Range Rover Sport won the SUV of the Year award from Top Gear magazine in the UK, EVO in MENA, Car and Drive in China

## Jaguar Land Rover

- The Jaguar F-Type was voted the winner of a prestigious Golden Steering Wheel award by readers of the respected German newspapers *Bild am Sonntag* and *Auto Bild*. The F-Type competed in the 'coupé and cabriolet' category, finishing ahead of the Porsche Cayman and BMW 4 Series Coupé
- Jaguar F-Type won: Sports Car of the 21st Century and Sports Car of the Year from Sina.com and Motor Trend in China, Car of the Year at the Middle East Motor Awards, Convertible of the Year from Top Gear in the UK and Best of the Best from Robb Report in the USA

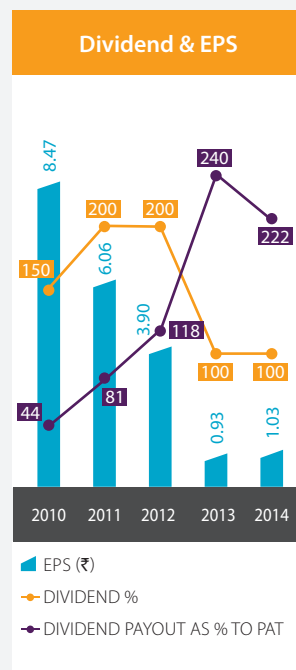
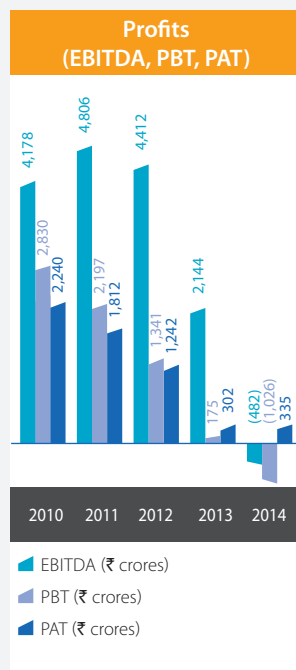
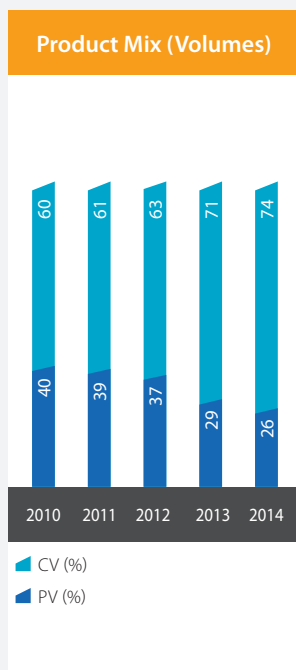
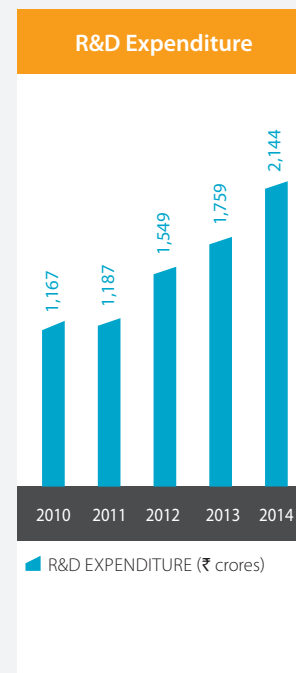
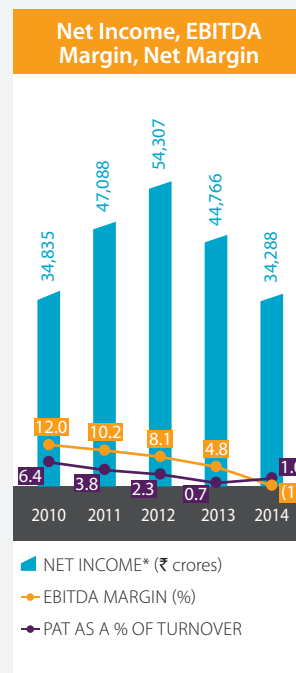
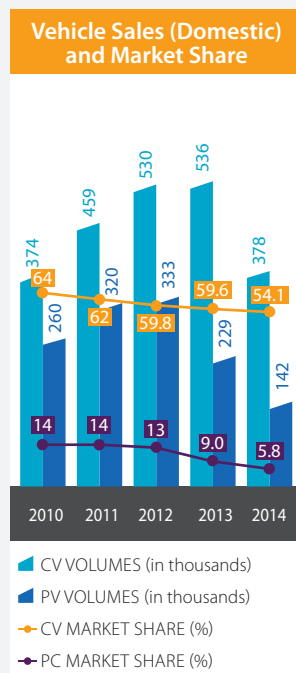
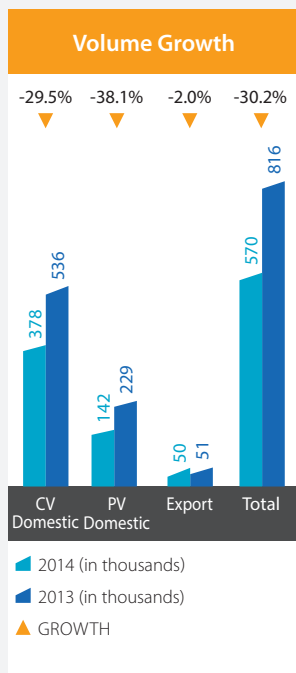
## People

- Mr K K Kim, CEO, Tata Daewoo, received the prestigious Gold Tower Order of Industrial Service Merit Awards from the Government of Korea for his efforts to develop new technology for Commercial Vehicles

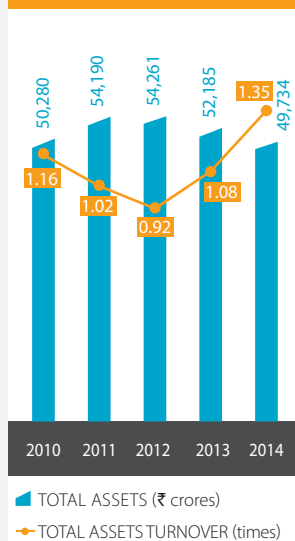


# FINANCIAL PERFORMANCE

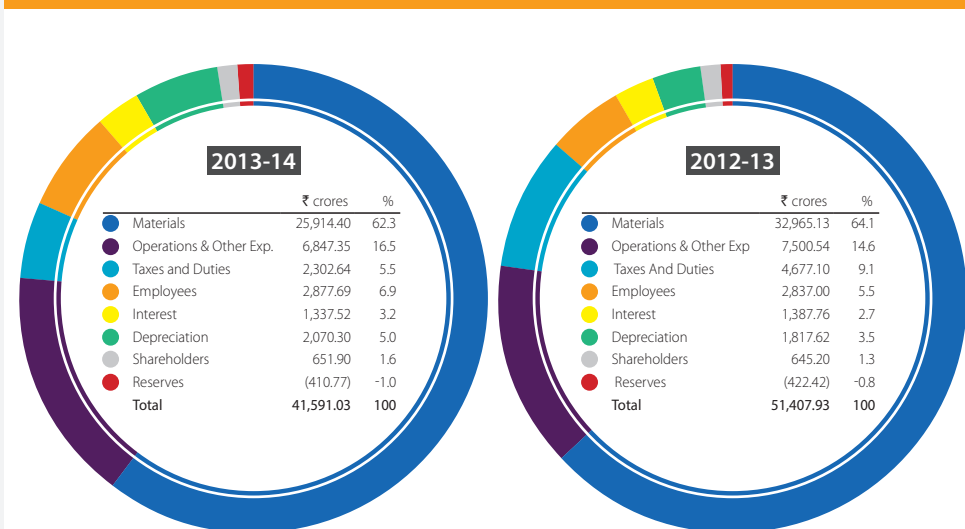
## (COMPANY STANDALONE)



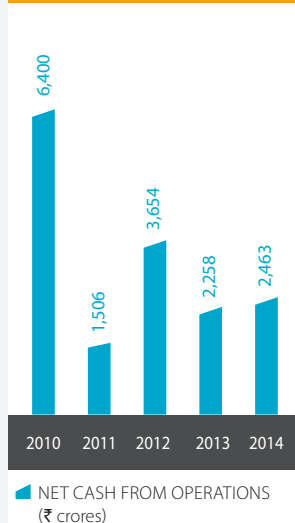
### Total Assets & Asset Turnover Ratio



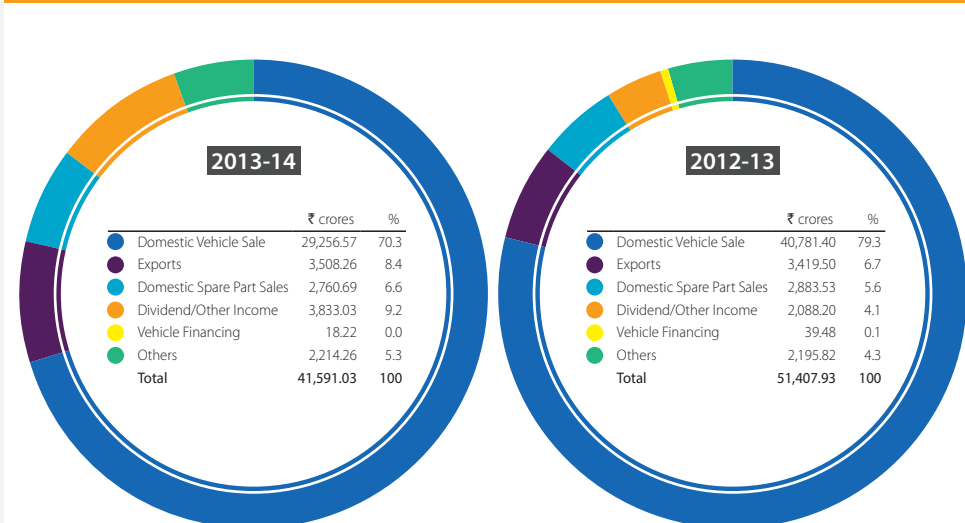
### Distribution of Revenue



### Net Cash from Operations



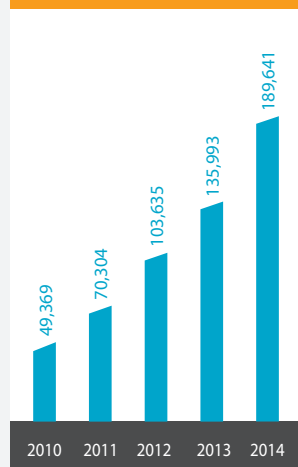
### Sources of Revenue



# FINANCIAL PERFORMANCE

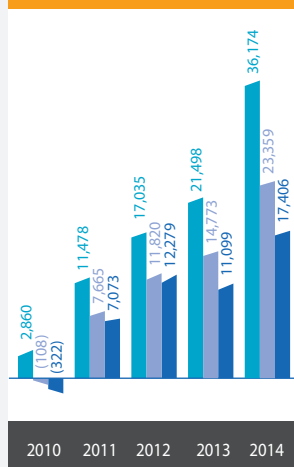
## (JAGUAR LAND ROVER GROUP)

### Turnover



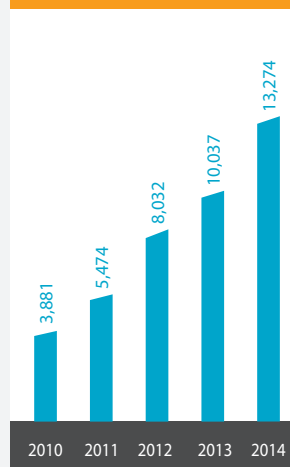
■ TURNOVER (₹ crores)

### Profits



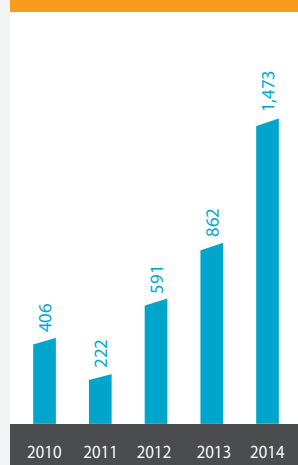
■ EBITDA (₹ crores)  
■ PBT (₹ crores)  
■ PAT (₹ crores)

### R&D Expenditure



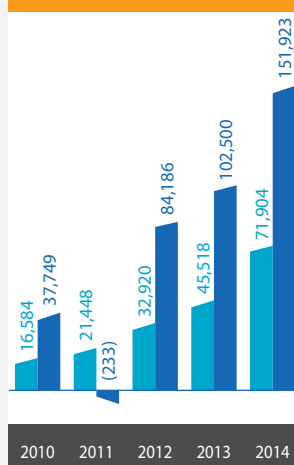
■ R&D EXPENDITURE (₹ crores)

### Finance Cost



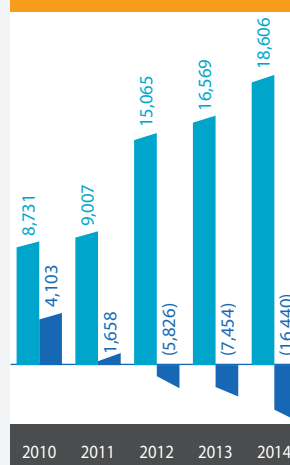
■ FINANCE COST (₹ crores)

### Assets



■ FIXED ASSETS (₹ crores)  
■ TOTAL ASSETS (₹ crores)

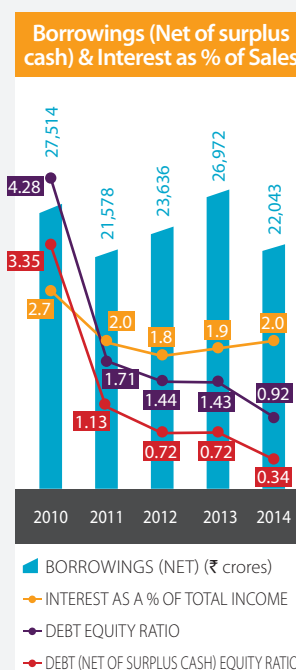
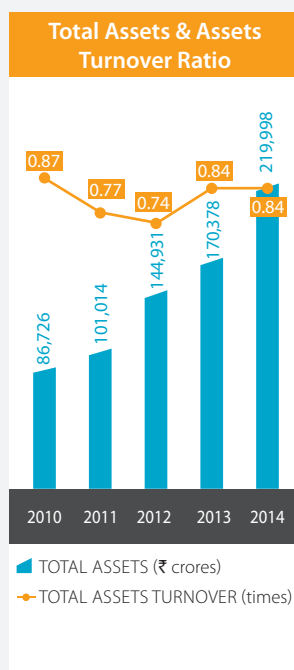
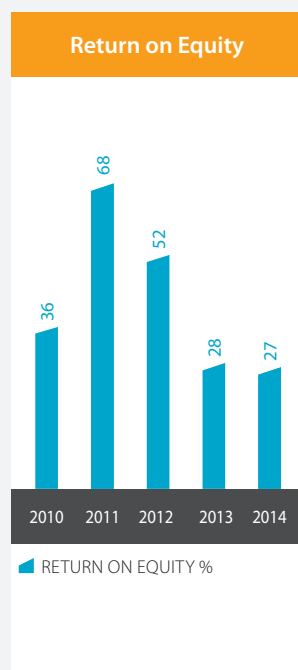
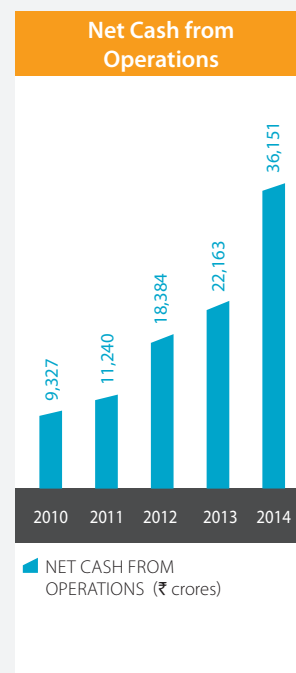
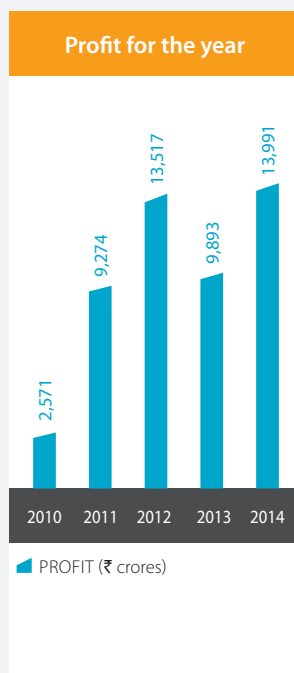
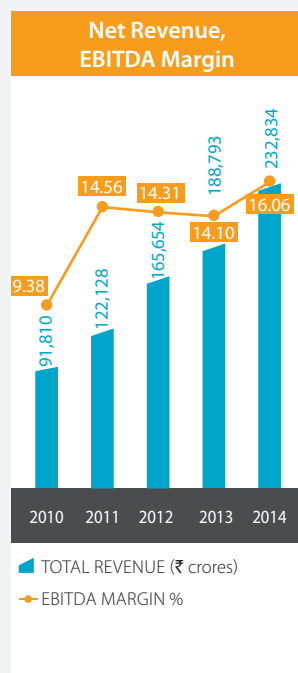
### Borrowings



■ BORROWINGS (₹ crores)  
■ BORROWINGS (NET OF SURPLUS CASH) (₹ crores)

# FINANCIAL PERFORMANCE

## (TATA MOTORS GROUP)



# TATA MOTORS GROUP (CONSOLIDATED)

## SUMMARISED BALANCE SHEET

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
<b>WHAT THE COMPANY OWNED</b>		
1. Fixed assets	97,375.40	69,862.91
2. Goodwill (on consolidation)	4,978.83	4,102.37
3. Non current investments	1,114.39	1,222.41
4. Deferred tax assets (net)	2,347.08	4,428.93
5. Long-term loans and advances	13,268.84	15,584.12
6. Other non-current assets	5,068.45	1,023.95
7. Current assets	95,845.33	74,153.55
<b>Total assets</b>	<b>219,998.32</b>	<b>170,378.24</b>
<b>WHAT THE COMPANY OWED</b>		
1. Long-term borrowings	45,258.61	32,155.29
2. Other long-term liabilities	2,596.86	3,284.06
3. Long-term provisions	12,190.29	8,337.24
4. Net worth		
Share capital	643.78	638.07
Reserves and surplus	64,959.67	36,999.23
5. Minority interest	420.65	370.48
6. Deferred tax liability (net)	1,572.33	2,048.21
7. Current liabilities	92,356.13	86,545.66
<b>Total liabilities</b>	<b>219,998.32</b>	<b>170,378.24</b>



## SUMMARISED STATEMENT OF PROFIT AND LOSS

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
<b>1. INCOME</b>		
Revenue from operations	236,626.43	193,698.47
Less : excise duty	3,792.77	4,905.78
	232,833.66	188,792.69
Other income	828.59	815.59
	<b>233,662.25</b>	189,608.28
<b>2. EXPENDITURE</b>		
Cost of material consumed	135,550.04	113,851.34
Purchase of products for sale	10,876.95	9,266.00
Changes in inventories of finished goods, work-in-progress and products for sale	(2,840.58)	(3,029.29)
Employee cost / benefit expense	21,556.42	16,632.19
Finance cost	4,733.78	3,560.25
Depreciation and amortisation expenses	11,078.16	7,601.28
Product development / engineering expenses	2,565.21	2,021.59
Other expenses	43,825.77	35,648.33
Expenditure transferred to capital and other accounts	(13,537.85)	(10,193.45)
Total expenses	213,807.90	175,358.24
Profit before exceptional items, extraordinary items and tax	19,854.35	14,250.04
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	707.72	515.09
Provision for cost associated with closure of operations and impairment of intangibles	224.16	87.62
Employee separation cost	53.50	-
<b>3. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	18,868.97	13,647.33
Tax Expense	4,764.79	3,776.66
<b>4. PROFIT AFTER TAX FROM CONTINUING OPERATIONS</b>	14,104.18	9,870.67
Share of profit / (loss) of associates (Net)	(53.71)	105.61
Minority interest	(59.45)	(83.67)
<b>5. PROFIT FOR THE YEAR</b>	<b>13,991.02</b>	9,892.61

# COMPANY (STANDALONE)

## SUMMARISED BALANCE SHEET

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
<b>WHAT THE COMPANY OWNED</b>		
1. Fixed assets	21,595.64	20,208.54
2. Non current investments	18,357.57	18,171.71
3. Long-term loans and advances	2,918.30	3,575.24
4. Other non-current assets	123.85	94.32
5. Current assets	6,739.06	10,134.96
<b>Total assets</b>	<b>49,734.42</b>	<b>52,184.77</b>
<b>WHAT THE COMPANY OWED</b>		
1. Long-term borrowings	9,746.45	8,051.78
2. Other long-term liabilities	1,155.48	1,238.44
3. Long-term provisions	815.20	691.19
4. Net worth		
Share capital	643.78	638.07
Reserves and surplus	18,532.87	18,496.77
5. Deferred tax liabilities (net)	43.11	1,963.91
6. Current liabilities	18,797.53	21,104.61
<b>Total liabilities</b>	<b>49,734.42</b>	<b>52,184.77</b>

## SUMMARISED STATEMENT OF PROFIT AND LOSS

(₹ crores)

	As at March 31, 2014	As at March 31, 2013
<b>1. INCOME</b>		
Revenue from operations	37,758.00	49,319.73
Less : excise duty	3,469.89	4,554.01
	34,288.11	44,765.72
Other income	3,833.03	2,088.20
	<b>38,121.14</b>	<b>46,853.92</b>
<b>2. EXPENDITURE</b>		
Cost of material consumed	20,492.87	27,244.28
Purchase of products for sale	5,049.82	5,864.45
Changes in inventories of finished goods, work-in-progress and products for sale	371.72	(143.60)
Employee cost / benefit expense	2,877.69	2,837.00
Finance cost	1,337.52	1,387.76
Depreciation and amortisation expense	2,070.30	1,817.62
Product development expense / engineering expenses	428.74	425.76
Other expenses	6,987.53	7,783.32
Expenditure transferred to capital and other accounts	(1,009.11)	(953.80)
Total expenses	38,607.08	46,262.79
Profit / (loss) before exceptional items, extraordinary items and tax	(503.46)	591.13
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loan given	273.06	263.12
Provision for loan given and cost associated with closure of operations of a subsidiary	202.00	245.00
Diminution in the value of investments in a subsidiary	17.52	(9.67)
Employee separation cost	47.28	-
Profit on sale of a division	-	(82.25)
<b>3. PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>(1,025.80)</b>	<b>174.93</b>
<b>4. TAX CREDIT (NET)</b>	<b>(1,360.32)</b>	<b>(126.88)</b>
<b>5. PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (3-4)</b>	<b>334.52</b>	<b>301.81</b>

## FUNDS FLOW - LAST FIVE YEARS

(₹ crores)

	FY 2013-14	FY 2012-13	FY 2011-12	FY 2010-11	FY 2009-10
<b>SOURCES OF FUNDS</b>					
1 Funds generated from operations					
A. Profit after tax	334.52	301.81	1,242.23	1,811.82	2,240.08
B. Depreciation (including Lease Equalisation)	2,065.78	1,813.10	1,602.23	1,356.26	1,029.36
C. Provision / (Reversal) for diminution in value of investments (net)	19.43	(9.67)	-	34.00	61.05
D. Net deferred tax charge / (credit)	(1,920.32)	(127.44)	98.24	376.30	589.46
E. Credit for Dividend Distribution Tax of Subsidiary Companies	-	1.48	1.48	-	-
F. Exchange gain (net) on Long term Foreign currency monetary items deferred consequent to amendment to AS-11	13.77	43.35	(258.35)	161.69	(325.81)
G. Marked to Market Exchange loss on Forward contracts transferred to Hedging Reserve Account on adoption of principles of hedge accounting under AS30 [Note b(iii)]	-	-	-	-	132.57
H. Profit on sale of division	-	(82.25)	-	-	-
<b>Total</b>	<b>513.78</b>	<b>1,940.38</b>	<b>2,685.83</b>	<b>3,740.07</b>	<b>3,726.71</b>
2 Proceeds from issue of Global Depository Shares	-	-	-	-	1,794.19
3 Proceeds from QIP issue	-	-	-	3,351.01	-
4 Proceeds from FCCN, Warrants and Convertible Debentures converted into Ordinary Shares and premium thereon	413.43	233.00	0.02	1,493.32	1,555.76
5 (a) Decrease in Working Capital	4,069.76	292.96	-	-	2,145.94
(b) Decrease in Finance receivables	14.99	64.77	144.96	366.41	1,393.58
6 Increase in Borrowings (net of repayments)	-	918.38	-	-	3,460.35
7 Investment sold (net of investment made)	1,456.54	568.83	2,130.66	-	-
8 Decrease in short term deposits with banks	223.87	576.08	525.86	-	-
9 Proceeds from sale of division	-	110.00	-	-	-
	<b>6,691.77</b>	<b>4,704.40</b>	<b>5,487.33</b>	<b>8,950.81</b>	<b>14,076.53</b>
<b>APPLICATION OF FUNDS</b>					
10 Capital Expenditure (net)	3,568.10	2,952.38	3,346.88	2,396.29	2,873.33
11 Repayment of Borrowings (net of additional borrowings)	1,746.15	-	34.86	695.79	-
12 Investments made (net of sales)	-	-	-	321.31	9,429.82
13 Payment of Redemption Premium on NCD	658.05	96.55	-	71.96	-
14 Increase in short term deposits with banks	-	-	-	804.66	490.67
15 Increase in Working Capital	-	-	571.38	3,000.57	-
16 Dividends (including tax thereon)	666.27	724.23	1,463.72	1,467.03	991.94
17 Premium paid on redemption of CARS	-	843.37	-	-	-
18 Miscellaneous Expenditure (to the extent not written off or adjusted) and utilisation of Securities Premium Account [Note (a) below]	53.20	87.87	70.49	193.20	290.77
	<b>6,691.77</b>	<b>4,704.40</b>	<b>5,487.33</b>	<b>8,950.81</b>	<b>14,076.53</b>
<b>NOTES :</b>					
(a) Utilisation of Securities Premium Account includes FCCN / CARS / Rights issue expenses and premium on redemption of Debentures	53.20	87.87	70.49	193.20	292.79
(b) The Sources and Application of funds does not include					
(i) Provision for premium on redemption of CARS / FCCN	(0.46)*	83.19*	929.46*	941.08 *	1,001.46 *
(ii) Liability towards premium on redemption of NCD	(919.23)	(1,577.28)	1,673.83	1,673.83	1,745.79
(iii) Deferred Tax on account of item 1(G)	-	-	-	-	(45.06)
* net of deferred tax					
(c) Figures for the previous years have been regrouped wherever necessary.					

# FINANCIAL STATISTICS

## COMPANY (STANDALONE)

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



# FINANCIAL STATISTICS

## COMPANY (STANDALONE)

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

### Notes :

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

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

\* Equivalent to a face value of ₹10/- per share.

# Includes Interim Dividend where applicable.

+ Including on Bonus Shares issued during the year.

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

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

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

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

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

# FINANCIAL STATISTICS

## COMPANY (CONSOLIDATED)

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

### Notes :

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

\* Equivalent to a face value of ₹10/- per share.

# Includes Interim Dividend where applicable.

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

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

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

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

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

## NOTICE

NOTICE IS HEREBY GIVEN THAT THE SIXTY-NINTH ANNUAL GENERAL MEETING OF TATA MOTORS LIMITED will be held on Thursday, July 31, 2014 at 3:00 p.m., at Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai 400 020 to transact the following business:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended March 31, 2014 and the Balance Sheet as at that date together with the Reports of the Directors and the Auditors thereon.
2. To declare a dividend on Ordinary Shares and 'A' Ordinary Shares.
3. To appoint a Director in place of Dr Ralf Speth (DIN: 03318908), who retires by rotation and is eligible for re-appointment.
4. **Appointment of Auditors**  
To consider and if thought fit, to pass, with or without modification, the following resolution as an Ordinary Resolution:-  
"RESOLVED THAT pursuant to the provisions of Sections 139 of the Companies Act, 2013 ("Act") and other applicable provisions of the Act, if any and the Rules framed thereunder, as amended from time to time, M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W – 100018) be and is hereby re-appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting (AGM) till the conclusion of seventy-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM), at such remuneration plus service tax, out-of-pocket, travelling and living expenses, etc., as may be mutually agreed upon between the Board of Directors of the Company and the Auditors."

### SPECIAL BUSINESS

5. **Appointment of Mr Nusli Wadia as an Independent Director**  
To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Nusli Wadia (DIN: 00015731), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from July 31, 2014 upto February 14, 2019."

#### 6. **Appointment of Dr Raghunath Mashelkar as an Independent Director**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Dr Raghunath Mashelkar (DIN: 00074119), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from July 31, 2014 upto December 31, 2017."

#### 7. **Appointment of Mr Nasser Munjee as an Independent Director**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as

amended from time to time, Mr Nasser Munjee (DIN: 00010180), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from July 31, 2014 upto July 30, 2019."

#### 8. **Appointment of Mr Subodh Bhargava as an Independent Director**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Subodh Bhargava (DIN: 00035672), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from July 31, 2014 upto March 29, 2017."

#### 9. **Appointment of Mr Vineshkumar Jairath as an Independent Director**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Mr Vineshkumar Jairath (DIN: 00391684), a non-executive Director of the Company, who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an

Independent Director of the Company, with effect from July 31, 2014 upto July 30, 2019."

#### 10. **Appointment of Ms Falguni Nayar as an Independent Director**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and the Rules framed thereunder as read with Schedule IV to the Act, as amended from time to time, Ms Falguni Nayar (DIN: 00003633), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, with effect from July 31, 2014 upto July 30, 2019."

#### 11. **Payment of Remuneration to the Cost Auditor for the Financial Year ending March 31, 2015**

To consider and if thought fit, to pass with or without modification, if any, the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 ("Act") and Rules framed thereunder, as amended from time to time and such other permissions as may be necessary, the Members hereby ratify the remuneration of ₹20,00,000/- plus service tax, out-of- pocket, travelling and living expenses payable to M/s Mani & Co., Cost Accountants, who are appointed by the Board of Directors of the Company to conduct audit of the Cost records pertaining to motor vehicle and other relevant product groups maintained by the Company for the Financial Year ending March 31, 2015."

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

## 12. Invitation and Acceptance of Fixed Deposits from the Members and Public

To consider and if thought fit, to pass with or without modification, if any, the following resolution as a Special Resolution:-

“RESOLVED THAT pursuant to the provisions of Sections 73 and 76 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) and the Companies (Acceptance of Deposits) Rules, 2014, the consent of the Members be and is hereby accorded to the Board of Directors of the Company to invite and accept fixed deposits from the public and Members, within limits prescribed in the Act and the overall borrowing limits of the Company, as approved by the Members, from time to time.

“RESOLVED FURTHER that the Board of Directors or a Committee thereof be and is hereby authorized to finalise the scheme for invitation and acceptance of fixed deposits from the Members and the public and to sign and execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such other acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this Resolution.”

By Order of the Board of Directors

**H K SETHNA**

Company Secretary

Mumbai, May 29, 2014

### Registered Office:

Bombay House, 24, Homi Mody Street, Mumbai 400 001

Tel: +91 22 6665 8282 Fax: +91 22 6665 7799

Email: inv\_rel@tatamotors.com Website: www.tatamotors.com

CIN - L28920MH1945PLC004520

### NOTES:

- a. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”) in respect of the business under Item Nos. 4 to 12 set out above and details as required under Clause 49 of the Listing Agreement entered into with the Stock Exchanges in respect of Directors seeking appointment/re-appointment at this Annual General Meeting are annexed hereto.

- b. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. The instrument appointing Proxy as per the format included in the Annual Report should be returned to the Registered Office of the Company not less than FORTY-EIGHT HOURS before the time for holding the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution/authority, as applicable, issued by the member organization.

A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or a Member.

- c. Corporate Members intending to send their authorised representatives to attend the meeting are requested to send to the Company, a certified copy of the Board Resolution authorising their representative to attend and vote in their behalf at the Meeting.
- d. Only registered Members (including the holders of ‘A’ Ordinary Shares) of the Company may attend and vote at the Annual General Meeting. The holders of the American Depositary Receipts (the ‘ADRs’) and Global Depositary Receipts (the ‘GDRs’) of the Company shall not be entitled to attend the said Annual General Meeting. However, the ADR holders are entitled to give instructions for exercise of voting rights at the said meeting through the Depositary, to give or withhold such consents, to receive such notice or to otherwise take action to exercise their rights with respect to such underlying shares represented by each such American Depositary Share. A brief statement as to the manner in which such voting instructions may be given is being sent to the ADR holders by the Depositary.

In any resolution at the Meeting put to vote by electronic means/poll/ballot, each ‘A’ Ordinary Shareholder shall be entitled to one vote for every ten ‘A’ Ordinary Shares held.



- e. In case of joint holder attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.
  - f. The Register of Members and Transfer Books of the Company will be closed from Friday, July 11, 2014 to Thursday, July 31, 2014, both days inclusive. If the dividend as recommended by the Board of Directors is approved at the Annual General Meeting, payment of such dividend will be made on or after August 1, 2014 as under:
    - i. To all Beneficial Owners in respect of shares held in electronic form, as per the data made available by the National Securities Depository Limited and the Central Depository Services (India) Limited, as of the close of business hours on July 10, 2014.
    - ii. To all Members in respect of shares held in physical form, after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on July 10, 2014.

The 'A' Ordinary Shareholders will receive dividend for any financial year at five percentage points more than the aggregate rate of dividend declared on Ordinary Shares for that financial year.
  - g. Members who hold shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company.
  - h. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Company's Registrars and Transfer Agents, for consolidation into a single folio.
  - i. Non-Resident Indian Members are requested to inform the Company's Registrars and Transfer Agents, immediately of:
    - a) Change in their residential status on return to India for permanent settlement.
    - b) Particulars of their bank account maintained in India with complete name, branch, account type, account number and address of the bank with pin code number, if not furnished earlier.
  - j. In line with Securities and Exchange Board of India (SEBI) directives, the Company is required to update bank details of the shareholders to enable usage of the electronic mode of remittance such as ECS [LECS (Local ECS) / RECS (Regional ECS) / NECS (National ECS) ], NEFT for distributing dividends and other cash benefits to its shareholders. Further in cases where either the bank details such as MICR (Magnetic Ink Character Recognition), IFSC (Indian Financial System Code), etc. that are required for making electronic payment are not available or the electronic payment instructions have failed or have been rejected by the bank, the Company would use physical payment instruments for making payments to their investors and shall mandatorily print the bank account details of the investors on such payment instruments.
- Payment of dividend and other cash benefits through electronic mode has many advantages like prompt credit, elimination of fraudulent encashment, no loss or delay in transit. We request you to spare a few minutes of your valuable time in updating your bank details as under:
- In case your holding is in dematerialized form, please instruct your Depository Participant to update your bank details in your demat account.
  - In case your holding is in physical form, please inform the Company's Registrars and Transfer Agents alongwith a photocopy of a blank cancelled cheque of your bank account.
- In case you do not avail of the said electronic mode for payments, the Company will print the bank details provided by you on the payment instrument.
- k. SEBI has mandated the submission of Permanent Account Number (PAN) for participating in the securities market, deletion of name of deceased holder, transmission/transposition of shares. Members are requested to submit the PAN details to their Depository Participant in case of holdings in dematerialized form and to the Company's Registrars and Transfer Agents, mentioning your correct reference folio number in case of holdings in physical form.

- l. Members holding shares in dematerialised mode are requested to intimate all changes pertaining to their bank details, NECS, mandates, nominations, power of attorney, change of address/name, PAN details, etc. to their Depository Participant only and not to the Company's Registrars and Transfer Agents. Changes intimated to the Depository Participant will then be automatically reflected in the Company's records which will help the Company and its Registrars and Transfer Agents to provide efficient and better service to the Members.
- m. Members' attention is particularly drawn to the "Corporate Governance" section in respect of unclaimed and unpaid dividends.
- n. Members desiring any information as regards the Accounts are requested to write to the Company at an early date so as to enable the Management to keep the information ready at the Meeting.
- o. In compliance with the provisions of Section 108 of the Act and the Rules framed thereunder, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all the resolutions set forth in this Notice. The e-voting period commences on Thursday, July 24, 2014 (9:00 a.m. IST) and ends on Saturday, July 26, 2014 (5:00 p.m. IST). During this period, Members of the Company, holding shares either in physical form or in dematerialised form, as on June 6, 2014, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by a Member, he shall not be allowed to change it subsequently. A separate communication is being sent to the Members to avail of the e-voting facility.
- p. The results declared alongwith the Scrutinizer's Report shall be placed on the Company's website [www.tatamotors.com](http://www.tatamotors.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com) within two days of passing of the resolutions at the sixty-ninth AGM of the Company on July 31, 2014 and communicated to the BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
- q. As an austerity measure, copies of the Annual Report will not be distributed at the Annual General Meeting. Members are requested to bring their attendance slip alongwith a copy of Annual Report to the Meeting.
- r. To support the 'Green Initiative', an Abridged Annual Report is being sent to the Members. In respect of Members whose e-mail ids are registered with the Company/the Depositories, the Annual Report is sent in electronic mode. The Members who have not registered their e-mail ID are requested to register the same with Company's Registrars and Transfer Agents/Depositories. The Members who are desirous of receiving the full Annual Report may write to the Company's Registrar for a copy of the same.

## EXPLANATORY STATEMENT

The following Explanatory Statement, pursuant to Section 102 of the Companies Act, 2013 ("Act"), sets out all material facts relating to the business mentioned at Item Nos. 4 to 12 of the accompanying Notice dated June 18, 2014:

### Item No.4

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

Deloitte Haskins & Sells (DHS) Chartered Accountants (ICAI Firm Registration No.117366W), Mumbai were appointed as the statutory auditors of the Company for the financial year 2013-14 at the Annual General Meeting (AGM) of the Company held on August 21, 2013. DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as M/s Deloitte Haskins & Sells LLP, Chartered Accountants (ICAI Firm Registration No.117366W/W – 100018) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, the Board of Directors of the Company have taken due note of this change.

DHS LLP have been the Auditors of the Company since FY 2006-07 and have completed a term of eight years. As per the provisions of Section 139 of the Act, no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided a period of three years from the date of commencement of the Act to comply with this requirement.

In view of the above, DHS LLP, being eligible for re-appointment and based on the recommendation of the Audit Committee, the Board of Directors has, at its meeting held on May 29, 2014, proposed the appointment of DHS LLP as the statutory auditors of the Company for a period of three years to hold office from the conclusion of this AGM till the conclusion of the seventy-second AGM of the Company to be held in the year 2017 (subject to ratification of their appointment at every AGM).

The Board commends the Resolution at Item No. 4 for approval by the Members.

None of the Directors or Key Managerial Personnel (KMP) or relatives of Directors and KMP is concerned or interested in the Resolution at Item No. 4 of the accompanying Notice.

### Item Nos.5 to 10

The Company had, pursuant to the provisions of Clause 49 of the Listing Agreement entered with the Stock Exchanges, appointed Mr Nusli Wadia, Dr Raghunath Mashelkar, Mr Subodh Bhargava, Mr Nasser Munjee, Mr Vineshkumar Jairath and Ms Falguni Nayar as Independent Directors at various times, in compliance with the requirements of the said clause.

As per the provisions of Section 149(4) which has come into force with effect from 1st April, 2014, every listed company is required to have at least one-third of the total number of Directors as Independent Directors. Further, Section 149(10) of the Act provides that an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation pursuant to Section 149(13) read with Section 152 of the Act.

The Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement which would be effective from October 1, 2014 *inter alia* stipulates the conditions for the appointment of Independent Directors by a listed company.

The Nomination & Remuneration Committee has recommended the appointments of these Directors as Independent Directors from July 31, 2014 upto July 30, 2019 except for Mr Nusli Wadia, Dr Raghunath Mashelkar and Mr Subodh Bhargava who would be retiring on February 14, 2019, December 31, 2017 and March 29, 2017 respectively on attaining the age of 75 years in accordance with the retirement age policy for Directors.

The above Independent Directors have given a declaration to the Board that they meet the criteria of independence as provided under Section 149 (6) of the Act. In the opinion of the Board, the above Independent Directors fulfill the conditions specified in the Act and the Rules made thereunder for appointment as Independent Directors and they are independent of the management.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of the above Directors as Independent Directors is now being placed before the Members in General Meeting for their approval.

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

The brief profile of the Independent Directors to be appointed is given below:

#### Mr Nusli Wadia

Educated in the UK, Mr Wadia is the Chairman of the Bombay Dyeing & Manufacturing Company Limited and heads the Wadia Group. He is also the Chairman/Trustee of various charitable institutions and non-profit organisation.

Mr. Wadia has been on the Company's Board since December 22, 1998 and is an Independent Director.

#### Dr Raghunath Mashelkar

Dr Mashelkar is an eminent chemical engineering scientist retired from the post of Director General from the CSIR and is the President of Indian National Science Academy (INSA), National Innovation Foundation, Institution of Chemical Engineers, UK and Global Research Alliance. The President of India honored Dr Mashelkar with the Padmashri (1991), the Padmabhushan (2000) and the Padma Vibhushan (2014). Dr Mashelkar holds a Ph.D. in Chemical Engineering from the Bombay University.

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

#### Mr Nasser Munjee

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

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

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

#### Mr Subodh Bhargava

Mr Bhargava retired from Eicher Group of Companies as Group Chairman and Chief Executive in March 2000. He was the past President of the Confederation of Indian Industry (CII) and the Association of Indian Automobile Manufacturers and the Vice President of the Tractor Manufacturers Association.

He is currently associated as a Director of several Indian corporates, including Tata Communications Limited and Tata Steel Limited. Mr Bhargava holds a degree in Mechanical Engineering from the University of Roorkee.

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

#### Mr Vineshkumar Jairath

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

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

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

#### Ms Falguni Nayar

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

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

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

The Board commends the Ordinary Resolutions set out at Items Nos. 5 to 10 of the Notice for approval by the Members.

The above Independent Directors are interested in the Resolutions mentioned at Item Nos.5 to 10 of the Notice with regard to their

respective appointments. Other than the above Independent Directors, no other Director, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Items Nos.5 to 10 of the Notice.

### Item No.11

The Board had on May 29, 2014 on the recommendation of the Audit Committee, approved the appointment and remuneration of M/s Mani & Co., the Cost Auditors to conduct the audit of the Cost records pertaining to motor vehicle and other relevant product groups maintained by the Company for the Financial Year ending March 31, 2015 and remuneration of ₹20,00,000/- plus service tax, out-of-pocket, travelling and living expenses have been fixed for this purpose.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, ratification for the remuneration payable to the Cost Auditors for the Financial Year 2014-15 by way of an Ordinary Resolution is being sought from the members as set out at Item No.11 of the Notice.

The Board commends the Ordinary Resolution set out at Item No. 11 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the resolution set out at Item No.11 of the Notice.

### Item No.12

The Board of Directors at their meeting held on May 29, 2014, have *in-principle* approved and recommended the invitation and acceptance of Fixed Deposits from the members and public pursuant to Sections 73 and 76 of the Companies Act, 2013 ("Act") and Companies (Acceptance of Deposits) Rules, 2014 ("Rules") as one of the modes to meet the ongoing fund requirements of the Company. The Fixed Deposit program would be credit rated on an annual basis and the Company may provide deposit insurance cover, if required under the Act read with the said Rules. It is proposed to

authorise the Board or a committee thereof to negotiate and finalise the terms of Fixed Deposit Scheme and to do such other acts and deeds as may be necessary or incidental thereto.

In compliance with the provisions of Section 73 and 76 of the Act, read together with Rule 2(e) of the Companies (Acceptance of Deposits) Rules, 2014, approval of the Members by way of special resolution is being sought. The Company has vide Postal Ballot Notice dated May 22, 2014 sought the approval of the members to empower the Board to borrow upto an amount of ₹30,000 crores (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) pursuant to Section 180 (1) (c) of the Act and the results of the Ballot would be announced on June 30, 2014. The funds to be borrowed through the Fixed Deposits program would be within the said borrowing limit.

The Board commends the Resolution set out at Item No.12 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, in the said resolution, except to the extent of any Fixed Deposits that may be placed with company by the them, their relatives or by the companies/institutions in which they are directors.

By Order of the Board of Directors

**H K SETHNA**

Company Secretary

Mumbai, May 29, 2014

### Registered Office:

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CIN - L28920MH1945PLC004520



## DETAILS OF DIRECTOR SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING

Particulars	Dr Ralf Speth	Mr Nusli Wadia	Dr Raghunath Mashelkar	Mr Subodh Bhargava	Mr Nasser Munjee	Mr Vineshkumar Jairath	Ms Falguni Nayar
<b>Date of Birth</b>	09-Sep-55	15-Feb-44	01-Jan-43	30-Mar-42	18-Nov-52	27-Dec-58	19-Feb-63
<b>Appointed on</b>	10-Nov-10	22-Dec-98	28-Aug-07	27-Jun-08	27-Jun-08	31-Mar-09	29-May-13
<b>Qualifications</b>	Directorate of Engineering in Mechanical Engineering and Business Administration	Educated in UK.	Chemical Engineering Scientist, Ph. D from Bombay University.	B.E (Mech)	B.Sc. (Hons.), M.Sc.(Econ.)- London School of Economics	B.A. (Public Admin.), LLB, M.A.(Econ)- University of Manchester, UK	B.Com, PGDM – Indian Institute of Management, Ahmedabad.
<b>Expertise in specific functional areas</b>	Wide experience in areas of production, quality and product planning.	Industrialist with rich business experience.	Wide experience and renowned knowledge in Scientific Areas.	Wide experience across various industries.	Eminent Economist, Banker and Consultant of Infrastructure	Wide experience in public administration, infrastructure, finance and industry.	Wide and varied experience in investment banking.
<b>Directorships held in other Public companies (excluding foreign and private companies)</b>	NIL	<ul style="list-style-type: none"> <li>▪ The Bombay Dyeing &amp; Mfg. Co. Limited (Chairman)</li> <li>▪ Wadia Techno-Engineering Services Limited</li> <li>▪ Tata Steel Limited</li> <li>▪ The Bombay Burmah Trading Corporation Limited (Chairman)</li> <li>▪ Tata Chemicals Limited</li> <li>▪ Britannia Industries Limited (Chairman)</li> <li>▪ GO Airlines (India) Limited (Chairman)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Reliance Industries Limited</li> <li>▪ Thermax Limited</li> <li>▪ KPIT Technologies Limited</li> <li>▪ Sakal Papers Limited</li> <li>▪ Piramal Enterprise Limited</li> </ul>	<ul style="list-style-type: none"> <li>▪ Tata Communications Limited (Chairman)</li> <li>▪ Tata Steel Limited</li> <li>▪ TRF Limited</li> <li>▪ GlaxoSmithKline Consumer Healthcare Limited (Chairman)</li> <li>▪ Batliboi Limited</li> <li>▪ Larsen &amp; Toubro Limited</li> </ul>	<ul style="list-style-type: none"> <li>▪ ABB India Limited</li> <li>▪ Ambuja Cements Limited</li> <li>▪ Britannia Industries Limited</li> <li>▪ Cummins India Limited</li> <li>▪ DCB Bank Limited (Chairman)</li> <li>▪ HDFC Limited</li> <li>▪ Go Airlines (India) Limited</li> <li>▪ Tata Chemicals Limited</li> <li>▪ Tata Motors Finance Limited (Chairman)</li> <li>▪ Unichem Laboratories Limited</li> <li>▪ Voltas Limited</li> </ul>	NIL	NIL
<b>Memberships/ Chairmanships of Audit and Stakeholders Relationship committees across Public companies</b>	NIL	NIL	<b>Audit</b> <ul style="list-style-type: none"> <li>▪ Tata Motors Limited</li> <li>▪ Reliance Industries Limited</li> <li>▪ Piramal Enterprises Limited</li> </ul> <b>Stakeholders Relationship</b> <ul style="list-style-type: none"> <li>▪ Chairman - KPIT Technologies Limited</li> </ul>	<b>Audit</b> <ul style="list-style-type: none"> <li>▪ Chairman - Tata Steel Limited</li> <li>▪ Tata Communications Limited</li> <li>▪ Batliboi Limited</li> </ul>	<b>Audit</b> <ul style="list-style-type: none"> <li>▪ Chairman – ABB India Limited</li> <li>▪ Chairman – Britannia Industries Limited</li> <li>▪ Chairman – Cummins India Limited</li> <li>▪ Chairman – Tata Chemicals Limited</li> <li>▪ Chairman – Tata Motors Limited</li> <li>▪ Ambuja Cements Limited</li> <li>▪ Unichem Laboratories Limited</li> <li>▪ Voltas Limited</li> </ul>	<b>Audit Stakeholders Relationship</b> <ul style="list-style-type: none"> <li>▪ Tata Motors Limited</li> <li>▪ Chairman – Tata Motors Limited</li> </ul>	<b>Audit Stakeholders Relationship</b> <ul style="list-style-type: none"> <li>▪ Tata Motors Limited</li> <li>▪ Tata Motors Limited</li> </ul>
<b>Shareholding</b>	NIL	NIL	NIL	NIL	NIL	250	NIL

There are no inter-se relationships between the Board members.

# DIRECTORS' REPORT

## TO THE MEMBERS OF TATA MOTORS LIMITED

The Directors present their Sixty-Ninth Annual Report and the Audited Financial Statement for FY 2013-14. As required under the Ministry of Corporate Affairs' General Circular 08/2014 No. 1/19/2013-CL-V dated April 4, 2014, the Financial Statements and other reports required to be attached to the Annual Report for FY 2013-14 are governed by the relevant provisions, schedules, rules of the Companies Act, 1956.

## FINANCIAL PERFORMANCE SUMMARY

(₹ in crores)

	Company (Standalone)		Tata Motors Group (Consolidated)	
	FY 2013-14	FY 2012-13	FY 2013-14	FY 2012-13
<b>Financial Results</b>				
Gross revenue	37,758.00	49,319.73	236,626.43	193,698.47
Net revenue (excluding excise duty)	34,288.11	44,765.72	232,833.66	188,792.69
Total expenditure	34,770.52	42,631.65	195,430.75	162,175.12
Operating profit / (loss)	(482.41)	2,134.07	37,402.91	26,617.57
Other income	3,833.03	2,088.20	828.59	815.59
Profit before Finance cost, depreciation, amortization, exceptional item and tax	3,350.62	4,222.27	38,231.50	27,433.16
Finance cost	1,337.52	1,387.76	4,733.78	3,560.25
Cash profit	2,013.10	2,834.51	33,497.72	23,872.91
Depreciation, amortization and product development / engineering expenses	2,499.04	2,243.38	13,643.37	9,622.87
Profit / (loss) for year before exceptional items and tax	(485.94)	591.13	19,854.35	14,250.04
Exceptional items - loss (net)	539.86	416.20	985.38	602.71
Profit / (loss) before tax	(1,025.80)	174.93	18,868.97	13,647.33
Tax expenses / (credit)	(1,360.32)	(126.88)	4,764.79	3,776.66
Profit after tax	334.52	301.81	14,104.18	9,870.67
Share of minority interest and share of profit of associates (net)	-	-	(113.16)	21.94
<b>Profit for the year</b>	<b>334.52</b>	<b>301.81</b>	<b>13,991.02</b>	<b>9,892.61</b>
<b>Appropriations</b>				
<b>Profit for the year</b>	<b>334.52</b>	<b>301.81</b>	<b>13,991.02</b>	<b>9,892.61</b>
Add: Balance brought forward from previous year	1,342.79	1,663.91	27,305.87	18,162.02
<b>Amount available for appropriations</b>	<b>1,677.31</b>	<b>1,965.72</b>	<b>41,296.89</b>	<b>28,054.63</b>
Less: appropriations / (transfer from)				
Debenture Redemption Reserve	-	(130.00)	-	(130.00)
General Reserve	33.45	30.18	54.45	59.48
Other Reserves	-	-	21.88	63.14
Dividend (including dividend distribution tax)	666.27	722.75	690.08	756.14
<b>Balance carried to Balance Sheet</b>	<b>977.59</b>	<b>1,342.79</b>	<b>40,530.48</b>	<b>27,305.87</b>

## DIVIDEND

Considering the Company's financial performance, the Directors have recommended a dividend of ₹2/- per share (100%) on the capital of 2,736,713,122 Ordinary Shares of ₹2/- each and ₹2.10 per share (105%) on 481,966,945 'A' Ordinary Shares of ₹2/- each for FY 2013-14 (same as for FY 2012-13) and the same will be paid on or after August 1, 2014. The said dividend, if approved by the Members, would involve a cash outflow of ₹742 crores (previous year: ₹728 crores) including dividend distribution tax, resulting in a payout of 222% (FY 2012-13: 241%) of the standalone profits for the year and 5% (previous year: 7%) of the consolidated profits of the Company.

## OPERATING RESULTS AND PROFITS

The Global operating environment improved considerably in FY 2013-14, as economic activity strengthened and spending in most economies began to recover, however in a sporadic manner. Whilst the advanced economies, particularly the US and UK, led the rebound, as growth became broader and more entrenched, Europe saw the first tentative signs of recovery after a long and painful slowdown. India's economic growth rate in the current financial year remained weak at 4.7% (Previous Year: at 4.5%). The Industrial activity remained weak and the stagnation was broad based. Mining and manufacturing output remained negative and the economy witnessed decline in investment in new projects in line with slowdown in overall growth. FY 2013-14 was a challenging year for the Company as the Indian economy continued to be under severe stress.

The **Tata Motors Group** recorded a 22.2% growth in gross turnover from ₹193,698 crores in the previous year to ₹236,626 crores in FY 2013-14. This is the highest turnover recorded by the Group. The consolidated revenues (net of excise) for FY 2013-14 of ₹232,834 crores grew by 23.3% over last year on the back of strong growth in volumes across products and markets at Jaguar Land Rover. The consolidated EBITDA margins for FY 2013-14 stood at 16.1%. Consequently, Profit Before Tax and Profit After Tax were ₹18,869 crores and ₹13,991 crores, respectively.

**Tata Motors Limited** recorded a gross turnover of ₹37,758 crores, 23.4% lower from ₹49,320 crores in the previous year. On top of a 16.7% decline in FY 2012-13, a decline of more than 40% over a 2 year period was witnessed. Sustained deceleration in the economic growth, high inflation, higher fuel prices, reduced availability of finance and

elevated interest rate regime continued to impact demand for the Indian auto industry in general and commercial vehicle industry in particular. Additionally, the need to increase marketing expenses on account of severe competitive intensity and depressed market scenario impacted EBITDA margins from positive 4.8% in FY 2012-13 to negative 1.4% for FY 2013-14. The reduction of profits from operations was offset by dividend from subsidiary companies of ₹1,574 crores (including dividend from JLR) as compared to ₹1,584 crores for the previous year and profit of ₹1,966 crores on divestment of investments in certain foreign subsidiaries to TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary. Loss Before Tax and Profit After Tax for the FY 2013-14 were at ₹1,026 crores and ₹335 crores respectively, as compared to Profit Before Tax and Profit After Tax of ₹175 crores and ₹302 crores respectively in FY 2012-13.

With the expected positive momentum in the Indian economy, the Company is focused on growth and achieving profitability through a superior new product pipeline along with a renewed commitment to enhance quality and customer service and to reduce costs. The Horizonext strategy unveiled in the Delhi Auto Expo shed light on some of the new and exciting product initiatives like Zest, Bolt, improved Nano, Ultra trucks variants on Prima truck platform and a slew of other modified and refreshed products which will be introduced in the near future, boosting the Company's revenues. Investment in the right products and vehicle platforms are being made to ensure a competitive pipeline for the future. Together with forward looking product strategy, the Company is also focusing extensively on right sizing the business and operational improvements through various strategic projects for operational excellence and cost cutting initiatives.

**Jaguar Land Rover** recorded a turnover of GB£19,386 million, a growth of 22.8% from GB£15,784 million in the previous year. JLR had a successful year of continued growth in all markets with overall volumes up by 16%, reflecting continued product successes including the launch of the new Range Rover Sport and Jaguar F-TYPE and a full year of sales of the new Range Rover. More established models have also been performing well, in particular derivatives such as the XF Sportbrake and all-wheel drive and smaller engine options across the range. Consolidated EBITDA for FY 2013-14 was a record GB£3,393 million, an increase of 45.1% compared to FY 2012-13. The EBITDA improvement comprises increased sales volumes and revenues, as well as favourable product and market mix. Profit before tax (PBT) for FY 2013-14 was GB£2,501 million, an increase of GB£827 million (49%)

compared to FY 2012-13. In FY 2013-14, JLR incurred one off costs for redemption of the higher coupon GB£500 million and US\$410 million 2018 Notes (at 8.125% and 7.75% coupon respectively). The bond redemption was pre-financed by the successful issuances of US\$700 million 4.125% 2018 Notes and GB£400 million 5% 2022 Notes, to reduce the Company's overall cost of debt in line with the improving credit. (Jaguar Land Rover's figures are as per IFRS)

**Tata Motors Finance Limited**, the Company's captive financing subsidiary, registered total revenues of ₹3,026 crores higher by 7% of FY 2012-13 revenues and reported a Profit After Tax of ₹101 crores in FY 2013-14 (FY 2012-13: ₹309 crores). The results for the year were impacted due to tightness in the financial market, stress in the business environment and the consequent higher provision on account of Non-Performing Assets.

**Tata Daewoo Commercial Vehicle Company Limited**, South Korea registered revenues of KRW 884.1 billion (₹4,906 crores), a growth of 7.3% over the previous year. The positive impact of higher volume, various cost control initiatives and price increase in export market allowed company to achieve profit after tax of KRW 23.5 billion (₹130.4 crores) [FY 2012-13: loss of KRW 9.2 billion (₹45 crores)] (TDCV Figures are as per Korean GAAP).

## VEHICLE SALES AND MARKET SHARES

The Tata Motors Group sales for the year stood at 10,20,546 vehicles, lower by 14.4% as compared to FY 2012-13. Global sales of all Commercial Vehicles were 432,600 vehicles, while sales of Passenger Vehicles were at 587,946 vehicles.

## TATA MOTORS

**Tata Motors** recorded sales of 569,677 vehicles, a decline of 30.2% over FY 2012-13. Industry decline during the year was at 9.3%, resulting in the Company's market share decreasing to 16.6% in the Indian automotive industry from 22.1% in the previous year. The Company exported 49,922 vehicles, lower by 2.0%, as compared to FY 2012-13.

## Commercial Vehicles

Within the domestic market, the Company sold 3,77,909 Commercial Vehicles (CV), a decline of 29.5% from FY 2012-13. This represented a market leadership share of 54.1% in the domestic CV market which was mainly supported by consolidation in M&HCV segment.

Some of the highlights for the year were:

- ▶ While the overall industry of M&HCV sales declined, the Company was able to improve market share by 1.6% to stand at 54.9%. A series of products were launched in this segment to augment the portfolio of product offerings and increase market share. These included the **Prima LX series of trucks** – a perfect combination of economy and technology – 2523T, 3123T, 4028S (Single reduction and Hub reduction) and 4928S (Single reduction and Hub reduction), 4923.S LX, Prima 4938 Tractor, 3138K Tipper, LPT 3723 - India's first 5 axle truck and LPK 3118, and **Prima LX series of Tippers** – 2523K, 3123K, 2528K and 3128K.
- ▶ Other activities to stimulate market sentiments included the pioneering **T1 Prima Truck Racing Championship** event as well as the successful value added services, power of five campaign for trucks focusing on – 1) Better KMPL, 2) Best Vehicle Uptime, 3) Highest Resale Value, 4) Best in class four year warranty, and 5) Lowest maintenance cost and five powerful offerings – a) Triple benefit insurance, b) Increased Oil change interval, c) four Year AMC, d) Tata Alert, and e) Fleetman.
- ▶ The bus segment also witnessed reversal in market share through intensive sales efforts coupled with launch of buses with mechanical Fuel Injection Pump (FIP), introduction of **Starbus Ultra** in Stage carriage, marketing initiatives such as '**Humare Bus Ki Baat Hain**' and '**Dream it to win it**' program. The warranty for M&HCV buses and trucks were increased to three years and four years respectively, symbolizing improvement in quality. The 'Tata Alert' service, to return a vehicle back on road within 48 hours, has been expanded across all national highways.
- ▶ The **LCV segment**, which registered good growth last year, did not continue its run this year. More specifically a decline in SCV segment due to vehicle financing constraints was a major problem. Fund availability is the most critical element for SCV segment. The high default rates in CV loans coupled with early delinquencies have instigated financiers to tighten lending norms, reduce the (LTV) ratio with focus on collections impacted the SCV Cargo and SCV Passenger segments quite sharply. Some of launches this year included the **Ace and Magic DICOR** and facelifts.

## Passenger Vehicles

The domestic passenger car industry was affected mainly by weak sentiments, high cost of ownership, high interest rates, fuel prices and reduction in discretionary spends. Overall growth in the domestic passenger vehicle industry was negative by 4.7% in FY 2013-14. During the year, the Company's Passenger Vehicles sales were lower by 38.1% at 141,846 vehicles, registering a 5.8% market share. However, the premium and luxury segment of the Company grew by 73.3% compared to last year. The Company sold 1,09,279 cars and 32,567 utility vehicles and vans, lower by 39.5% and 33.3% respectively, over the previous year. The Company's sales in the mid-size segment suffered as competitive activity intensified with multiple new launches in this segment. The Company has taken various initiatives to improve its performances such as product refreshes/launch programmes, operational efficiency, dealer effectiveness, working capital management and restructuring customer facing functions. The Company sold 2,805 vehicles of Jaguar Land Rover brands during FY 2013-14, a growth of 12.5%. This performance was driven by **Jaguar XF** sales that grew by 119% in FY 2013-14. The estimated market share increased from 9% to 10% in FY 2013-14. The JLR dealer network in India grew from 18 to 21 outlets by addition of 3 3S facilities, besides setting up 2 2S Workshops, and 11 **Used Car Outlets**.

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

- Unveiled the **Horizonext** Strategy in the Delhi Expo.
- Announced the launch of the all new **Bolt Hatchback** and **Zest Sedan** in the second half of the next fiscal.
- Launched the refreshed **Sumo Gold** with improved clutch and performance and new enhanced versions of **Tata Indigo e-CS**, **Tata Nano** and **Tata Indica**.
- Launched the **Nano Twist** with power steering.
- Launched the **E-max range** of CNG and petrol bi-fuel systems. - Tata Indica CNG, Tata Indigo CNG and Tata Nano CNG.
- Launched new **Safari Storme Explorer** edition.
- Showcased the **Nexon** compact UV and **Connected car concept** at the Delhi Expo.
- The above launches of the Nano Twist, E-max, Sumo Gold refresh and unveiling of the Bolt, Zest and Connected Car concept were in-line with the Company's objective of taking the brand to a higher level, while making it relevant for the

younger buyer. The Company continued to focus on building brand strengths, refreshing products and enhancing sales and service experience. The Company expanded its new look, stylish, tech savvy best in class flagship Passenger Vehicle showrooms, for superior customer experience.

- More than 10 major Jaguar and Land Rover product actions in India including major launches of **Jaguar F-TYPE** and the **all-new Range Rover Sport. Land Rover Experience** (Dynamic Drive Off-road Experiences), launch of 1st ever **Land Rover Expedition** and **after-sales customer engagement** initiatives were carried out by setting up **Service Clinics** in various cities.

## Exports

For Tata Motors, traditionally strong markets in South Asia such as Bangladesh and Sri Lanka were affected by internal conflict, political unrest and regulatory changes, especially in first half of FY 2013-14. While sales partially rebounded in second half of FY 2013-14 in Bangladesh and Nepal as a net result, export sales of the Company de-grew by 2% to 49,922 vehicles comprising 43,083 units of CVs and 6,839 units of PVs. With a view to expand its International Business, the Company has entered new markets like Australia and Indonesia and has also prepared to enter Malaysia and Philippines in early FY 2014-15. The Company introduced a host of new products on existing and new platforms in existing and new markets and showcased its vehicles in major auto shows in strategically important markets.

The Company continued to outperform competition in terms of exports of Commercial Vehicles and enjoyed a total CV exports share of 57% in FY 2013-14. Shipments for M & HCV Trucks grew by 34% in FY 2013-14 contributing significantly to the top line and the bottom line of the company. The shipments of SAARC countries and RHD African countries including South Africa, Kenya, Tanzania, Mozambique and Zambia grew by 6% and 12% respectively. The opening of new markets in Australia and Indonesia made up for some of the shortfall in the Middle East and LHD Africa countries.

The Company exported 6,839 Passenger Vehicles. Indica grew (+29%), Indigo grew (+70%) led by Bangladesh, **Safari Storme** had a strong debut with 115% growth and **Sumo** showed steady performance (+2.2%) and was the best-selling vehicle name-plate in Nepal. Tata Passenger vehicles debuted in Philippines and Brunei and also witnessed regular orders from Indonesia.



The Company was awarded the EEPC **'Star Performer Award'** for outstanding contribution in Engineering Exports in the Motor Vehicle – Large Enterprise category. Members attention is also drawn on various export initiatives under **'Foreign Exchange Earnings and Outgo'** in the Annexure.

## JAGUAR LAND ROVER

Jaguar Land Rover (JLR) had a successful year of continued growth in all markets with overall volumes up by 16%, reflecting continued product successes including the launch of the new **Range Rover Sport** and **Jaguar F-TYPE** and a full year of sales of the new **Range Rover**. More established models have also been performing well, in particular derivatives such as the **XF Sportbrake** and all-wheel drive and smaller engine options across the range. Retail volumes have grown across all markets, led by China up by 34% from last year to record retail sales of 103,077; North America and Asia Pacific regions also performed strongly, up by 20% and 28% to 75,671 and 22,795 respectively; UK and Europe, partly reflecting the economic headwinds, showed more modest growth, up by 6% and 2% to 76,721 and 82,854 units respectively. Wholesale volumes for FY 2013-14 were 429,861 units, an increase of 16% on FY 2012-13. At a brand level, wholesale volumes were 79,307 units for Jaguar and 350,554 units for Land Rover, reflecting growth of 37% and 11.6% respectively. Some of the highlights of this year's performance were:

- ▶ Launch of the **all new aluminum Range Rover Sport** in March 2013, with a worldwide roll out in the first half of FY 2013-14.
- ▶ Continued growth of the expanded **Jaguar XF range** with all-wheel drive Version, **new Sportbrake** and smaller and more fuel efficient engine options for the **XF** and **XJ**, launch of the new **Jaguar F-TYPE**.
- ▶ The F-TYPE went on sale to retail customers from April 2013 onwards and since then has received numerous awards and appreciation by the auto media. In November 2013, Jaguar unveiled the F-TYPE Coupé which went on sale in April 2014. In 2013, the F-TYPE won Germany's most prestigious automotive award, the Golden Steering Wheel and the "World Car Design of the Year" award, as well as the "Convertible of the Year" award from Top Gear.
- ▶ At the Frankfurt Motor Show in September 2013, Jaguar revealed its first ever crossover concept vehicle, the **Jaguar C X17**, based on a new modular scalable advanced aluminum architecture, which will allow Jaguar to grow its

product portfolio and target high growth areas of the premium market, beginning with a new mid-sized sedan in 2015. It later announced that the new mid-sized sedan will be named **"Jaguar XE"** at the Geneva Auto show in March 2014 and this will be launched in early 2015.

- ▶ The new **"Discovery Vision"** Concept car was unveiled at New York International Auto Show in April 2014. **Land Rover Discovery Sport** (Freelander replacement) was announced as first new member of Discovery family to be launched in late 2014.
- ▶ Jaguar Land Rover's joint venture with Chery Automobiles, China has been progressing well to develop, manufacture and sell certain Jaguar and Land Rover vehicles and jointly branded vehicles for the Chinese market. The production will start in FY 2014-15.
- ▶ Continued investment in new state-of-the-art facility at Wolverhampton, UK, to manufacture new advanced low emission engines from FY 2014-15.
- ▶ The Company and Jaguar Land Rover participated in various international auto shows displaying its range of products, including at Geneva, New York, Detroit and Jakarta, wherein the displayed products won accolades and a positive response.
- ▶ In addition, JLR has also committed to a manufacturing facility in the State of Rio de Janeiro, Brazil.
- ▶ Further, JLR has signed a Letter of Intent with the National Industrial Clusters Development Program (NICDP) in the Kingdom of Saudi Arabia for set-up of an automotive facility.

## Tata Daewoo Commercial Vehicles Company Limited

Tata Daewoo Commercial Vehicles Company Limited (TDCV) sold 10,600 vehicles, higher by 5% over FY 2012-13. TDCV Domestic sales were at 6,584 vehicles, 2nd highest in its history, registering a growth of 21.9% compared to 5,400 vehicles sold in previous year. However, in Export market sales at 4,016 vehicles was lower by 14.6% compared to 4,700 vehicles of last year mainly due to adverse economic conditions in global markets.

## Tata Motors (Thailand) Limited

Tata Motors Thailand Limited (TMTL) sold 2,480 vehicles in the FY 2013-14, a year which saw the automotive market in Thailand drop

over the previous year by almost 24%. The **Super Ace** vehicles that are currently sold as CBU imports from India showed encouraging signs of acceptability in the market. TMFL continued to expand its dealer network in order to cover most of the provinces in the country. TMFL also dispatched the first lot of test vehicles to Malaysia where regular exports of Xenon are planned beginning FY 2014-15.

### Tata Motors (SA) (PTY) Limited

Tata Motors (SA) (Pty) Ltd (TMSA) sold 821 chassis for the South Africa market in FY 2013-14. TMSA homologated three new models in the LCV category, including a bus chassis LP713 for the first time. It also collaborated with TDCV to assemble a pilot lot of 6 chassis of a tractor truck model with the objective of expanding the TATA presence in the fastest growing (extra Heavy) segment of commercial vehicles in South Africa.

### Tata Motors Finance Limited

The vehicle financing activity is being carried under the brand "Tata Motors Finance" of Tata Motors Finance Limited (TMFL) – a wholly owned subsidiary company.

The sluggish macroeconomic environment and consequent lower demand of all Commercial and Passenger Vehicles led to a significant decline in disbursements. Total disbursements for the year were at ₹8,768 crores - 22% lower than disbursements of ₹11,180 crores in FY 2012-13. A total of 1,57,886 vehicles were financed representing a decline of 38% over the previous year. The disbursals for commercial vehicle were ₹7,504 crores (1,23,989 vehicles) in FY 2013-14 compared to ₹8,815 crores (1,83,514 vehicles) for FY 2012-13. For passenger cars, disbursals were ₹1,214 crores (32,637 vehicles) in FY 2013-14 compared to ₹2,364 crores (70,563 vehicles) in the previous year. The overall market share in terms of the Tata vehicle unit sales in India financed by Tata Motors Finance declined from 33% to 30%.

With a view to de-risk the portfolio and explore additional sources of revenue, the Used Vehicle Finance business was re-launched by seeding the business in select geographies during the year. Disbursements achieved under refinance were at ₹50 crores (1,260 vehicles) during the current year as against ₹2 crores (9 vehicles) in FY 2012-13.

TMFL continued to expand its reach in the market place by opening a number of branches including limited services branches exclusively in Tier 2 and 3 towns. This has also helped in reducing the turn-around times to improve customer satisfaction.

TMFL has further enhanced its "Office of the Customer initiative" and is confident that these investments will pay rich dividends through significantly increased interactions/relations with its customers and dealers. With a highly motivated employee workforce, significantly greater customer orientation and an increased branch network/ field infrastructure, TMFL is poised for significant, sustainable growth and is confident that it would deliver on its vision for the future.

## HUMAN RESOURCES

The Tata Motors Group employed 66,593 permanent employees (previous year: 62,873 employees) as of the year end, out of which 59,535 employees were engaged in automotive operations. The Company employed 29,566 permanent employees (previous year: 30,334 employees) as of the year end. The Tata Motors Group has generally enjoyed cordial relations with its employees and workers.

All employees in India belonging to the operative grades are members of labour unions except at our Sanand and Dharwad plants. All the wage agreements have been renewed in a timely manner and are all valid and subsisting. Operatives 'and Unions' support in implementation of reforms that impact quality, cost erosion and improvements in productivity across all locations which is commendable.

### Safety and Health – Performance and Initiatives

The Company provides a safe and healthy workplace for its employees by establishing the right safety culture across the organization. The senior leadership is fully committed to the ultimate Goal of zero injury to its employees and all stakeholders who are associated with the Company's operations. Emphasis is laid on creating a participatory safety governance model. Safety and Health Environment (SHE) Councils have been formed for both Commercial Vehicle business and Passenger Vehicle business. The Company has come up with Safety Manual for Fully Built Vehicle (FBV) Application Vendors. The Lost Time Injury Frequency Rate (LTIFR) for this year is 0.39%, a reduction of 44% over FY 2012-13. Training and awareness among all concerned has been a key element of the strategic initiative. 5,07,738 man-hours of training have been spent on Safety. The Company has launched a campaign '*i-drive safe*' - A Tata Motors initiative on building a safe driving culture and also training of driver employees with an awareness that the main risk is related to road safety and thereby ensured safe driving

behavior of the drivers. The Company launched health brand logo '**HealthPlus - Because you matter!**' to drive employee health initiatives. Series of initiatives like awareness sessions, mailers, etc. have been conducted under this initiative. The Company has come up with a Health and Wellness manual.

The **Jaguar Land Rover** business has recently restated its commitment of Safety and well-being. The philosophy of this commitment states that the company strives to continuously improve working conditions and promote safe working practices to ensure the safety and well-being of its employees and the wider communities which it engages with. 2013 saw the launch of Jaguar Land Rover's strategic direction on Safety and well-being, **Destination Zero – A Journey to Zero Harm**. The activities to deliver Zero Harm are underpinned with everyone understanding and taking a responsibility for their own and their fellow workers safety and well-being. Health promotion activities take place at all **Jaguar Land Rover** locations, the active use of '**WellPoint Kiosks**' during FY 2013-14 was well received.

At **TDCV Korea**, the accident rate was 1.23% as against 0.18% achieved last year. The increase in accident rate is on account of Muscular Disease which TDCV is incorporating from this year as directed by government body. The safety index was 2.74 against 2.09 achieved last year. **TMTL, Thailand**, completed more than two years of accident free operations. Safety Assessment and Safety Training (on Safety Observations and Leading Safety Efforts) were conducted in Korea and Thailand in June 2013. At **TMSA, South Africa**, a comprehensive Health & Safety Manual was released, which had the Health & Safety policy, all SOP's (Standard Operating Procedures), contingency plans, etc. for TMSA. Safety audits have been initiated with involvement of management employees which is being conducted by an external agency, NOSA.

The Company has continuously endeavoured towards improving gender diversity and creating a safe, just and fair workplace for its employees. The "Sexual Harassment Avoidance and Redressal Policy (SHAR)" of the Company is in line with the Tata Code of Conduct and under this Policy an Apex committee at the corporate centre and location specific committees at local level, have been formed with set guidelines to address issues of sexual harassment at the work place towards any woman associates. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All women

associates (permanent, temporary, contractual and trainees) as well as any women visiting the Company's office premises or women service providers are covered under this policy. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological.

During the year FY 2013-14, the Company has received 20 complaints on sexual harassments and of which 19 were disposed off. 17 cases from these have been substantiated and appropriate action taken. 32 workshops or awareness program were carried out against sexual harassment.

## FINANCE

During the year, the free cash flows for Tata Motors Group were ₹9,226 crores, post spend on capex, design and development of ₹26,925 crores. Tata Motors Group's borrowing as on March 31, 2014, stood at ₹60,642 crores (FY 2012-13: ₹53,716 crores). Cash and bank balances and investments in mutual funds stood at ₹39,206 crores (FY 2012-13: ₹28,624 crores). With healthy profitability and cash flow generation, the Consolidated Net Automotive Debt to Equity Ratio stood at 0.07:1 as on March 31, 2014, as compared to 0.24:1 on March 31, 2013.

Cash flows from operations were ₹2,463 crores for standalone operations of the Company. Spend on capex, design and development were ₹3,094 crores (net). The borrowings of the Company as on March 31, 2014 stood at ₹15,053 crores (FY 2012-13: ₹16,799 crores). Cash and bank balances and investments in mutual funds stood at ₹226 crores (FY 2012-13: ₹822 crores).

During the year, the Company issued notice on April 16, 2013 to the holders of 4% Foreign Currency Convertible Notes, giving them time till June 10, 2013, to elect at their option to either convert the bond into equity or to receive redemption proceeds as per the terms of the indenture. Consequent upon exercise of conversion option, aggregating US\$74.10 million, the Company allotted 28,549,566 Ordinary Shares/ Shares represented by ADSs.

The Company issued rated, listed, unsecured, non-convertible debentures of ₹1,100 crores.

The Company repaid Tranche 3 of ₹1,800 crores of Secured, Rated, Credit Enhanced, Listed, 2% Coupon Non-Convertible Debentures (NCDs) alongwith premium on redemption of ₹658.05 crores. Further, the Company also repaid ₹362.19 crores forming part of the public fixed deposit scheme launched in December 2008.

The Company divested its investments in foreign subsidiary companies – Tata Daewoo Commercial Vehicle Co Ltd, Korea, Tata Motors (Thailand) Ltd, and Tata Motors (SA) (Proprietary) Ltd to TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary.

Due to significant reduction in volumes, the Company had to deploy short term funds to support critical long term finance needs. The Company is in the process of taking appropriate steps to correct this and restructure the Balance Sheet.

At Jaguar Land Rover (as per IFRS), post spend on capex, design and development of GB£2,680 million (₹25,774.36 crores), the free cash flows were GB£1,150 million (₹11,059.90 crores) for FY 2013-14. The borrowings of the Jaguar Land Rover as on March 31, 2014, stood at GB£2,010 million (₹19,330.77 crores) [previous year: GB£2,167million (₹17,791 crores)]. Cash and financial deposits stood at GB£3,458 million (₹33,256.62 crores) [previous year: GB£2,847 million (₹23,373 crores)] resulting in negative net debt position. Additionally, JLR has undrawn committed long term bank lines of GB£1,290 million.

In December 2013, Jaguar Land Rover issued US\$700 million Senior Notes due 2018, at a coupon of 4.125% per annum, followed by an issue of GB£400 million, at a coupon of 5.0% per annum in January 2014. The proceeds have been used for prepayment of high coupon Senior Notes issued in 2011 of equivalent GB£750 million which was callable in May 2014.

TML Holdings Pte Ltd, Singapore, a 100% subsidiary of the Company, holding the investment in Jaguar Land Rover raised SG\$350 million Senior Notes due 2018, in May 2013, at a coupon of 4.25% per annum followed with an issue of syndicated loan facility of US\$250 million and SG\$62.8 million due 2017 and US\$210 million and SG\$114 million due 2019.

Tata Motors Finance Limited raised ₹75 crores by an issue of unsecured, non-convertible, subordinated perpetual debentures towards Tier 1 and Tier 2 Capital and ₹155.10 crores by an issue of unsecured, non-convertible, subordinated debentures towards Tier 2 Capital in order to meet its growth strategy and improve its Capital Adequacy ratio.

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

During the year, the Company's rating for foreign currency borrowings

was retained with an improvement in the outlook by Standard & Poors to "BB"/Stable and was retained at existing levels by Moodys at "Ba3"/Stable. For borrowings in the local currency, the ratings was revised upwards by Crisil to "AA"/Stable and was retained at existing levels by ICRA at "AA-"/Positive. Post March 31, 2014, the ratings was revised upwards by ICRA to "AA"/Stable. The Non-Convertible Debentures rating by CARE was revised upwards to "AA+"/Stable. During the year, Jaguar Land Rover's rating was revised upwards by Moodys to "Ba2" Stable and by Standard & Poors at "BB"/Stable.

For Tata Motors Finance, CRISIL has revised its rating outlook on long-term debt instruments and bank facilities to 'CRISIL "AA/ A+"/ Stable.

## FIXED DEPOSITS

The Company has not accepted any public deposits during FY 2013-14. There were no over dues on account of principal or interest on public deposits other than the unclaimed deposits as at the year end. The Company proposes to invite and accept Fixed Deposits from the shareholders and the public in accordance with Sections 73 to 76 of the Companies Act 2013 read with Companies (Acceptance of Deposits) Rules, 2014. Attention of the Members is invited to the relevant item in the Notice of the Annual General Meeting and the Explanatory Statement thereto.

## INFORMATION TECHNOLOGY INITIATIVES

The Company's business strategies are well supported by IT proactively building the capabilities. The Company's IT leverages strong partnerships with product and services companies to support business growth and innovation. This has enabled us to strengthen our core technology capabilities.

The major highlights of IT initiatives at the Company are:

- The Company commemorated 10 years of its path breaking CRM solution, one of the largest in automotive industry with 4,000+ channel partners and more than 50,000+ users.
- The Company played a key role in setting up AutoDX, a SIAM ACMA initiative for electronic data interchange (EDI).
- The Company is implementing cloud based employee collaboration tools which will bring a diverse and multi locational workforce closer, enabling the One Team One Vision initiative.

- ▶ The Company is extending its enterprise applications to mobiles through mobile apps. First five applications have been piloted for Telematics, Rural Marketing, Dealer Sales Force (CV and PV) and Quality Inspections.
- ▶ The Company won the 'CSI Award for the Excellence in IT' for executing the large and complex migration of entire Manufacturing Execution System (MES) platform in car plant.
- ▶ JLR global expansion to China is being competently supported by IT capabilities.

All Tata Motors group companies continue to work together on IT synergies and sharing the expertise.

## DIGITAL PRODUCT DEVELOPMENT SYSTEMS INITIATIVES

Product development processes continue to grow on best of the breed tools and technology solutions, for enhancing product development capabilities, addressing quality and speed. Capabilities were developed for realistic product visualization in digital platform for product style. Bid response mechanisms for specific customers were developed. Processes relating to early manufacturing feedback in engineering functions were evolved with state of the art toolsets.

- ▶ PLM processes continue to mature strengthening the product development processes across the extended organization.
- ▶ In-house Knowledge Based Engineering (KNEXT) applications spread enhanced by deploying 20 new applications in various product design functions.
- ▶ Virtual validation as a strategic initiative introduced in the product development process providing better turnaround time and understanding of product in the field.
- ▶ Tools for collaboration of engineering information across multiple work locations, multiple geographies were developed as part of DRiVE initiative.
- ▶ Systems were developed to handle WCQ L1 and other quality initiatives.
- ▶ 30 new applications were conceived and developed on in-house pFirst framework to handle various cross functional work stream delivery.

- ▶ Digital Manufacturing Planning (DMP) capabilities enhanced to use various process documents (PFD, PFMEA, CP, etc) in Pune manufacturing location.

## TECHNOLOGY AND ENVIRONMENT FRIENDLY INITIATIVES

The Tata Motors Group continues to innovate, with a view to enhance the market share and aims at products which cater to the changing needs of the customer for both fleet owners and individual customers. Besides new product developments covered above, some of the key initiatives on Environment friendly technologies include:

- ▶ Fuel efficiency improvement through development of advanced driveline oil formulation in line with previous development of engine oil only
- ▶ Continuation of fuel efficiency improvement initiatives on commercial vehicle engines through software features in engine management system and vehicle level parameter optimization.
- ▶ Downsizing of gasoline engines using pressure charging technology (turbochargers) for CO<sub>2</sub> reduction on passenger cars.
- ▶ Designed and developed electric vehicles based on Tata Magic and Tata Iris, which were demonstrated in Autoexpo 2014. A fleet of small number of demonstrator vehicles is being developed.
- ▶ Start of a collaborative initiative to investigate sustainable synthetic fuels for India and developing nations.
- ▶ Designed, developed and demonstrated Hydrogen fuelled zero emission fuel cell bus for urban transportation. Further testing is in progress.
- ▶ Use of bio CNG in internal combustion engines for vehicles is under testing.
- ▶ Unveiling the latest milestone of its advanced aluminium which would be high-strength, lightweight and the Jaguar Land Rover's most aluminium intensive structure to date bringing considerable benefits in terms of dynamics, safety and efficiency.



- Jaguar Land Rover introduced world's first hybrid electric vehicle with a diesel engine by bringing down fuel consumption to 6.41/100 km. which only few years ago, seemed to be totally unachievable in a vehicle size of Range Rover.
- Introduction of InControl Apps in the Cars manufactured by Jaguar Land Rover to minimize driver distractions.
- Collaborative innovation through Investment in a new UK advanced research facility, the National Automotive Innovation Centre providing dedicated facilities for an expanded Jaguar Land Rover Advanced Research Team.

## SUBSIDIARY AND ASSOCIATE COMPANIES

Tata Motors announces consolidated financial results on a quarterly basis. As required under the Listing Agreement with the Stock Exchanges, Consolidated Financial Statements of the Tata Motors Group are attached.

Pursuant to the provisions of Section 212(8) of the Companies Act, 1956 (the Act), the Ministry of Corporate Affairs vide its General Circular No 2/2011 dated February 8, 2011, has granted a general exemption subject to certain conditions to holding companies from complying with the provisions of Section 212 of the Act, which requires the attaching of the Balance Sheet, Profit & Loss Account and other documents of its subsidiary companies to its Balance Sheet.

Accordingly, the said documents are not being included in this Annual Report. The main financial summaries of the subsidiary companies are provided under the section 'Subsidiary Companies: Financial Highlights for FY 2013-14' in the Annual Report. The Company will make available the said annual accounts and related detailed information of the subsidiary companies upon the request by any member of the Company or its subsidiary companies. These accounts will also be kept open for inspection by any member at the Registered Office of the Company and the subsidiary companies.

### Subsidiary Companies

Tata Motors had 70 (direct and indirect) subsidiaries (10 in India and 60 abroad) as on March 31, 2014, as disclosed in the accounts.

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

### Subsidiary companies formed/acquired:

- Tata Technologies Inc. acquired Cambric Holdings Inc., which included its subsidiaries, namely Cambric Corporation, Cambric Limited, Cambric Consulting SRL, Cambric GmbH, Cambric UK Limited, Cambric Managed Services Inc., Midwest Managed Services - all indirect subsidiaries of Tata Technologies Limited.
- Tata Technologies incorporated Cambric Manufacturing Technologies (Shanghai) Co. Limited.
- Land Rover Belux SA/NV merged with Jaguar Belux NV and changed its name from Jaguar Belux NV to Jaguar Land Rover Belux.
- All business and assets of Land Rover were acquired by Jaguar Land Rover Limited except Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd.
- Business of Land Rover Exports Limited was transferred to Jaguar Land Rover Exports Limited.

### Companies ceasing to be subsidiary companies/ ceased operations:

- Tata Hispano Motors Carrocera S.A. wound down factory and manufacturing activity but still exists as a subsidiary.

### Name changes

- Land Rover to Jaguar Land Rover Holdings Limited
- Jaguar Land Rover Exports Limited to JLR Nominee Company Limited

Besides the above, Jaguar Land Rover continued to integrate / restructure legal entities for manufacturing and for exporting globally as combined brand legal entities. Other than the above, there has been no material change in the nature of the business of the subsidiary companies.

### Associate companies/Joint Ventures

As at March 31, 2014, Tata Motors had 6 associate companies and 5 Joint Ventures as disclosed in the accounts.

The accounting of subsidiaries, associates and joint ventures have been done in consolidated financial statements in accordance with the Accounting Standards.

## ENERGY, TECHNOLOGY & FOREIGN EXCHANGE

Details of energy conservation and research and development activities undertaken by the Company alongwith the information in

accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as an Annexure to the Directors' Report.

## DIRECTORS

Mr Karl Slym, who was the Managing Director of the Company since September 13, 2012, died on January 26, 2014, in an untimely and tragic manner. Mr Slym provided leadership in a challenging market environment and had made a considerable positive impact on the Company's culture by spearheading leadership and brand enhancing programs in the organization. He played a pivotal role in charting of the Company's strategy to regain momentum for the Company's products in the Indian market. The Directors have placed on record their profound grief on the passing away of Mr Slym. The Board has initiated steps for appointing a Managing Director. In the interim, the oversight of the key aspects of the Company's operations is undertaken by a Corporate Steering Committee comprising Mr Cyrus P Mistry as Chairman, Executive Directors and Senior Executives of the Company.

Mr Ravi Kant retires as the Vice Chairman of the Company on May 31, 2014 in accordance with the Company's Policy for Retirement Age of Directors. Mr Kant joined the Company in February 1999 and on superannuating as the Managing Director in June 2009, continued to be on the Company's Board of Directors as the Non- executive Vice-Chairman. Mr Kant had by his stewardship and guidance significantly contributed to the Company's growth and global aspirations. He has played a stellar role in the Jaguar Land Rover's acquisition and its turnaround and guiding many of the Company's key initiatives and strategies. The Board placed on record its appreciation for the contributions made and the role played by Mr Kant over the last 14 years on the Board of the Company.

The Company has, pursuant to the provisions of Clause 49 of the Listing Agreements entered into with Stock Exchanges, appointed Mr Nusli Wadia, Dr Raghunath Mashelkar, Mr Subodh Bhargava, Mr Nasser Munjee, Mr Vineshkumar Jairath and Ms Falguni Nayar as Independent Directors of the Company. The Company has received declarations from the said Independent Directors of the Company confirming that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under the said Clause 49. In accordance with the provisions of Section 149(4) and proviso to Section 152(5) of the Companies Act,

2013, these Directors are being appointed as Independent Directors to hold office as per their tenure of appointment mentioned in the Notice of the forthcoming AGM of the Company.

In accordance with the requirements of the Act and the Articles of Association of the Company, Dr Ralf Speth retires by rotation and is eligible for re-appointment.

## CORPORATE GOVERNANCE

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Clause 49 of the Listing Agreement with the Indian Stock Exchanges is included in the Annual Report.

## PARTICULARS OF EMPLOYEES

The Information on employees who were in receipt of remuneration of not less than ₹60 lakhs during the year or ₹5 lakhs per month during any part of the said year as required under Section 217(2A) of the Companies Act, 1956 (the Act) and the Rules made thereunder is provided in the Annexure forming part of the Report. In terms of Section 219(1)(b)(iv) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. Any member interested in obtaining a copy of the same may write to the Company Secretary.

## CORPORATE SOCIAL RESPONSIBILITY INITIATIVES

A separate section on initiatives taken by the Tata Motors Group to fulfil its Corporate Social Responsibilities is included in the Annual Report.

## BUSINESS RESPONSIBILITY REPORT

Vide its Circular dated August 13, 2012, Securities and Exchange Board of India (SEBI) mandated the inclusion of Business Responsibility Report (BRR) as a part of the Annual Report for top 100 listed entities based on their market capitalisation on BSE Limited and National Stock Exchange of India Limited as on March 31, 2012. The said reporting requirement is in line with the 'National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVGs)' notified by Ministry of Corporate Affairs, Government of India, in July, 2011. Pursuant to the above, the Stock Exchanges amended the Listing Agreement by inclusion of Clause 55 providing a suggested framework of a BRR, describing initiatives taken by the Company from an environmental, social and governance perspective. In line with the press release and FAQs dated May 10, 2013, issued by SEBI, the

Company's BRR is hosted on its website [www.tatamotors.com](http://www.tatamotors.com). Any shareholder interested in obtaining a physical copy of the same may write to the Company Secretary.

## STATUTORY AUDIT

M/s Deloitte Haskins & Sells LLP (DHS LLP), Chartered Accountants (ICAI Firm Registration No.117366W/W-100018), who are the Statutory Auditors of the Company, hold office until the conclusion of the ensuing Annual General Meeting. It is proposed to re-appoint them to examine and audit the accounts of the Company for three years to hold office from the conclusion of this AGM till the conclusion of the seventy-second AGM of the Company to be held in the year 2017 subject to ratification of their appointment at every AGM. DHS have, under Section 139(1) of the Companies Act, 2013 and the Rules framed thereunder furnished a certificate of their eligibility and consent for re-appointment.

DHS converted itself into a Limited Liability Partnership (LLP) under the provisions of the Limited Liability Partnership Act, 2008 and is now known as Deloitte Haskins & Sells LLP (DHS LLP) with effect from November 20, 2013. In terms of the Ministry of Corporate Affairs, Government of India, General Circular No. 9/2013 dated April 30, 2013, if a firm of CAs, being an auditor in a company under the Companies Act, 1956, is converted into an LLP, then such an LLP would be deemed to be the auditor of the said company. The Board of Directors of the Company has taken due note of this change. Accordingly, the audit of the Company for FY 2013-14 was conducted by DHS LLP.

## Cost Audit

As per the requirement of the Central Government and pursuant to Section 233B of the Companies Act 1956, the audit of the cost accounts pertaining to motor vehicles and other relevant products groups is carried out every year. Pursuant to the approval of Ministry of Corporate Affairs, M/s Mani & Co. having registration No. 00004 were appointed as the Cost Auditors for auditing the Company's cost accounts relating to the Company's products for the year ended March 31, 2014, for which the approval of Central Government was received on July 24, 2013.

The Cost Audit Report and Compliance Report for the year ended March 31, 2013 were filed by the Company on September 25, 2013 well within the prescribed due date of September 30, 2013. The Cost Audit Report and compliance report for the financial year ended March 31, 2014 is expected to be filed within the prescribed time.

## DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 217 (2AA) of the Companies Act, 1956 (the Act) the Directors, based on the representation received from the Operating Management, confirm that:-

- in the preparation of the annual accounts, the applicable accounting standards have been followed and that there are no material departures;
- they have, in the selection of the accounting policies, consulted the Statutory Auditors and have applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- they have taken proper and sufficient care, to the best of their knowledge and ability, for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they have prepared the annual accounts on a going concern basis.

## ACKNOWLEDGEMENTS

The Directors wish to convey their appreciation to all of the Company's employees for their enormous personal efforts as well as their collective contribution to the Company's performance. The Directors would also like to thank the employee unions, shareholders, customers, dealers, suppliers, bankers, Government and all the other business associates for the continuous support given by them to the Company and their confidence in its management.

On behalf of the Board of Directors

**CYRUS P MISTRY**

Chairman

Mumbai, May 29, 2014

## ANNEXURE TO THE DIRECTORS' REPORT

Particulars of Conservation of energy, Technology absorption and Foreign exchange earnings and outgo in terms of Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of Directors) Rules, 1988 forming part of the Directors' Report for the year ended March 31, 2014:

### A. CONSERVATION OF ENERGY

The Company has always been conscious of the need for conservation of energy and has been sensitive in making progress towards this initiative. Various energy conservation measures have been taken at all the plants and offices of the Company to implement energy conservation projects like:

- Conversion of electrical heating into Natural Gas (NG) heating system of washing machines and tempering furnace, conversion of LPG heating into NG heating of Endogas generators, conversion of indirect heating into direct heating system for ovens in Paint Shop, reduction in surface heat loss, improvement in burning efficiency of burners by controlling the air - fuel ratio with the help of flue gas analysis, optimization of Paint shops oven as per production schedule.
- Installation of LED Tube lights, LED street lights, LED low bays fittings, LED bus bar indicators. Installation of energy savers in lighting circuits, switching OFF unwanted lights, installation of Star rated Air Conditioning systems, etc.
- Installation of Variable Frequency Drives for various applications like Blowers, Pumps and Air supply plants as a flow control strategy for energy conservation.
- Fresh Air blowers replaced by Man cooler fans, automation for Blower operation, use of motion sensors and timers for ON-Off control of lighting system, blowers and fans.
- Optimization of compressed air supply pressure, use of DC powered nut runners in place of Pneumatic nut runners, use of pressure control valves and Isolation valves in compressed air network, localized small compressors for low pressure requirement, migration of localized dryer system to centralized dryer system for dry compressed air supply.
- Modification in electrical logic for automatic switching On-Off operation of hydraulic motors, coolant pumps, blowers etc, optimization of AC plant operations, removal of unwanted AC systems.

- Wind Ventilators, downsizing of motors, trimming of impellers of oversized water recirculation pumps, Delta to Star connection of motors etc.

All these efforts have resulted in saving of electrical energy of ₹2.67 crores units, Fuel saving: Diesel - 39.7KL, LPG/Propane - 209MT and Natural Gas - 1.66 Lakh SCM. The whole effort resulted in cost savings of around ₹20.28 crores and annual Co<sub>2</sub> reduction 22,938 tCo<sub>2</sub>e.

Company has taken new initiative for implementation of ISO: 50001 Energy Management System (EnMS) across all the Company's Plants in India. The Company's Pune, Jamshedpur, Lucknow, Pantnagar, Sanand and Dharwad Plants are certified for ISO: 50001 Energy Management System (EnMS) by M/s BVC.

Company's endeavor for maximizing use of wind energy (Green Power) has also made significant contributions.

- In addition to the Company's own 'captive wind power' projects of 21.95 MW capacity, further initiatives have been taken to purchase wind power from 'Third Party wind developers' through open access. For this, PPAs signed for purchase of additional wind power of ₹8.80 crores Wind units with five parties. With this, Company's CVBU Pimpri Plant's total Wind Power utilization for FY 2013-14 reached to ₹9.07 crores wind units (equivalent Co<sub>2</sub>e Reduction of 84,931 tCo<sub>2</sub>e), this resulted in net savings in electricity charges of ₹27.14 crores.
- Renewable Energy Certificate (REC): Company's 21.95MW Wind Power project is registered under REC scheme. Cumulative 32,544 RECs generated; out of which 18,931 RECs sold through auction, cumulative benefit of ₹2.72 crores.

### Award / Recognition received during the year is as below,

- CVBU Pune Plant is honored with "Excellent Energy Efficient Unit Award" by CII-National award for Excellence in Energy Management - 2013, under Automobile Manufacturing category.

### B. RESEARCH AND DEVELOPMENT

#### Specific areas in which R & D carried out by the Company

The Company's R&D is aligned towards developing and acquiring the technology, core competence and skill sets required for robust and timely delivery of the envisaged future product portfolio with leading product attributes across the range of commercial and passenger vehicles. For the passenger vehicle product range, the focus is on stunning

design, driving pleasure and connected car technologies and for the commercial vehicle product range the focus is to be the market leaders by enhancing fuel efficiency and minimizing total cost of ownership.

All the R&D activities that the Company is currently undertaking takes into account the current and likely future regulatory norms along with meeting and exceeding the prescribed and prevalent vehicle safety regulations. The company also continues its R&D efforts in developing vehicles which are powered by alternate fuels like CNG, LPG, Bio-diesel, electric traction and Hydrogen some of which was showcased at the Delhi Auto Expo in February 2014 as well.

### Benefits derived as a result of the above R&D

The Company maintains requisite R&D facilities, core competence and skill sets enabling it for compliance of regulations and reducing product development time to meet market requirements. Increasing use of 'digital validation' techniques has enabled a reduction in the number of physical

prototypes required. All existing Company products and engines are compliant with the prevalent regulatory norms.

During the FY 2013-14, the Company filed 73 Patent Applications and 157 Design applications. In respect of applications filed in earlier years, 18 Patents were granted and 20 Designs were registered.

### Future Plan of Action

The Company continues its effort on developing new products and technologies to meet growing customer expectations. The existing products will be refreshed at regular intervals to suit upcoming trends. In the long term, the Company is focusing on improving driving comfort, fuel efficiency, performance and design aesthetics. Company's R&D is also committed to minimize the environmental impact and carbon footprint of its products and manufacturing operations, with Greenhouse Gas (GHG) emissions in particular. The Company is uniquely placed to meet this commitment, with its comprehensive product line-up and indigenous manufacturing base.

## Expenditure on R & D

(₹ in crores)

Expenditure incurred on research and development :	2013-14	2012-13
(a) Revenue Expenditure - charged to Statment of Profit and Loss	413.55	500.15
(b) Revenue Expenditure - capitalised	1,618.76	1,142.38
(c) Capital Expenditure	112.04	116.78
	<b>2,144.35</b>	<b>1,759.31</b>
Revenue from Operations	34,288.11	44,765.72
R&D cost as a % to Revenue from Operations	6.3%	3.9%

## C. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

### Efforts made towards technology absorption, adaptation and innovation

The Company is putting continuous efforts in acquisition, development, assimilation and utilization of technological knowledge through its wide advance engineering project portfolio. The projects in the advance engineering portfolio are focused around the technologies and innovations which the Company might need in the years to come and the current thrust areas being automotive applications like light weighting, fuel efficiency improvement and Hybridization

with alternate fuel like CNG, LPG, Ethanol, bio-diesel, electric traction, Hydrogen etc. The Company is actively working on various hybrid and electric power trains for hybrid, electric and fuel cell electric vehicles for both commercial and passenger car applications and making good progress.

The Company took initiatives by various interventions at Powertrain and vehicle level to improve upon the performance, refinement, meeting and exceeding the current prevalent norms of emission, fuel economy and reduction in carbon footprint of the products launched recently as well as the future products and platforms. The Company continues to work on the already initiated new generation powertrain programmes which would meet the



stringent future domestic and international emission norms. As a longer term action, the Company has also started taking into cognizance the current CAFÉ (Corporate Average Fuel Economy) and what would the likely future regulations entail on the envisaged future product portfolio.

The Company is also currently focusing on bringing safer vehicles to the end customers and the vehicle occupants (both active and passive safety) than the norms currently prescribed for which extensive safety attribute target setting, Computer-Aided Engineering, Simulation and testing capabilities has been baked into plan for delivering the future products on the anvil.

The Company is progressing well in its innovative and constant endeavour to front load the future product development process with concurrent engineering, digital validations and upfront failure mode identification. All relevant development and testing facilities and infrastructure required to support the endeavour like state-of-the-art advanced design

studio, rapid proto-type development system, testing cycle simulators, advanced emission test laboratories are being put in place to support this migration of heavier digital product development model.

### Benefits derived as a result of the above efforts

By careful selection of the advanced engineering and technology portfolio, the Company intends to capitalise and bookshelf the developed technology for incorporation into the future products for making them more exciting and more attractive to the end customers. Similarly the Company wishes to mitigate all future risks related to technology by timely having appropriate emerging technology on Powertrain, Safety, etc to meet and exceed all future emissions and vehicular safety norms. The Company is also in a stronger position today with front loading the digital product development and validation which has resulted in operational efficiency, better quality and shorter lead time to market.

### Major technology absorption projects undertaken during the last year include:

Sr. No.	Technology For	Status
1	Development of Infotainment system	Development in Progress
2	Brushless DC Motor for Engine Cooling Module	Development in Progress
3	Development of Low Carbon Vehicle Technology Program	Development in Progress
4	Development of Electric Traction Motor technology	Implemented
5	Hydrogen recirculation blower system on Fuel cell-Battery-Hybrid Bus(4x2) family	Development in Progress
6	Battery Management System on Bus and Car Hybrids	Development in Progress
7	Development of a Hydra-mount for vibration reduction of vehicles at a particular frequency of resonance of an engine or a cab	Under Implementation
8	Development of CNG turbo technology for M& HCV	Implemented
9	Touch Screen Infotainment System with text messaging and navigation capabilities	Under Implementation
10	A 2-way Intake silencer and a surge tank for reduction of vehicle In-cab noise	Implemented
11	Dual fuel (Diesel + CNG) technology development on 4 cylinder medium duty engine	Development in Progress
12	Gasoline Turbo technology development for passenger car 1.2 L gasoline engine	Under implementation
13	Development of SCR + DPF system on passenger car diesel engine for compliance to advanced emission norms for export	Development in Progress
14	In-house development of a novel and bespoke armoured vehicle	Development in Progress
15	Development of Range Extender Electric Vehicle concept demonstrators based on Nano and Manza.	Development in Progress
16	Advanced Infotainment using wireless connectivity	Development in Progress

**Major Technology imports include:**

Sr. No.	Technology for	Year of Import	Status
1	Development of Fuel Cell Bus	2011-12	Development and testing in progress
2	Gas Injection technology for LCV, MCV & HCV engines	2009-10	Completed for NA Engines and Productionised
3	Stop - Start feature for various vehicle Platforms	2009-10	Completed
4	ESP (Electronic Stability Program) for Xenon Euro V Vehicle	2012-13	Completed
5	Average Fuel Economy Display for HCV and LCV platforms	2012-13	Implemented

**D. FOREIGN EXCHANGE EARNINGS & OUTGO****Activities relating to exports**

The Company exported 49,922 vehicles during the year.

**Export initiatives such as goods, products and services exported include:**

- ▶ The Company executed large and prestigious order in Myanmar for the MoD and other large bus orders in the Middle East and procured a large defence vehicle order in Africa with MINUSMA.
- ▶ The Company debuted in markets Philippines and expanded its presence in Myanmar including new 3S facility.
- ▶ The Company participated in key motor shows and conclaves around the world such as the Johannesburg International Motor Show (JIMS), Indonesia International Motor Show (IIMS), Geneva International Motor Show, Algiers Motor Show, Manila Motor Show and the Africa Conclave.
- ▶ New products customized for key international customer segments were launched – including the Xenon RX, a lower cost variant in South Asia and the Xenon XT, a premium variant for South Africa.
- ▶ Ace Ex2 was launched in Sri Lanka, Bangladesh and Nepal. Prima was launched in Sri Lanka and South Africa. The Xenon was launched in Australia.
- ▶ Whilst Tata Sumo was the best-selling vehicle nameplate, Safari Storme witnessed a strong debut in Nepal. The Company is the 3<sup>rd</sup> largest Passenger Vehicle brand in Nepal in terms of market share.

**Development of export markets**

The Company continues to focus on introducing various products in existing markets as well entering new markets in ASEAN, Africa, Russia and Latin America.

**Export Plans**

The Company plans to focus on growing the export business aggressively in identified geographies by offering customer centric products and strong after sales support.

**Foreign Exchange Earnings and Outgoings** (₹ in crores)

Earning in foreign currency	6,941.73
Expenditure in foreign currency (including dividend remittance)	2,853.21

On behalf of the Board of Directors

**CYRUS P MISTRY**

Chairman

Mumbai, May 29, 2014

# MANAGEMENT DISCUSSION AND ANALYSIS

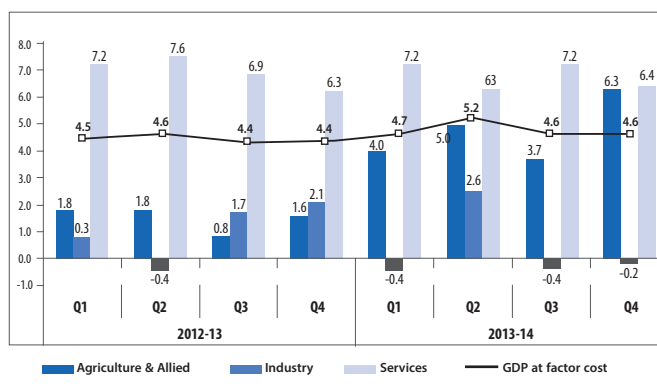
## BUSINESS OVERVIEW

India's GDP growth continues to remain weak, at 4.7% in FY 2013-14 (advance estimates) after growing at 4.5% in FY 2012-13. Industrial activity continues to remain weak. Index of Industrial production (IIP) was negative at 0.1% during FY 2013-14. The stagnation in the industrial activity was broad-based. While mining output registered a negative of 1.1%, manufacturing output registered a negative of 0.7% during the same period. FY 2013-14 witnessed a decline in investments in new projects in line with slowdown in overall growth.

### Growth rate in GDP

	FY 2012-13	FY 2013-14
Q1	4.5	4.7
Q2	4.6	5.2
Q3	4.4	4.6
Q4	4.4	4.6
	<b>4.5</b>	<b>4.7</b>

Source: Ministry of Statistics and Programme implementation



On the back of tight monetary policy, limited Fiscal spending, rising Inflation and slowing investments, over the previous year, FY 2013-14 saw many of the same challenges continuing into the year.

FY 2013-14 was marked by the challenge to the Government to contain the fiscal deficit, and the Government expenditure on infrastructure and other key sectors suffered. Current account deficit was brought in control.

As a result, the domestic auto industry saw decline after a long time. With the continued high interest rates and inflation, households were forced to spend more on essentials and discretionary spend reduced, leading to deferring of purchase decisions. The consistent stagnation of the industrial growth mainly in the areas of mining and quarrying, manufacturing and infrastructure adversely impacted the domestic auto industry.

On the global economy front, it was still a struggle, with the Euro zone in recession for much of 2013. However, in the developed world which had started as an uneven and patchy, recovery began to strengthen. The US economy, despite having to cope with feuding over its budget, seems to have sped up. It has been creating jobs and its housing market and stock indicator have moved up sharply. By the end of the year 2013, the UK had become, on some counts the fastest growing large developed economy. UK labour market conditions improved as employment increased. Rising consumer and business confidence helped to underpin stronger retail sales and investment spending, while the recovery in house prices helped shore up household wealth. This was led by higher consumption, in turn leading to fears of overheating in the housing market.

Germany had a solid year, reducing unemployment and boosting living standards. However, across the Mediterranean the pattern was more disappointing, with Italy, Spain, Portugal and Greece all enduring a year of rising unemployment. Europe and the euro are not out of trouble, but the acute phase of their difficulties may be past. However, there is still a long way to go: deflation risks remain, the sovereign and banking crisis is not fully resolved, and there is a considerable gulf in performance between the core and the periphery.

The structural shift from the developed world towards the emerging world continued but at a slightly slower pace than before. Industrial activity picked up pace throughout the year, supporting continued employment growth. With asset prices buoyant and confidence returning, the pillars of support for consumer spending fell back into place during 2013. In the emerging markets due to announcement by the US Federal Reserve in May, that it would soon begin reducing its monthly asset purchases (so-called "tapering"), caused currencies to depreciate, stock markets to fall and borrowing costs to rise. Countries with large current account and fiscal deficits were worst affected.

Growth in China was at 7.5% and Africa, encouragingly, grew by more than 5%.

### Tata Motors Business:

Consequent to the macro economic factors as explained above, the Indian automobile industry posted a decline of 9.3% in FY 2013-14, as compared to 1.1% growth in the last fiscal. The commercial vehicles declined by 22.4% (last year growth of 1.7%) and passenger vehicles declined by 4.7% (last year growth of 0.9%).

The industry performance in the domestic market during FY 2013-14 and the Company's market share are given below:-

Category	Industry Sales			Company Sales			Market Share	
	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13
	Units	Units		Units	Units			
Commercial vehicles	698,907	900,433	-22.4%	377,909	536,232	-29.5%	54.1%	59.6%
Passenger vehicles	2,438,502	2,557,566	-4.7%	141,846	229,325	-38.1%	5.8%	9.0%
<b>Total</b>	<b>3,137,409</b>	<b>3,457,999</b>	<b>-9.3%</b>	<b>519,755</b>	<b>765,557</b>	<b>-32.1%</b>	<b>16.6%</b>	<b>22.1%</b>

Source: Society of Indian Automobile Manufacturers report and Company Analysis

Commercial vehicles include V2 Van sales.

Passenger vehicles include Fiat and Jaguar Land Rover branded cars

## INDUSTRY STRUCTURE AND DEVELOPMENTS

### Commercial Vehicles:

The demand for Commercial vehicles remained depressed throughout the year. For FY 2013-14 the Commercial vehicle industry volumes at 698,907 reflect a decline of 22.4% over FY 2012-13. The Medium and Heavy Commercial Vehicles (M&HCV) segment recorded a further negative of 25.2% on the back of 23.3% decline in the last fiscal. The ban on mining, fleet underutilization, fall in resale value and low economic activities contributed to the fall. However, over the last few months, the decline has slowed down and volumes have stabilized through efforts taken by the Government to revive the sector by 4% reduction in excise duty, partial lifting of mining bans and increase in freight rates, indicating that the economy may be nearing the end of the down-cycle. While the M&HCV segment had declined in the last fiscal, the contraction of the Light Commercial Vehicles (LCV) segment by 21.2% is more significant because it was the growth driver in the past, growing by 17.9% in the last fiscal. The fall in this segment has been led by the drop in the Small Commercial Vehicle (SCV) volumes where fund availability is the most critical element. The high default rates in loans coupled with early delinquencies prompted the financiers to tighten lending norms, reduce the Loan-to-value (LTV) ratio and go into a collection mode impacting the SCV segment quite sharply.

The Company registered a decline of 29.5% to 377,909 units, primarily due to fall in LCV volumes coupled with the falling demand in M&HCV. The domestic industry performance during FY 2013-14 and the Company's market share are given below:-

Category	Industry Sales			Company Sales			Market Share	
	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13
	Units	Units		Units	Units			
M&HCV	200,424	267,983	-25.2%	109,984	142,764	-23.0%	54.9%	53.3%
LCV	498,483	632,450	-21.2%	267,925	393,468	-31.9%	53.7%	62.2%
<b>Total</b>	<b>698,907</b>	<b>900,433</b>	<b>-22.4%</b>	<b>377,909</b>	<b>536,232</b>	<b>-29.5%</b>	<b>54.1%</b>	<b>59.6%</b>

Source: Society of Indian Automobile Manufacturers report and Company Analysis

LCVs include V2 Van sales

The Company's commercial vehicle sales in the domestic and international markets at 420,992 units were 27.5% lower than the previous year.

Even under these difficult conditions, the Company has been able to gain market share in the critical M&HCV segment. The Company has been focusing intensely on market and customer activities to stimulate the buying sentiments. Activities included the Prima Truck Racing Championship event in March, 2014 the first of its kind initiative in the Indian trucking history. The Prima LX series of trucks – a combination of economy & technology - were launched in FY2013-14 which included – 2523T, 3123T, 4028S (Single reduction and Hub reduction) and 4928S (Single reduction and Hub reduction), 4923.S LX, Prima 4938 Tractor, 3138K Tipper, LPT 3723 - India's first 5 axle truck and LPK 3118, and Prima LX series of Tippers – 2523K, 3123K, 2528K & 3128K. One of the successful marketing initiatives was the Power of Five campaign for M&HCV trucks which was conducted across various locations across the country to counter competition. The campaign focuses on five advantages of the Company's vehicles – 1) Better KMPL, 2) Best Vehicle Uptime 3) Highest Resale Value, 4) Best in class four year warranty, 5) Lowest maintenance cost and five powerful offerings – i) Triple benefit insurance, ii) Increased Oil change interval, iii) 4 Year AMC, iv) Tata Alert, v) Fleetman. The bus segment also witnessed growth in market share for the Company, due to intensive sales efforts coupled with launch of buses with mechanical FI, introduction of Starbus Ultra in Stage carriage, marketing initiatives such as 'Humare Bus Ki Baat Hain' and 'Dream it to win it' program. The warranty for M&HCV buses and trucks were increased to three years and four years respectively symbolizing improvement in quality. The Tata Alert service, to

return a vehicle back on road within 48 hours, has been expanded across all national highways.

The Company registered a decline in the market share of LCV segment due to the sharp fall in volumes of the high share SCV segment. The newly launched Ultra trucks have started to receive good response from the market. There have been various other initiatives such as the Freedom campaign and Triumph through trials campaign of back-to-back and standalone fuel trials to establish the superior fuel efficiency of vehicles. The Company tied up with various PCGs (Public sector, Co-operative & Gramin banks) and has brought out several lucrative financing schemes to ease the financing situation. The Company also launched a major initiative called, 'Saathi', a Parts retailers' customer referral program for entire SCV range, to leverage their customer base. Some of launches this year were the Ace, Magic DICOR and facelifts.

### Passenger Vehicles:

The Passenger Vehicle Industry contracted for the first time in the last five years, in FY 2013-14 with decline of 4.7%. The last such instance was during the economic slowdown of FY 2008-09 when it remained close to flat at negative 0.5%. The decline in sales volumes is seen across segments, but sedans bore the biggest brunt. Hatchbacks and UV's continue to be the volume segments. The high growth in UV segment last year, with the onset of Soft Roaders could not be repeated this year. The premium and luxury vehicles segment however has seen a growth even in an otherwise declining year.

The domestic performance in passenger vehicle segment is given below:

Category	Industry Sales			Company Sales			Market Share	
	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13	Growth	FY 2013-14	FY 2012-13
	Units	Units		Units	Units			
Micro	21,130	53,847	-60.8%	21,130	53,847	-60.8%	100.0%	100.0%
Compact	786,888	794,284	-0.9%	84,141	117,377	-28.3%	10.7%	14.8%
Midsize	154,981	200,013	-22.5%	2,414	7,410	-67.4%	1.6%	3.7%
Executive	18,272	23,537	-22.4%	164	1,061	-84.5%	0.9%	4.5%
Premium & Luxury	3,973	5,214	-23.8%	1,430	825	73.3%	36.0%	15.8%
Utility Vehicles	532,963	560,892	-5.0%	29,409	45,841	-35.8%	5.5%	8.2%
Vans	118,618	123,254	-3.8%	3,158	2,964	6.5%	2.7%	2.4%
<b>Total</b>	<b>2,438,502</b>	<b>2,557,566</b>	<b>-4.7%</b>	<b>141,846</b>	<b>229,325</b>	<b>-38.1%</b>	<b>5.8%</b>	<b>9.0%</b>

Source: Society of Indian Automobile Manufacturers report and Company Analysis

Note (a): excludes V2 Van sales

Note (b): Total industry nos. includes sale in other segments



During the year, the Company recorded sales of 141,846 vehicles (including Jaguar Land Rover) in the domestic market; a decline of 38.1%. The domestic market share was 5.8% as compared to 9.0% last year.

The Company introduced a host of new products including the E-max range of CNG vehicles, Vista tech, the refreshed and improved Sumo Gold.

Nano Awesome Campaign was launched during the year, along with the launch of Nano Twist with electronic power steering, thereby continuing to take the Nano Brand closer to the youth.

During the Delhi Auto Expo 2014, Tata Motors Flagship products, the Bolt hatchback and the Zest Sedan were unveiled, to much appreciation. The Company's Horizonext strategy was unveiled, showcasing the direction of Design, Performance & Connectivity that are going to be the brand pillars going ahead. The Expo also saw the Nexon Compact SUV concept and the connectivity concept for the Company's future cars being unveiled.

The drive to improve sales experience for customer with a focus on décor and ambience in showrooms across country continues. The dealership network is also being augmented to cater to the demand for Bolt and Zest launch.

The Company sold 2,805 Jaguar and Land Rover vehicles through its exclusive dealerships in India registering an impressive growth of 12.5%. The globally popular Range Rover Sport and Jaguar XF 3.0D was launched during the year. New brand touch points were created in social media for both Jaguar and Land Rover in a short span. Besides Land Rover Experience events were launched through which over 600 Dynamic Drive Off-road Experiences were delivered. 1<sup>st</sup> ever Land Rover Expedition was also launched in India that received a stupendous response. A new after-sales customer engagement initiative was introduced through Service Clinics in various dealer cities. Used Car program was introduced through 11 Outlets and achieved a 48% penetration in March 2014.

**Tata Motors Sales, Distribution and Support:** The sales and distribution network in India as of March 31, 2014, comprised 2,420 sales contact points for the Passenger and Commercial Vehicle

businesses. The Company has deployed a Customer Relations Management (CRM) system at all its dealerships and offices across the country, largest such deployment in the automotive market. The combined online CRM / DMS system supports users both within the Company and among the distributors in India and abroad.

The Company's 100% subsidiary, TML Distribution Company Ltd (TDCL), acts as a dedicated distribution and logistics management company to support the sales and distribution operations of vehicles in India. TDCL provides distribution and logistics support for vehicles manufactured at the Company's facilities. TDCL helps us improve planning, inventory management, transport management and timely delivery.

The Company provides financing support through its wholly-owned subsidiary, Tata Motors Finance Ltd (TMFL). (Refer discussion on TMFL).

In addition to dealer service workshops, the Company uses a network of service centers on highways and a toll-free customer assistance center to provide 24-hour on-road maintenance (including replacement of parts) to vehicle owners. The Company believes that the reach of the sales, service and maintenance network, provides us with a significant advantage over the competitors.

**Tata Motors Exports:** The Company markets its commercial and passenger vehicles in several countries in Europe, Africa, the Middle East, South East Asia and South Asia. However, the Company's exports of vehicles manufactured in India decreased marginally by 2% in FY 2013-14 to 49,922 units from 50,938 units in FY 2012-13. Commercial vehicles export sales of the Company shrunk by 2.3% to 43,083 units impacted by the external environment influencers in Europe, the Middle East, and South Asia and passenger vehicle sales remained flat 6,839 units.

For FY 2013-14, the Company's top five export destinations accounted for approximately 73% and 88% of the exports of commercial vehicles and passenger vehicle units, respectively. The Company continues to strengthen its position in the geographic areas it is currently operating in and exploring possibilities of entering new markets with market characteristics similar to the Indian market.

The Company has set up a network of distributors in almost all countries where the vehicles are exported. The distribution network includes local dealers for sales and servicing products in the respective regions. The Company has also deputed its representatives overseas to support sales and services and to identify opportunities.

**Jaguar Land Rover business:** JLR has significantly consolidated its position in the premium car segment. The strengths of JLR include iconic globally positioned brands, strong product portfolio of award-winning luxury and high performance cars and premium all-terrain vehicles, global distribution network, strong product development and engineering capabilities, and a strong management team. The brand-wise wholesale sales of JLR are set forth in the table below:-

	FY 2013-14		FY 2012-13		Growth
	Units	%	Units	%	
Jaguar	79,307	18.5%	57,812	15.5%	37.2%
Land Rover	350,554	81.5%	314,250	84.5%	11.6%
<b>Total</b>	<b>429,861</b>	<b>100.0%</b>	<b>372,062</b>	<b>100.0%</b>	<b>15.5%</b>

During FY 2013-14, total sales increased to 429,861 units from 372,062 units in FY 2012-13; an increase of 15.5%. Jaguar volumes increased by 37.2% mainly contributed by the introduction of the Jaguar F-TYPE and the smaller powertrain derivative of XF and XJ and XF Sportbrake. Land Rover volumes increased by 11.6%, mainly contributed by the New Range Rover, New Range Rover Sport, and Range Rover Evoque sales. JLR exported 354,005 units in FY 2013-14 compared to 304,034 units in FY 2012-13; an increase of 16.4%. JLR had a successful year of continued growth in all markets led by China up 34% from last year to record retail sales of 103,077. North America and Asia Pacific regions also performed strongly, up 20.2% and 27.7% to 75,671 and 22,795 respectively. The UK and Europe, partly reflecting the economic headwinds, showed more modest growth, up 6.2% and 2.3% to 76,721 and 82,854 units respectively.

**Jaguar** designs, develops and manufactures a range of premium cars and sports cars recognised for their design, performance and quality. Jaguar's range of products comprises the XF and XJ saloons, the F-TYPE two seater sports car and the XK coupé and convertible.

- The XF, launched in 2008, is a premium executive car that merges sports car styling with the sophistication of a luxury

saloon. The 2013 Model Year XF range also included for the first time an all-wheel drive version of the new V6 petrol engine for the US and European markets and a 2.0 litre petrol version for the US and Chinese markets which helped to grow the volumes for Jaguar in FY 2013-14.

- The XJ is Jaguar's largest luxury saloon vehicle, powered by a range of supercharged and naturally aspirated 5.0-litre V8 petrol engine and a 3.0-litre diesel engine. Using Jaguar's aerospace inspired aluminium body architecture, the new XJ's lightweight aluminium body provides improved agility, and fuel and CO<sub>2</sub> efficiency. The 2013 Model Year also included an all-wheel drive version and a 3.0 litre V6 petrol version for the US and European markets excluding the United Kingdom and a 2.0 litre petrol version for the Chinese market.
- The F-TYPE, a two seat sports car, inspired by the 2001 C-X16 concept cars, with an all-aluminium structure and enhanced technology with the power of Jaguar's latest 3.0 litre V6 and 5.0 litre V8 engines, was available for retail customers from April 2013 onwards and since then, has received numerous awards and appreciation by the auto media. In November 2013, Jaguar unveiled the F-TYPE Coupé which went on sale in April 2014.
- In March 2013, Jaguar unveiled two new additions to its R performance range, the XJR sedan and the XKR-S GT. The 550PS XJR - Jaguar's new flagship sports saloon - combines a supercar performance and assertive looks with the high level of luxury already associated with the XJ range. The XKR-S GT is the ultimate road-going but track-ready version of the XK coupe.
- At the Frankfurt Motor Show in September 2013, Jaguar revealed its first ever crossover concept vehicle, the Jaguar C X17, based on a new modular scalable advanced aluminum architecture. JLR has also announced the new Jaguar XE, a mid-sized sedan which will be built on this new modular architecture. This will allow Jaguar to grow its product portfolio and target high growth areas of the premium market.

**Land Rover** designs, develops and manufactures premium all-terrain vehicles that aim to differentiate themselves from the competition by their capability, design, durability, versatility and refinement.

Land Rover's range of products comprises the Defender, Discovery, Freelander, Range Rover (including the new Range Rover), Range Rover Evoque and Range Rover Sport (including the new Range Rover Sport).

- The Defender is one of Land Rover's most capable SUVs, and is recognised as an iconic vehicle in the segment targeting extreme all-terrain capabilities and payload/towing capability.
- The Freelander 2 is a versatile vehicle for active lifestyles, matching style with sophisticated technology and off-road capability. The Freelander 2, offering was significantly enhanced for the 2013 Model Year with the introduction of a turbocharged 2.0-litre petrol engine, giving superior performance as compared to the 3.2-litre engine it replaces, while also reducing CO<sub>2</sub> emissions.
- The Discovery 4 is a mid-size SUV that features genuine all-terrain capability and versatility, including full seven-seat capacity. Recent power train innovations have delivered an improvement in CO<sub>2</sub> for the 3.0-litre LR-TDV6 engine.
- The Range Rover Evoque is the smallest, lightest and most fuel-efficient Range Rover to date, available in 5-door and coupe body styles and in both front-wheel drive and all-wheel drive derivatives. Since its launch in September 2011, consumer interest and demand have been consistent across the globe and the car has been a major success for JLR.
- The Range Rover Sport combines the performance of a sports tourer with the versatility of a Land Rover. At the 2013 New York International Auto Show, Land Rover debuted the All New 2014 MY Range Rover Sport built on a weight saving aluminium architecture, to save upto 420kgs. The All New Range Rover Sport is the fastest, most agile and most responsive Land Rover ever, and has been a tremendous success since launch.
- The Range Rover is the flagship product under the Land Rover brand with a unique blend of British luxury, classic design, high-quality interiors and outstanding all-terrain ability. The new all-aluminium version, was launched in the third quarter of FY 2012-13. The new Range Rover was declared the world's top SUV by The Sunday Times, won Top Gear magazine's

"Luxury Car of the Year" and was recently awarded the maximum 5-star safety rating by Euro NCAP.

**New Product Launches:** The new "Discovery Vision" Concept car was unveiled at New York International Auto Show in April 2014 to an enthusiastic response amongst auto media and journalists. Land Rover Discovery Sport (Freelander replacement) was announced as the first new member of Discovery family. It is expected to be available for retail sales in 2015.

### Jaguar Land Rover's performance in key geographical markets on retail basis

**United Kingdom:** Against the backdrop of improved labour market conditions, rising consumer and business confidence and buoyed by cash compensation from the mis-selling of payment protection insurance, total vehicle sales jumped 12.5% compared to the previous year. Jaguar Land Rover sales climbed 6.2% on the year, supported by a strong performance from Jaguar (10.7% growth) and the launch of JLR F-TYPE convertible. 5% annual growth in Land Rover sales reflects JLR dominant market position in the UK for SUVs.

**United States and North America:** In FY 2013-14, total passenger car sales expanded by 6.2%. The launch of the Jaguar F-TYPE and new Range Rover Sport helped Jaguar Land Rover beat the US market three times, growing sales by 19.2%. Alongside a strong expansion of business in Canada, total Jaguar Land Rover sales in North America grew 20.2%.

**Europe:** In Germany, Jaguar Land Rover sales grew 6.5%, against a meagre 0.2% for total passenger cars. In Italy, Jaguar Land Rover sales edged up 1.1%, driven by Land Rover, against a total market contraction of 1.3%. Although in France sales fell across the board, the most surprising performance came from Spain where, after three years of double-digit contraction, the market rebounded by 11.7% and Jaguar Land Rover sales rose 14.7%.

**China:** Passenger car sales reached a new peak of almost 18.4 million units in the year to March, growing faster than either of the previous two years. Total JLR sales in the China Region reached 103,077 up from 77,075 in FY 2012-13. Jaguar volumes more than doubled to 19,891, while Land Rover sales reached 83,186.

Although it is already the largest car market in the world, unlike the UK or US, China's car market remains immature, with low vehicle ownership rates and huge growth potential. A rapidly expanding middle class, fast rising incomes, and a strong preference for premium vehicles mean considerable opportunities exist for JLR to increase sales further.

**Emerging markets:** In Brazil, rising interest rates and falling consumer confidence left total new vehicle registrations down 4.5% year-on-year. Despite this backdrop, JLR expanded its sales by 21.1% to over 11,000 vehicles. Meanwhile, in India and Russia the total vehicle markets also contracted (by 6.2% and 6.0% respectively), but JLR grew its sales by 8.6% and 14.7%. Only in South Africa did the economic situation overcome JLR sales momentum. The 25% depreciation in the Rand against Sterling forced JLR to raise prices to prevent losses being made on several models. JLR sales contracted by 9.9% on the previous year.

**Asia Pacific:** Total JLR sales increased by 27.7% year-on-year to 22,795. Of the three NSCs in the region, South Korea experienced the fastest expansion. On the back of a rebound in economic growth following the slowdown in 2012, JLR sales jumped 51.8%. In Japan, advanced purchases of vehicles to beat the increase in the consumption tax in April 2014 more than offset the deterioration in consumer sentiment. Total JLR sales increased by 33.2% against growth in the total passenger car market of 9.0% in FY 2013-14. Finally, in Australia, the unwinding of the mining boom and growing slack in the economy were compounded by dwindling consumer confidence and rising unemployment. Total new car sales growth was a meager 1.3% after over 8% the year before. JLR sales were buoyant though, and grew by 15.3%.

**Jaguar Land Rover's Sales & Distribution:** JLR markets products in over 170 countries, through a global network of 18 national sales companies (NSCs), 84 importers, 53 export partners and 2,518 franchise sales dealers, of which 784 are joint Jaguar and Land Rover dealers. JLR has established robust business processes and systems to ensure that its production plans meet anticipated retail sales demand and to enable the active management of its inventory of finished vehicles and dealer inventory throughout its network. JLR has robust arrangements in place with: Black Horse (part of the Lloyds Bank Group) in the UK, FGA Capital (a joint venture between Fiat Auto and Credit Agricole) in Europe and Chase Auto Finance

in the USA for the provision of dealer and consumer Financial Services products. Jaguar Land Rover has similar arrangements with local Auto Financial Services providers in other key markets. JLR's financing partners offer its customers a full range of consumer financing options

**Tata Daewoo Commercial Vehicles (TDCV):** FY 2013-14 was a very encouraging as well as challenging year for the TDCV. On one hand Domestic volumes increased by 21.9% resulting in strong performance of the TDCV as compared to its competitors coupled with gradual recovery in the Korean economy. On the other hand Export volumes (including KD) decreased by 14.6% as compared to the previous year mainly due to adverse economic conditions in global markets. TDCV's total sales volume increased by 5% in FY 2013-14 compared to FY 2012-13.

Total market for Heavy Commercial Vehicles (HCV) in Korea was almost stagnant during FY 2013-14 as compared to the previous year; however the TDCV achieved growth rate of 25.7% with sales of 2,995 units of HCV in FY 2013-14 as compared to 2,383 units in the previous year. Medium Duty Trucks segment Industry witnessed 6% growth in FY2013-14 mainly driven by gradual recovery of Korean economy. In this segment also Company outperformed Industry by achieving 19% volume growth with sales of 3,589 units in FY 2013-14 as compared to 3,017 units in the previous year. TDCV was able to improve its market share in both, HCV as well as MCV segment.

TDCV exported 4,016 units in FY 2013-14, a reduction of 14.6% as compared to 4,700 units sold in the previous year. TDCV's sales decreased significantly in some of its traditional export markets like Russia, Laos, South Africa, Vietnam etc. Sales in previous year were high due to few specific tenders (eg. Kuwait, Iraq) which are not yearly requirement.

**Tata Motors Finance Ltd (TMFL):** Due to severely strained market conditions, total disbursements (including refinance) by TMFL declined by 22% at ₹8,767.56 crores as compared to ₹11,180.03 crores. TMFL financed a total of 157,886 vehicles reflecting decline of 38% over the 254,086 vehicles financed in the previous year. Disbursements for commercial vehicles were at ₹7,504.35 crores (123,989 units) as compared to ₹8,814.90 crores (183,514 units) of the previous year. Disbursements of passenger vehicles declined by 49% to ₹1,213.46 crores (32,637 units) as compared to ₹2,363.53

crores (70,563 units) in previous year.

Due to weak operating and economic environment in India, movement of commercial vehicles has slowed down in all segments and large and small fleet operators have large waiting period and reduced trips. Delay in receipt of payments by large fleet operators from companies is further delaying payments to attached vehicles of smaller operators. This has resulted in low income and increased levels of provisioning, due to loss of contracts by small fleet operators / First time users in M&HCV / LCV segment since last few months. The performance of HCV loans was the weakest due to slow economic growth, overcapacity and rising input costs.

Various monetary and fiscal measures were unable to stimulate growth across segments resulting sluggish growth and consequent lower demand of all commercial and passenger vehicles. However, with a highly motivated employee workforce, significantly greater customer orientation and an increased branch network / field infrastructure, TMFL is poised for significant, sustainable growth and is confident that it would deliver on its vision for the future.

With a view to de-risk the portfolio and explore additional sources of revenue, the used vehicle finance business was re-launched by seeding the business in select geographies during the year. Disbursements achieved under refinance were at ₹49.74 crores (1,260 vehicles) during FY 2013-14 as against ₹1.60 crores (9 vehicles) in the previous year.

TMFL increased its reach by opening a number of limited services branches (called Spoke branches) exclusively in Tier 2 & 3 towns. This has also helped in reducing the turn-around-times to improve customer satisfaction.

TMFL's new initiative of Channel Finance and fee based Insurance support business has also helped improve its profitability. TMFL is confident of significantly adding to its revenues and profitability through these new businesses in the coming period. TMFL has also tied up with the Company's used vehicle business for working together to improve realization value from the sale of repossessed stocks by refurbishing them and selling them through the Company's dealers.

TMFL has further enhanced its "Office of the Customer initiative"

as well as its spokes branch network & infrastructure and is confident that these investments will pay rich dividends through significantly increased interactions/relations with its customers and dealers.

**Tata Technologies Ltd (TTL):** TTL is a key strategic partner in several of the information technology initiatives for the Tata Motors Group. The broad scope of TTL activities are as follows:

1. Engineering Automation Group [EAG]: EAG addresses the engineering and design needs of manufacturers through services for all stages of the product development and manufacturing process.
2. Enterprise Solutions Group [ESG]: ESG addresses the Information Technology needs of manufacturers including business solutions, strategic consulting, ERP implementation, systems integration, IT networking and infrastructure solutions and program management.
3. Product Lifecycle Management [PLM]: PLM addresses the product development technology solution requirements of manufacturers including end-to-end implementation of PLM technology, best practices and PLM consulting. PLM also includes the TTL's proprietary applications iGETIT® and iCHECKIT®.

During FY 2013-14, the capabilities in the industrial machinery domain, was significantly expanded through the acquisition of Cambric, now comprises an additional 325 engineering experts with extensive knowledge in systems, mechanical and electrical engineering, product design, electronics and embedded design and development. TTL innovative and frugal engineering approach helps organizations create products – at a faster pace with a lower cost – delivering more value to the end-user.

The consolidated revenue in FY 2013-14 was ₹2,394.73 crores, an increase of 17.1% against ₹2,045.42 crores in the previous year. The Services/Products business mix was a 77:23 split as compared to 76:24 mix for FY 2012-13. The Americas revenue was ₹743.69 crores with Asia Pacific recording ₹972.88 crores and Europe generating ₹960.38 crores.

## FINANCIAL PERFORMANCE ON A CONSOLIDATED BASIS

The financial information discussed in this section is derived from the Company's Audited Consolidated Financial Statements.

Tata Motors Group primarily operates in the automotive segment. The acquisition of JLR enabled the Company to enter the premium car market. The Company continues to focus on profitable growth opportunities in global automotive business, through new products and market expansion. The Company and JLR, continue to focus on integration, and synergy through sharing of resources, platforms, facilities for product development and manufacturing, sourcing strategy, mutual sharing of best practices.

The business segments are (i) automotive operations and (ii) all other operations. The automotive operations include 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 the 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. Automotive operations segment accounted for 98.9% and 98.8% of total revenues in FY 2013-14 and FY 2012-13, respectively. For FY 2013-14, revenue from automotive operations before inter-segment eliminations was ₹231,601.80 crores compared to ₹187,623.91 crores for FY 2012-13.

The automotive operations segment is further divided into Tata Motors and other brand vehicles (including spares and vehicle financing) and Jaguar Land Rover. (A reference may be made to review of performance of TML and Jaguar Land Rover business as discussed above). For FY 2013-14, Jaguar Land Rover contributed 82.2% (72.9% for FY 2012-13) of the total automotive revenue (before intra segment elimination) and the remaining 17.8% (27.1% for FY 2012-13) was contributed by Tata and other brand vehicles. Revenue and segment results for automotive operations are given below:

## Total Revenues

(₹ in crores)

	FY 2014-13	FY 2012-13
Tata vehicles / spares and financing thereof	41,299.44	50,895.05
Jaguar and Land Rover	190,378.50	136,822.17
Intra-segment eliminations	(76.14)	(93.31)
<b>Total</b>	<b>231,601.80</b>	<b>187,623.91</b>
Segment results before other income, finance cost, tax and exceptional items		
Tata vehicles / spares and financing thereof	(966.93)	1,753.59
Jaguar and Land Rover	24,561.20	14,975.61
Intra-segment eliminations	-	-
<b>Total</b>	<b>23,594.27</b>	<b>16,729.20</b>

The other operations business segment includes information technology, machine tools and factory automation solutions, and investment business. For FY 2013-14, revenue from other operations before inter-segment eliminations was ₹2,518.99 crores compared to ₹2,265.92 crores for FY 2012-13. Segment results before other income, finance cost, tax and exceptional items (before inter-segment eliminations) were ₹282.66 crores as compared to ₹375.68 crores for FY 2012-13.

The revenue from operations net of excise duty on a consolidated basis has grown by 23.3% in FY 2013-14 to ₹232,833.66 crores. The increase is mainly attributable to growth in automotive revenue mainly at Jaguar Land Rover business. The analysis of performance on consolidated basis is given below:-

## Percentage to Revenue from operations

	FY 2013-14	FY 2012-13
Revenue from operations net of excise duty	100	100
Expenditure:		
Cost of material consumed (including change in stock)	61.7	63.6
Employee Cost	9.3	8.8
Manufacturing and other expenses (net)	18.8	18.9
Amount Capitalised	(5.8)	(5.4)
Total Expenditure	84.0	85.9
Other Income	0.4	0.4



Profit before Depreciation, Interest and Tax	16.4	14.5
Depreciation and Amortisation (including product development / engineering expenses written off)	5.9	5.1
Finance costs	2.0	1.9
Exceptional Item – Loss	0.4	0.3
Profit before Tax	8.1	7.2

### Cost of materials consumed (including change in stock)

(₹ in crores)

	FY 2013-14	FY 2012-13
Consumption of raw materials and components	135,550.04	113,851.34
Purchase of product for sale	10,876.95	9,266.00
Change in finished goods and Work-in-progress	(2,840.58)	(3,029.29)
<b>Total</b>	<b>143,586.41</b>	<b>120,088.05</b>

Cost of material consumed decreased from 64.6% to 62.4% of total revenue (excluding income from vehicle financing). At TML RM cost was 75.6% of net revenue as compared to 73.6%, representing an increase of 200 basis points, mainly attributable to product mix (reduction in M&HCV sales). For JLR the RM cost was 60.9% of revenue (FY 2012-13 62.5%), representing a reduction of 160 basis points. The reduction is mainly attributable to product mix, cost reduction programmes and reduction in input price of major metals consumed. On a consolidated basis, JLR operations have significantly contributed to reduction in material cost in terms of % to revenue.

**Employee Cost** was ₹21,556.42 crores in FY 2013-14 as compared to ₹16,632.19 crores in FY 2012-13; an increase of ₹4,924.23 crores. Of the increase ₹1,823.07 crores (approximately) relates to translation impact of JLR from UK Pounds to Indian Rupee. At JLR the increase in employee cost is attributable to increases in the permanent and contractual head count to support the volume

increases/new launches and product development projects. At TML the employee cost marginally increased to ₹2,877.69 crores as compared to ₹2,837.00 crores in FY 2012-13.

**Manufacturing and Other Expenses** include all works operation, indirect manufacturing expenses, freight cost, fixed marketing costs and other administrative costs. These expenses have increased to ₹43,825.77 crores from ₹35,648.33 crores in FY 2012-13. As explained above, each line item includes the element of translation impact of JLR (approximately ₹3,704 crores).

The breakup is given below-

(₹ in crores)

	FY 2013-14	FY 2012-13
Processing charges	1,093.53	1,450.56
Stores, spare parts and tools consumed	1,682.34	1,424.12
Freight, transportation, port charges, etc.	6,879.75	4,803.67
Repairs to buildings	93.58	120.84
Repairs to plant, machinery, etc.	261.45	202.24
Power and fuel	1,128.69	1,077.77
Rent	465.86	317.55
Rates and taxes	265.51	203.07
Insurance	278.75	225.91
Publicity	8,064.10	6,607.14
Works operation and other expenses	23,660.54	19,098.97
Excise Duty on change in Stock-in-trade	(48.33)	116.49
<b>Manufacturing and Other Expenses</b>	<b>43,825.77</b>	<b>35,648.33</b>

The increases are mainly driven by volumes, size of operations and also include inflation impact however this has remained same at 18.8% as compared to 18.9% in FY 2012-13, in terms of % to revenue.

- Processing charges were mainly incurred by TML, where mainly due to volume contraction, the expenditure was lower.
- Freight, transportation, port charges etc. have increased, mainly at JLR, in view of increase in volumes in the overseas markets.
- The publicity expenses increase, mainly related to new product launches (Range Rover Sport and the F-Type launch) and ongoing product / brand campaigns.
- The works operation and other expenses have increased to

10.2% from 10.1% of net revenue. While a part of revenue relates to volumes, the major increases were in IT costs, warranty and engineering expenses at JLR, partly offset by exchange gain on trading activities at JLR.

**Amount capitalised represents** expenditure transferred to capital and other accounts allocated out of employee cost and other expenses, incurred in connection with product development projects and other capital items. The expenditure transferred to capital and other accounts has increased to ₹13,537.85 crores from ₹10,193.45 crores of FY 2012-13, mainly on account of various product development projects undertaken by the Company and JLR, for introduction of new products, development of engine and products variants.

**Other Income** was ₹828.59 crores from ₹815.59 crores in FY 2012-13 and mainly includes interest income of ₹675.45 crores (FY 2012-13 ₹694.06 crores) and profit on sale of investment of ₹114.58 crores (FY 2012-13 ₹80.09 crores). The increase is due to profit on sale of mutual funds, mainly at TML.

**Profit before Interest, Depreciation, Exceptional Items and Tax** has increased from ₹27,433.16crores in FY 2012-13 to ₹38,231.50 crores in FY 2013-14, and represented 16.4% of revenue.

**Depreciation and Amortization (including product development / engineering expenses written off):** During FY 2013-14, expenditure increased to ₹13,643.37 crores from ₹9,622.87 crores in FY 2012-13. The increase in depreciation of ₹1,496.84 crores is on account of plant and equipment and tooling (mainly towards capacity and new products) installed in last year, the full effect of which is reflected in the current year. The amortization expenses have gone up from ₹3,593.90 crores in FY 2012-13 to ₹5,573.94 crores in FY 2013-14, attributable to new product introduced during the last year. The expenditure on product development / engineering cost written off has increased by ₹543.62 crores. As explained above, there was an element of increase representing translation impact.

**Finance Cost** increased by 33.0% to ₹4,733.78 crores from ₹3,560.25 crores in FY 2012-13. The increase mainly represented borrowings for the short term and long term needs of the Group. The increase is partly attributable to prepayment of 2011 Senior notes by JLR.

## Exceptional Items

(₹ in crores)

	FY 2013-14	FY 2012-13	Change
Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans	707.72	515.09	192.63
Impairment of intangibles and other costs	224.16	87.62	136.54
Employee separation cost	53.50	-	53.50
<b>Total</b>	<b>985.38</b>	<b>602.71</b>	<b>382.67</b>

- Foreign exchange loss (net) represents impact on account of revaluation of foreign currency borrowings, deposits and loans, and amortisation of loss / gain, on such foreign currency monetary items which was deferred in previous years.
- Impairment of intangibles and other costs are in respect of subsidiary companies, triggered by continuous under performance, mainly attributed by challenging market conditions in which the subsidiaries operate.
- Employee separation cost -To address the challenges, business downturn, the Company had rolled out organization wide cost optimization programme, which included employee cost as an important pillar. Accordingly, based on requests from employees for early retirement, the Company has given early retirement with a lump sum amount of ₹53.50 crores to various employees.

**Consolidated Profit Before Tax (PBT)** increased to ₹18,868.97 crores in FY 2013-14, compared to ₹13,647.33 crores in FY 2012-13, representing an increase of ₹5,221.64 crores. Due to severe contraction in domestic volumes, TML's contribution to PBT was negative. JLR by virtue of its strong performance, contributed to PBT. The increase also includes translation impact.

**Tax Expense** represents a net charge of ₹4,764.79 crores in FY 2013-14, as compared to net charge of ₹3,776.66 crores in FY 2012-13. The tax expense is not comparable with the profit before tax, since it is consolidated on a line-by-line addition for each subsidiary company and no tax effect is recorded in respect of consolidation adjustments. Effective tax rate in FY 2013-14 is 25.3% as compared to 27.7% in FY 2012-13.

**Consolidated Profit for the year** increased to ₹13,991.02 crores from ₹9,892.61 crores in FY 2012-13, after considering the profit from associate companies and share of minority. The increase in profit as compared to last year is attributable to higher volume in JLR.

### Consolidated Balance Sheet

**Shareholders' fund** was ₹65,603.45 crores and ₹37,637.30 crores as at March 31, 2014 and 2013, respectively.

**Reserves** increased from ₹36,999.23 crores as at March 31, 2013 to ₹64,959.67 crores as of March 31, 2014. The increase represents strong performance on a consolidated basis as explained above.

- An amount of ₹5,399.55 crores (as at March 31, 2013 ₹1,578.07 crores), balance in hedging reserves account, representing marked to market impact on the derivative financial instruments.
- Balance in Profit & Loss Account and General Reserve has gone up by ₹13,303.73 crores, representing results from operations for the year, net of distribution of dividend and transfer to other reserves.
- These were offset by debit in the pension reserve of JLR, which increased by ₹1,343.67 crores (net), due to changes of actuarial assumptions (discount rate and inflation rate).

### Borrowings:

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
Long term borrowings	45,258.61	32,155.29
Short term borrowings	9,695.86	11,620.21
Current maturities of long term borrowings	5,687.81	9,940.21
<b>Total</b>	<b>60,642.28</b>	<b>53,715.71</b>

- i. Current maturities of Long term borrowings represents amount of loan repayable within one year.
- ii. Long term borrowings including the current portion increased by ₹8,850.92 crores to ₹50,946.42 crores.
  - During FY 2013-14, TML Holdings Pte Singapore issued SG\$ 350 million 4.25% Senior Notes, due 2018 and raised equivalent US\$ 600 million (US\$ 460 million and SG\$ 176.8 million) syndicated loan facility with equivalent

US\$ 300 million (US\$ 250 million and SG\$ 62.8 million) maturing in November 2017 and equivalent US\$ 300 million (US\$ 210 million and SG\$ 114 million) in November 2019.

- In FY 2013-14, the Company issued rated, listed, unsecured non-convertible debentures of ₹1,100 crores with maturities of 2-4 years as a step to raise long term resources and optimize the loan maturity profile.
- iii. The reduction of ₹1,924.35 crores in the Short term borrowings were primarily due to reduction of loans from banks.

**Other Long term liabilities** were ₹2,596.86 crores as at March 31, 2014, as compared to ₹3,284.06 crores as at March 31, 2013. These included ₹548.36 crores of derivative financial instruments, mainly JLR as at March 31, 2014 (₹1,733.50 crores as at March 31, 2013), reflecting decreased notional liability consequent to valuation of derivative contracts.

**Trade payables** were ₹57,315.73 crores as at March 31, 2014, as compared to ₹44,912.35 crores as at March 31, 2013. The increase is attributable to increase in volumes, mainly at JLR.

**Provisions (current and non-current)** were towards warranty, employee benefit schemes and proposed dividend. Short term provisions are those which are expected to be settled during next financial year. The details are as follows:

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
Long term provisions (Non-current)	12,190.29	8,337.24
Short term provisions (Current)	7,970.68	7,788.16
<b>Total</b>	<b>20,160.97</b>	<b>16,125.40</b>

- i. Provision for warranty and product liability increased by ₹2,763.12 crores mainly on account of volumes at JLR.
- ii. The provision for employee benefits schemes increased by ₹1,303.28 crores on account of change in actuarial factors at JLR.

**Other current liabilities** were ₹17,373.86 crores as at March 31, 2014 as compared to ₹22,224.94 crores as at March 31, 2013. This mainly includes liability towards vehicles sold under repurchase arrangements, liability for capital expenditure, statutory dues, and current liability of long term debt and advance / progress payment from customers. The decrease was mainly due to decrease in

current maturities of long term debt (explained above), increase in liability for capital expenditure and derivative financial instruments.

#### Fixed Assets:

	(₹ in crores)		
	As at March 31, 2014	As at March 31, 2013	Change
Tangible assets (including capital work-in-progress)	50,831.59	37,074.06	13,757.53
Intangible assets (including assets under development)	46,543.81	32,788.85	13,754.96
<b>Total</b>	<b>97,375.40</b>	<b>69,862.91</b>	<b>27,512.49</b>

The increase (net of depreciation) in the tangible assets mainly represented additions towards capacity / new product plans of the Company. The increase (net of amortization) in the intangible assets was ₹13,754.96 crores, mainly attributable to new product developments projects at TML and JLR.

**Investments (Current + Non-current)** were ₹10,686.67 crores as at March 31, 2014, as compared to ₹8,764.73 crores as at March 31, 2013. The break-up is as follows:

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
Mutual Funds	9,494.06	7,509.50
Investments in equity accounted investees (associate companies)	382.98	451.74
Quoted Equity shares	318.71	299.11
Unquoted Equity shares	386.38	383.03
Others	112.63	129.85
Provision for diminution in value of investments (net)	(8.09)	(8.50)
<b>Total</b>	<b>10,686.67</b>	<b>8,764.73</b>

#### Deferred tax assets / liability:

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
Deferred tax assets	2,347.08	4,428.93
Deferred tax liability	(1,572.33)	(2,048.21)

Deferred tax assets, represents timing differences for which there will be future current tax benefits by way of unabsorbed tax losses and expenses allowable on payment basis in future years.

Deferred tax liabilities represent timing differences where current benefit in tax will be off-set by debit in the Statement of Profit and Loss.

#### Loans and Advances

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
Long term loans and advances	13,268.84	15,584.12
Short term loans and advances	14,055.24	12,667.05
<b>Total</b>	<b>27,324.08</b>	<b>28,251.17</b>

#### Loans and advances include

- Credit entitlement of Minimum Alternate Tax (MAT) of ₹787.59 crores as at March 31, 2014 (₹1,516.40 crores as at March 31, 2013), relating to Tata Motors. The credit / refund will be against tax paid at normal rate, within time limit as per the Income Tax Act.
- Receivables towards vehicle financing by Tata Motors Finance Ltd was almost same at ₹18,294.32 crores as at March 31, 2014, as compared to ₹18,226.78 crores as at March 31, 2013; and
- VAT, other taxes recoverable, statutory deposits and dues of ₹4,274.57 crores as at March 31, 2014, as compared to ₹5,015.31 crores as at March 31, 2013.

**Inventories** as of March 31, 2014, stood at ₹27,270.89 crores as compared to ₹21,036.82 crores as at March 31, 2013. Inventory at TML was ₹3,862.53 crores as compared to ₹4,455.03 crores as at March 31, 2013. Inventory at JLR was ₹21,634.06 crores as compared to ₹14,726.76 crores as at March 31, 2013. The increase at JLR is consistent with the volume growth. (In terms of number of days of sales, finished goods represented 30 inventory days in FY 2013-14 as compared to 29 days in FY 2012-13).

**Trade Receivables** (net of allowance for doubtful debts) were ₹10,574.23 crores as at March 31, 2014, representing a decrease of ₹385.37 crores. Trade Receivables have decreased in TML by ₹601.34 crores. The allowances for doubtful debts were ₹621.70 crores as at March 31, 2014 against ₹321.71 crores as at March 31, 2013.

**Cash and bank balances** were ₹29,711.79 crores, as at March 31, 2014 compared to ₹21,114.82 crores as at March 31, 2013. The Company holds cash and bank balances in Indian Rupees, GB£, and Chinese Renminbi etc. The cash balances include bank deposits maturing within one year of ₹21,628.97 crores; compared to ₹12,763.93 crores as at March 31, 2013. It included ₹3,354 crores as at March 31, 2014 (₹4,320 crores as at March 31, 2013) held by a subsidiary that operates in a country where exchange control restrictions potentially restrict the balances being available for general use by Tata Motors Limited and other subsidiaries.

### Consolidated Cash Flow

The following table sets forth selected items from consolidated cash flow statement:

	(₹ in crores)		
	FY 2013-14	FY 2012-13	Change
<b>Cash from Operating Activities</b>	<b>36,151.16</b>	<b>22,162.61</b>	<b>13,988.55</b>
Profit for the year	13,991.02	9,892.61	
Adjustments for cash flow from operations	20,694.06	14,512.93	
Changes in working capital	5,774.41	(2.86)	
Direct taxes paid	(4,308.33)	(2,240.07)	
<b>Cash used in Investing Activities</b>	<b>(29,893.02)</b>	<b>(23,491.37)</b>	<b>(6,401.65)</b>
Payment for Assets	(26,925.20)	(18,825.88)	
Net investments, short term deposit, margin money and loans given	(3,661.09)	(5,473.03)	
Dividend and interest received	693.27	807.54	
<b>Net Cash used in Financing Activities</b>	<b>(3,883.24)</b>	<b>(1,692.08)</b>	<b>(2,191.16)</b>
Proceeds from issue of share to minority shareholders	-	0.56	
Dividend Paid (including paid to minority shareholders)	(721.97)	(1,550.57)	
Interest paid	(6,170.56)	(4,665.57)	
Net Borrowings (net of issue expenses)	3,009.29	4,523.50	
<b>Net increase / (decrease) in cash and cash equivalent</b>	<b>2,374.90</b>	<b>(3,020.84)</b>	
Cash and cash equivalent, beginning of the year	12,350.97	14,849.89	
Effect of exchange fluctuation on cash flows	1,861.60	521.92	

Cash and cash equivalent on acquisition of subsidiary	40.51	-
<b>Cash and cash equivalent, end of the year</b>	<b>16,627.98</b>	<b>12,350.97</b>

### Analysis:

- Cash generated from operations before working capital changes was ₹34,685.08 crores as compared to ₹24,405.53 crores in the previous year, representing an increase in cash generated through consolidated operations, consistent with the growth in revenue on a consolidated basis. After considering the impact of working capital changes and net movement of vehicle financing portfolio, the net cash generated from operations was ₹40,459.59 crores as compared to ₹24,402.66 crores in the previous year. The following factors contributed to net increase in working capital for the year:-
  - Increase in trade and other assets amounting ₹3,254.09 crores mainly due to increase in sales to importers at JLR.
  - The above increases were offset by increase in trade and other payables by ₹4,552.24 crores (due to revenue growth) and net increase in provisions of ₹888.18 crores.
  - Decrease in inventories amounting to ₹2,852.55 crores (mainly in finished goods) due to higher volumes / activity at JLR.
- The net cash outflow from investing activity increased during the current year to ₹29,893.02 crores from ₹23,491.38 crores for the last year.
  - Capital expenditure was at ₹26,925.20 crores during the year as against ₹18,825.88 crores for the last year, related mainly to capacity / expansion of facilities, quality and reliability projects and product development projects.
  - The change in net investments mainly represents fixed/restricted deposits (net) ₹4,389.07 crores against ₹6,135.57 crores in the last year.
- The net change in financing activity was an outflow of ₹3,883.24 crores as compared to ₹1,692.09 crores for last year.
  - During FY 2013-14, ₹5,925.53 crores were raised from long term borrowings (net) as compared to ₹5,525.25 crores. (Refer discussion below).

- Net decrease in short term borrowings of ₹2,466.25 crores as compared to increase of ₹1,846.66 crores.

As of March 31, 2014, Tata Motors Group borrowings (including short term debt) were ₹60,642.28 crores compared with ₹50,715.71 crores as of March 31, 2013.

The Company believes that it has sufficient resources available to meet planned capital requirements. However, the sources of funding could be adversely affected by an economic slowdown as was witnessed in FY 2008-09 or other macroeconomic factors in India and abroad such as Europe and markets where the Company is present such as China. A decrease in the demand for the Company products and services could lead to an inability to obtain funds from external sources on acceptable terms or in a timely manner. In order to refinance the Company acquisition related borrowings and for supporting long term fund needs, the Company continued to raise funds in FY 2012-13 and FY 2013-14, through issue of various debt securities described below.

In FY 2012-13, the Company issued rated, listed, unsecured non-convertible debentures of ₹2,100 crores with maturities of 2-7 years as a step to raise long term resources and optimize the loan maturity profile.

In January 2013, JLR issued US\$ 500 million Senior Notes due 2023, at a coupon of 5.625% per annum. The proceeds will be used for general corporate purposes, including, to support ongoing growth and capital spending plans. The notes are callable at a premium for the present value of future interest rates, if called before a specified date and thereafter are callable at fixed premiums.

During FY 2012-13, TMFL raised ₹90.40 crores by issue of Subordinated Unsecured, Non-convertible debentures towards Tier 2 Capital and ₹100 crores was raised by issue of Subordinated Unsecured Non-convertible Perpetual debentures towards Tier I Capital to meet its growth strategy and improve its capital adequacy ratio.

During FY 2013-14, the Company issued rated, listed, unsecured, non-convertible debentures of ₹1,100 crores,

During FY 2013-14, JLR issued US\$ 700 million 4.125% Senior Notes, due 2018 and GBP 400 million 5.0% Senior Notes, due 2022. The net proceeds from these issues have been utilised to refinance existing debt of GBP 750 million equivalent Senior Notes issued in May 2011.

During FY 2013-14, TML Holdings Pte Singapore issued SGD 350 million 4.25% Senior Notes, due 2018. The net proceeds from these issues have been utilised for redemption of preference shares issued to the Company and for general corporate purposes. TML Holdings Pte Singapore further raised equivalent US\$ 600 million (US\$ 460 million and SG\$ 176.8 million) syndicated loan facility with equivalent US\$ 300 million (US\$ 250 million and SG\$ 62.8 million) maturing in November 2017 and equivalent US\$ 300 million (US\$ 210 million and SG\$ 114 million) in November 2019. The net proceeds from these have been utilised for acquiring certain offshore manufacturing subsidiaries/joint ventures from the Company at fair value and for general corporate purposes.

The Tata Motors Group fund its short-term working capital requirements with cash generated from operations, overdraft facilities with banks, short and medium term borrowings from lending institutions, banks and commercial paper. The maturities of these short and medium term borrowings and debentures are generally matched to particular cash flow requirements. The working capital limits are ₹14,000 crores from banks in India as at March 31, 2014. The working capital limits are secured by hypothecation of certain existing current assets of the Company. The working capital limits are renewed annually.

JLR established 3-5 year committed Revolving Credit Facility from a syndicate of more than 20 banks. The outstanding balance under the facility which is completely undrawn, is GB£1,290 million as of March 31, 2014.

The Tata Motors Group cash and bank balances were ₹29,711.79 crores as at March 31, 2014, as compared to ₹21,114.82 crores as at March 31, 2013. These enable the Group to cater to business needs in the event of changes in market conditions.



Some of the Company's financing agreements and debt arrangements set limits on and / or require prior lender consents for, among other things, undertaking new projects, issuing new securities, changes in management, mergers, sale of undertakings and investment in subsidiaries. In addition, certain financial covenants may limit the Company's ability to borrow additional funds or to incur additional liens. Certain of the Company financing arrangements also include various covenants to maintain certain debt-to-equity ratios, debt-to-earnings ratios, liquidity ratios, capital expenditure ratios and debt coverage ratios all of which, except one, have been met by the Company. The breach of the single covenant has also been waived by the lenders and has not resulted in any 'Default' or penalties.

The cash and liquidity is located at various locations in its subsidiaries along with balances in India. Jaguar Land Rover's subsidiary in China is subject to foreign exchange controls and thereby has some restrictions on transferring cash to other companies of the group outside of China.

There may also be legal or economic restrictions on the ability of subsidiaries to transfer funds to the Company in the form of cash dividends, loans, or advances, however such restrictions have not had and are not estimated to have significant impact on the ability of the Company to meet its cash obligations.

## FINANCIAL PERFORMANCE ON A STANDALONE BASIS

The financial information discussed in this section is derived from the Company's Audited Standalone Financial Statements.

As explained in the business section, the domestic economic environment deteriorated further, in the current fiscal. As a result, the automotive industry shrunk significantly.

Revenues (net of excise duty) were ₹34,288.11 crores in FY2013-14, as compared to ₹44,765.72 crores, representing a decrease of 23.4%. As explained above, the total number of vehicles sold during the year decreased by 30.2%. The domestic volumes decreased significantly by 32.1% to 519,755 vehicles from 765,557

vehicles in FY 2013-14 and export volumes decreased marginally by 2% to 49,922 vehicles from 50,938 vehicles in FY 2013-14. The sale of spare parts / aggregates has also decreased by 8.2% to ₹3,006.31 crores from ₹3,273.80 crores in FY 2012-13.

Significant volumes reduction, adverse product mix, more particularly in the commercial vehicles, and intense competition amongst all product segments, impacted the operating margin, recording a negative margin of 1.4% of sales (positive 4.8% for FY 2012-13). As a result the Loss before tax was ₹1,025.80 crores, as compared to Profit before tax of ₹174.93 crores in FY 2012-13. There was a tax credit of ₹1,360.32 crores in FY 2013-14 due to significant loss from operations. The Profit after tax was ₹334.52 crores as compared to ₹301.81 crores in FY 2012-13.

The analysis of performance is given below:-

### Percentage to revenue from operations

	FY 2013-14	FY 2012-13
Revenue from operations net of excise duty	100	100
Expenditure:		
Cost of material consumed (including change in stock)	75.6	73.6
Employee Cost	8.4	6.3
Manufacturing and other expenses (net)	20.3	17.4
Amount Capitalised	(2.9)	(2.1)
Total Expenditure	101.4	95.2
Other Income	11.2	4.7
Profit before Exceptional Item, Depreciation, Interest and Tax	9.8	9.5
Depreciation and Amortisation (including product development/ engineering expenses written off)	7.3	5.0
Finance costs	3.9	3.1
Exceptional Item – Loss	1.6	1.0
Profit / (Loss) before Tax	(3.0)	0.4

### Cost of materials consumed (including change in stock):

	(₹ in crores)	
	FY 2013-14	FY 2012-13
Consumption of raw materials and components	20,492.87	27,244.28
Purchase of product for sale	5,049.82	5,864.45
Change in Stock-in-trade, finished goods and Work-in-progress	371.72	(143.60)
<b>Total</b>	<b>25,914.41</b>	<b>32,965.13</b>
<b>% of revenue</b>	<b>75.6%</b>	<b>73.6%</b>

The increase in terms of % to revenue was mainly due to adverse product mix and higher Variable Marketing Expenses (netted off in revenue)

**Employee Cost:** There was marginal increase to ₹2,877.69 crores from ₹2,837.00 crores in FY 2012-13 (1.4% over last year). The increase was mainly attributable to normal yearly increases, promotions, and wage agreements. The Company has taken steps to contain the manpower cost, by reduction in head count both permanent and temporary. However, due to lower volumes, the employee cost to revenue has increased from 6.3% to 8.4%.

**Manufacturing and Other Expenses:** These expenses relate to manufacturing, operations and incidental expenses other than raw materials and employee cost. This expenditure mainly included job work charges, advertisement & publicity and other selling and administrative costs. The expenses were ₹6,987.53 crores during current fiscal, as compared to ₹7,783.32 crores for FY 2012-13, representing 20.3% of revenue for FY 2013-14 (17.4% for FY 2012-13).

There been decrease in expenses in terms of absolute terms on account of lower volumes and cost reduction initiative taken by the Company. However, due to lower volumes, these costs were under absorbed.

**Amount capitalised represents** expenditure transferred to capital and other accounts allocated out of employee cost and other expenses incurred in connection with product development projects and other capital items. The expenditure transferred to capital and other accounts increased to ₹1,009.11 crores from ₹953.80 crores of

FY 2012-13, and mainly related to ongoing product development for new products and variants.

**Other Income** was ₹3,833.03 crores (₹2,088.20 crores for FY 2012-13). For FY 2013-14, it includes dividends from subsidiary companies of ₹1,573.98 crores (including dividend from JLR), as compared to ₹1,583.58 crores for FY 2012-13. During the year, the Company has divested its investments in certain foreign subsidiaries to TML Holdings Pte Ltd, Singapore, a wholly owned subsidiary resulting in a profit of ₹1,966.12 crores. Other income also includes interest income of ₹178.02 crores as compared to ₹383.64 crores for FY 2012-13. (The dividend from subsidiary companies and profit on divestment are eliminated in the consolidated income statement, being income from subsidiaries).

**Profit before Exceptional Item, Depreciation, Interest and Tax (PBDIT)** was ₹3,350.62 crores in FY 2013-14, compared to ₹4,222.27 crores in FY 2012-13. Lower volumes and adverse product mix, resulted in negative operating profit. This was offset by dividend from subsidiaries and profit from divestment of investments in certain foreign subsidiaries.

**Depreciation and Amortization (including product development / engineering expenses written off)** increased by ₹255.66crores (11.4% increase over last year) to ₹2,499.04crores from ₹2,243.38 crores in FY 2012-13.

- Depreciation increased by ₹36.25 crores, reflecting impact of additions to fixed assets towards plant and facilities for expansion and new products introduction.
- Amortization increased by ₹216.43 crores related to product development projects capitalized for products launched in recent years.

**Finance Costs** decreased marginally to ₹1,337.52 crores from ₹1,387.76 crores in FY 2012-13.

### Exceptional Items

- During FY 2013-14, the Company further provided ₹202 crores for the cost associated with the closure of operations of subsidiary company, Hispano Carrocera SA.
- As per the accounting policy followed by the Company the exchange gain / loss on foreign currency long term monetary

items, is amortised over the tenor of such monetary item. The net exchange loss including on revaluation of foreign currency borrowings, deposits and loans and amortisation, was ₹273.06 crores for the year (last year ₹263.12 crores).

- c) Employee separation cost – To address the challenges, business downturn, the Company had rolled out organization wide cost optimization programme, which included employee cost as important pillar. Accordingly, based on requests from employees for early retirement, the Company has given early retirement with a lump sum amount of ₹47.28 crores to various employees.
- d) During FY 2013-14, the Company has provided ₹17.52 crores as diminution in value of investment for a subsidiary Company, Tata Motors (Thailand) Ltd based on valuation received while divesting the investments to TML Holdings, Singapore.

**Loss before Tax** of ₹1,025.80 crores represented a steep reduction of ₹1,200.73 crores from Profit before tax of ₹174.93 crores in FY 2012-13. The loss was mainly attributable to lower M&HCV and SCV volumes and severe contraction of passenger car volumes, increase in variable marketing expenses, resulting in lower operating margin, under absorption of fixed costs. The loss from operation was partially offset by dividend from subsidiary companies and profit on divestment of foreign subsidiaries.

**Tax expenses** -There was tax credit of ₹1,360.32 crores as compared to ₹126.88 for FY 2012-13. The tax expenses was after considering the tax benefit on R&D expenditure, provision of disallowances and tax treatment of foreign exchange differences.

**Profit After Tax (PAT)** increased to ₹334.52 crores from ₹301.81 crores in FY 2012-13. Consequently, basic Earnings Per Share (EPS) increased to ₹1.03 as compared to ₹0.93 for the previous year for Ordinary Shares and to ₹1.13 as compared to ₹1.03 for 'A' Ordinary Shares for the previous year.

### Standalone Balance Sheet

**Shareholders' funds** were ₹19,176.65 crores and ₹19,134.84 crores as at March 31, 2014 and 2013, respectively.

**Reserves** increased to ₹18,532.87 crores as at March 31, 2014 from ₹18,496.77 crores as at March 31, 2013, reflecting an increase of ₹36.10 crores

- ▶ The PAT for the current year of ₹334.52 crores added to the Profit & Loss account and ₹354.52 crores (net) were added to the Securities Premium account mainly by way of premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN).

- ▶ The above was offset by proposed dividend (including tax thereon) of ₹741.96 crores.

### Borrowings:

(₹ in crores)

	As at March 31, 2014	As at March 31, 2013
Long term borrowings	9,746.45	8,051.78
Short term borrowings	4,769.08	6,216.91
Current maturities of long term borrowings	537.27	2,530.26
<b>Total</b>	<b>15,052.80</b>	<b>16,798.95</b>

During FY 2013-14, the Company repaid 2% Non-Convertible Debenture (2014) of ₹2,458.05 crores (including premium) and fixed deposits from public and shareholders of ₹362.19 crores. Foreign Currency Convertible Notes (FCCN) was fully converted to Ordinary shares. This was partly offset by Non-Convertible debentures taken during year of ₹1,100 crores. Reduction in short term borrowings comprises of reduction in commercial paper by ₹1,193.12 crores, Loans and advances from subsidiaries and associates by ₹319.60 crores, net decrease in loan, cash credit, overdraft accounts by ₹436.08 crores, Foreign Currency Non Repatriable Borrowings (FCNR(B)) by ₹689.42 crores. These were offset by increase in the loan from banks by ₹1,600 crores and Buyer's line of credit by ₹187.63 crores. The debt/equity ratio after considering cash / investment in mutual fund was 0.77 as compared to 0.85 as at March 31, 2013.

Due to significant reduction in volumes, the Company had to deploy short term funds to support critical long term finance needs, The Company is in the process of taking appropriate steps to increase the long term funds.

**Trade payables** were ₹9,672.36 crores as at March 31, 2014 as

compared to ₹8,455.02 crores as at March 31, 2013. There has been increase in acceptances due to increase in the term.

**Provisions (current and non-current)** as at March 31, 2014 and 2013 were ₹2,708.11crores and ₹2,200.77 crores, respectively. The provisions are mainly towards warranty, employee retirement benefits, delinquency and proposed dividends. The increase is mainly in the provision for delinquency by ₹680.37 crores.

**Fixed Assets:** The tangible assets (net of depreciation and including capital work in progress) increased marginally from ₹13,795.55 crores as at March 31, 2013 to ₹13,850.35 crores. The intangible assets (net of amortisation, including the projects under development), increased from ₹6,412.99 crores as at March 31, 2013 to ₹7,745.29 crores. The intangible assets under development were ₹4,638.22 crores as at March 31, 2014, which relate to new products planned in the future.

**Investments (Current + Non-current)** decreased to ₹18,458.42 crores as at March 31, 2014 as compared to ₹19,934.39 crores as at March 31, 2013.

There was redemption of 6.25% Cumulative Redeemable Preference Shares of US\$ 100 each at par of TML Holdings Pte Ltd, Singapore, of ₹1,403.26crores and sale of Mutual funds of ₹359.42 crores. The Company has also divested Equity shares of certain foreign subsidiary companies to TML Holdings Pte Ltd, Singapore of ₹463.11 crores.

This was partly offset by increase in investments in subsidiaries and associates of ₹706.72 crores (Tata Motors Finance Ltd ₹300 crores, Tata Motors European Technical Centre Plc ₹13.07 crores, PT Tata Motors, Indonesia of ₹53.65 crores, Fiat India Automobiles Ltd ₹325 crores and Concorde Motors (India) Ltd. ₹15 crores).

**Inventories** stood at ₹3,862.53 crores as compared to ₹4,455.03 crores as at March 31, 2013. Though the Company achieved reduction in inventory of ₹592.50 crores, the total inventory has increased to 44 days of sales as compared to 37 days in last year.

#### Trade Receivables (net of allowance for doubtful debts)

were ₹1,216.70 crores as at March 31, 2014, as compared to ₹1,818.04 crores as at March 31, 2013. The reduction reflects lower volumes and steps taken by the Company to control the credit. The receivable represented 16 days as at March 31, 2014, compared to 18 days as at March 31, 2013. However, the amount outstanding for more than six months (gross) has gone up to ₹786.21 crores as at March 31, 2014 from ₹682.82 crores as at March 31, 2013. These represented dues from Government owned transport companies and some of the dealers. The overdues are monitored and the Company has taken steps to recover these dues. However, based on the Company's assessment on non-recoverability of these overdues, these have been provided and accordingly the allowances for doubtful debts were ₹511.36 crores as at March 31, 2014 against ₹240.59 crores as at March 31, 2013.

**Cash and bank balances** were ₹226.15 crores as at March 31, 2014 compared to ₹462.86 crores as at March 31, 2013. The decrease was due to lower volumes.

#### Standalone Cash Flow

	(₹ in crores)		
	FY 2013-14	FY 2012-13	Change
<b>Net Cash from Operating Activities</b>	<b>2,463.46</b>	<b>2,258.44</b>	<b>205.02</b>
Profit for the year	334.52	301.81	
Adjustment for cash flow from operations	(1,273.34)	1,346.51	
Change in working capital	3,458.34	502.79	
Direct taxes paid / (credit)(net)	(56.06)	107.33	
<b>Net Cash from Investing Activities</b>	<b>2,552.91</b>	<b>991.50</b>	<b>1,561.41</b>
Payments for fixed assets (net)	(3,094.05)	(2,588.44)	
Proceeds from sale of a division	-	110.00	
Net investments, short term deposit, margin money and loans given	635.88	403.42	
Sale / redemption of investments in subsidiary / associate companies	3,978.48	1,399.95	

Investments / loans in subsidiary / associates / JV (net)	(751.78)	(398.15)	
Dividend and Interest received	1,784.38	2,064.72	
<b>Net Cash from Financing Activities</b>	<b>(5,033.81)</b>	<b>(4,045.69)</b>	<b>(988.12)</b>
Dividend and interest paid	(2,398.71)	(3,269.83)	
Net borrowings (net of issue expenses)	(2,635.10)	(775.86)	
<b>Net decrease in cash and cash equivalent</b>	<b>(17.44)</b>	<b>(795.75)</b>	
Cash and cash equivalent, beginning of the year	205.57	919.64	
Effect of exchange fluctuation on cash flows	10.55	81.68	
<b>Cash and cash equivalent, end of the year</b>	<b>198.68</b>	<b>205.57</b>	

- a. Reduction in net cash generated from operations reflects impact of reduction in sales and profitability. The cash used in operations before working capital changes was ₹938.82 crores as compared to net cash generated from operations ₹1,648.32 crores in the previous year. There was a net inflow of ₹3,458.34 towards working capital changes mainly attributable to decrease in trade receivables, Inventories and increase in the Trade payable and other current liabilities.
- b. The net cash inflow from investing activity was ₹2,552.91 crores as compared to ₹991.50 crores for the previous year and was mainly attributable to:
- ◀ Inflow by way of divestments in foreign subsidiary companies to TML Holdings Pte Ltd, Singapore and Redemption of preference shares by TML Holdings Singapore, resulting in cash inflow of ₹3,978.48 crores as compared to ₹1,378.95 crores in FY 2012-13.
  - ◀ Inflow by way of dividend and interest was ₹1,784.38 crores (₹2,064.72 crores for FY 2012-13).
  - ◀ The cash used for payments for fixed assets was ₹3,094.05 crores (net) (₹2,588.44 crores for FY 2012-13),

◀ There was an outflow (net) of ₹ 706.72 crores (₹203.00 crores for FY 2012-13) towards investments in subsidiary and associates companies.

- c. The net change in financing activity was an outflow of (₹5,033.81 crores) against (₹4,045.69 crores) for last year. The outflow is attributable to the following:
- i. The Company repaid fixed deposits - ₹362.19 crores (₹1,868.38 crores for FY 2012-13).
  - ii. The long term borrowings (net) repayment of ₹579.84 crores (Last year was ₹814.63 crores).
  - iii. Short term borrowings – net outflow of ₹1,605.27 crores (last year there was inflow of ₹2,983.74 crores).

## FINANCIAL PERFORMANCE OF JLR (AS PER IFRS)

The financial statement of JLR is prepared as per International Financial Reporting Standards (IFRS) applicable in the UK. This information is given to enable the readers to understand the performance of JLR

**Revenue:** During the year, JLR generated record revenue and profits. This was primarily driven by increased demand for both brands as well as a strong product and market mix. Consolidated revenues for FY 2013-14 were GB£19,386 million, an increase of 22.8% compared to FY 2012-13.

**EBITDA:** Consolidated EBITDA for FY 2013-14 was a record GB£3,393 million, an increase of 45% compared to FY 2012-13. The EBITDA improvement comprises increased sales volumes and revenues, as well as favourable product and market mix, as higher margin products were sold in higher margin destinations, notably China. Also JLR has been able to keep costs in check, through cost discipline, and various efficiencies and improvement initiatives.

**Material cost** of sales for the year was GB£11,904 million, equivalent to 61.4% of revenue. This represents an improvement of 1.3% from FY 2012-13 in part due to decreases in raw material prices

**Employee costs** for FY 2013-14 were up GB£320 million (24%) to GB£1,654 million as JLR has increased permanent and agency headcount, particularly in product development and manufacturing, to support the JLR's growth agenda..

**Other expense** including those relating to manufacturing, launch, freight and distribution, warranty, product development expense, selling and fixed marketing, were GB£3,717 million in the year, an increase of GB£642 million (21%) versus FY 2012-13. From FY 2013-14 onwards EBITDA now includes mark to market of current assets and liabilities and realised gains on matured FX and commodity hedges for the full year in line with policy under IFRs accounting.

**Development costs** of GB£1,266 million represent an increase of GB£208 million (20%). This reflected the increased spend on future model development for both brands. Of the total spending, GB£1,030 million was capitalised (last year GB£ 860 million).

**Profit before tax (PBT)** for FY 2013-14 was GB£2,501 million, an increase of GB£827 million (49%) compared to FY 2012-13. PBT performance reflects higher EBITDA plus gains of GB£137 million arising from mark to market of unrealised FX options and commodity hedges and revaluation of foreign currency loans. This compares to a GB£47 million loss in FY 2012-13. PBT also captures depreciation and amortization charges, up GB£253 million to GB£875 million for FY 2013-14 given increased product development and facilities investment. Higher net finance expense of GB£154 million includes GB£62 million of one off costs incurred in the redemption of the higher coupon GB£500 million and US\$410 million 2018 notes (at 8.125% and 7.75% coupon respectively) and a GB£47 million reversal of gain on related bond call options. The bond redemption was pre-financed by the successful issuances of US\$700 million 4.125% 2018 notes and GB£400 million 5% 2022 notes. This served to reduce JLR's overall cost of debt in line with the improving credit and market conditions.

**Profit after tax**, at an effective rate of 25%, was GB£1,879 million.

### Cash Flow

Net cash from operating activities was GB£3,422 million in FY 2013-14, in line with profits plus positive working capital of GB£393 million versus GB£382 million in prior period, less tax paid of GB£402 million (GB£248 million in FY 2012-13). This compares to operating cash flow of GB£2,429 million in FY 2012-13. JLR invested significantly in the year, up GB£527 million to GB£2,444 million for the year. This demonstrates JLR's commitment to product development and also capacity increases, including facilities in China and the UK. Net cash used in financing activities was GB£498 million in FY 2013-14

compared to GB£178 million in FY 2012-13. In FY 2013-14 financing activities included early redemption of GB£750 million equivalent of higher coupon long term bonds through tender/exercise of call option in Q4 pre-financed by the issuance of US\$700 million bond in December 2013 and GB£400 million bond in January 2014. Financing activities also included a dividend paid to parent company of GB£150 million, GB£79 million of debt repayments, and interest and fees of GB£269 million.

### Financial performance of TMFL

During FY 2013-14, TMFL earned a total income of ₹3,026.47 crores, against an income of ₹2,825.64 crores earned during the previous year, reflecting an increase of 7.1%. The Profit Before Tax declined by 65% to ₹155.33 crores (Previous year: ₹449.49 crores). The Profit After Tax at ₹100.88 crores was 67% lower than that in the previous year (₹309.30 crores). The results for FY 2013-14 have been impacted due to tightness in the financial market, stress in the business environment and the consequent higher provision on account of Non-Performing Assets.

### Financial performance of TDCV (as per Korean GAAP)

During FY 2013-14, TDCV's total revenue was KRW 884.08 billion (₹4,906.46 crores) higher by 7.3% compared to KRW 823.92 billion (₹4,024 crores) in FY 2012-13. TDCV reported Profit before Tax of KRW 30.52 billion (₹169.39 crores) as compared to Loss before tax of KRW 10.44 billion (₹51.00 crores) in FY 2012-13. After providing for tax, the Profit for the year stood at KRW 23.49 billion (₹130.37 crores), against loss of KRW 9.21 billion (₹44.96 crores) in FY 2012-13. In FY 2012-13 provision of KRW 18.9 Billion (₹92.27 crores) was made on account of court verdict in the Ordinary Wage Lawsuit filed by the Union Employees of TDCV.

### Financial performance of TTL

The consolidated revenue in FY 2013-14 was ₹2,394.73 crores, an increase of 17.08% against ₹2,045.42 crores in the previous year. The profit before tax was ₹337.57 crore as against ₹392.43 crore in the previous year, recording a reduction of 14%. The profit after tax stood at ₹273.22 crore as against ₹300.73 crore recording a reduction of 9.2%.

**Opportunities and Risks** – JLR and Tata Motors businesses constitute



a significant portion of Revenue, Income and assets / liabilities. Accordingly, we have given below key opportunities and risks.

## OPPORTUNITIES:

The new Government at the centre has expressed a mandate of infrastructure oriented spending for national development. The resultant fiscal spending will give a boost to transport & mining sectors. Lifting of mining bans is also expected to ramp up through the year. Demand for trucks, tippers as well as last mile transport solutions will go up as economic activity revives. The changes are however expected towards the later part of the financial year, given the time taken to form and execute policies.

FDI is also likely to be opened up, albeit cautiously, including in sectors like Defence. The Company is focusing on increasing their offerings in defence sector from providing only pure logistics solutions to tactical and combat solutions. This provides the opportunity for capturing a larger share in a growing market.

Growing wealth in rural markets in India also provides an added opportunity to expand sales reach and volumes. The sales reported out of areas earlier considered rural is growing year on year. The overall gap of automobile purchase between rural and urban areas is narrowing in India. The Company is focusing on reaching rural target market to address the latent need, in cost effective ways

With increasing awareness and education of the Indian customer, a range of non-vehicular products and services like spares, after sales, annual maintenance contracts etc are also gaining popularity in demand. The Company is poised to address this growing need, thereby providing additional sources of revenue, which are non-cyclical in nature, to hedge for otherwise cyclical demand in the auto industry.

The growing demands and sensibilities of customers in the ILCV segment is also something Tata Motors is poised to address with its new range of vehicles. The evolving infrastructure in India will change the way transportation industry matures, with demand for better quality and more comfortable vehicles. The company has already invested in new platforms to cater to such evolving demands.

India has emerged as a major hub for global manufacturing with its advantage of lower input costs, availability of local supplier base and high domestic demand. As an established domestic manufacturer, the Company is ideally placed to take advantage for targeting lucrative international markets, either through the fully built export or CKD route.

In addition to the above, the Company also has the advantage of a strong in-house design and development facility and professionals. Thus the Company's R & D group is capable of developing solutions for different regulatory and emission norms as per market specifications in minimal time.

The Company is focusing on increasing its global presence, as an effective hedge against domestic downturn as well as a growth opportunity. While the company is already present in Africa and some parts of ASEAN, it is focusing on increasing presence in more key markets in ASEAN and LATAM. The Company is also actively considering expanding its global manufacturing footprint in key international markets to take advantage of import duty differentials and local sourcing benefits.

**Jaguar Land Rover Opportunities through products and markets:** JLR offers products in the premium performance car and all-terrain vehicle segments, and intends to grow the business by diversifying the product range within these segments. For instance, the Range Rover Evoque defined the market segment for smaller, lighter and more "urban" off road vehicles, complementing the more mature Range Rover, Freelander and Discovery markets. Similarly for Jaguar, the 2.2L Diesel XF caters well for a wide customer base, notably including the corporate market segment, and the XF Sportbrake adds a premium estate model to the portfolio, and of course the Jaguar F TYPE, available in both soft top and now coupé, provides a vivid representation of the confidence and ambition of the brand. As well as the core product family, various options, such as long wheel base, smaller engine and all-wheel drive derivatives, help to strengthen overall product offering.

JLR also has ambitious but robust plans to continue to develop the product range. Including the Jaguar XE, the eagerly anticipated mid-sized sedan, and Jaguar crossover based on the C X17 concept and for Land Rover, the announcement of the Discovery Sport, available

for sale in 2015 and to be the first in a new family of Discovery's. As well as hybrid and long wheel base derivatives of existing models.

Complementing the new products, JLR intends to also expand its global footprint, particularly into those emerging, affluent countries with growing sales potential and appetite for the Company's distinctive, premium products. There are three specific aspects to JLR's strategy of geographic expansion:

- Increase marketing and dealer network in emerging markets. For example, in China, JLR established an NSC in 2010 to expand our presence in this key market and have increased network of sales dealerships to 170 dealerships as at March 31, 2014. Similarly, JLR expect to continue to grow its presence in the Indian market by opening additional dealerships across the country.
- Establish new manufacturing facilities, assembly points and suppliers in selected markets. This includes a manufacturing and assembly joint venture in China with Chery Automobile Company Ltd.; an assembly facility in India operated by Tata Motors; and a manufacturing facility in Brazil. JLR also continues to explore further broadening our manufacturing base, including opportunities in Saudi Arabia.
- Leverage relationship with Tata Motors and the synergies we can achieve in the areas of research and product development, supply sourcing, manufacturing and assembly and other operations.

## RISKS:

**Deterioration in global economic conditions:** The automotive industry, and the demand for automobiles, is influenced by general economic conditions, including among other things, rates of economic growth, availability of credit, disposable income of consumers, interest rates, environmental and tax policies, safety regulations, freight rates and fuel and commodity prices. Negative trends in any of these factors impacting the regions where the Company operates could materially and adversely affect our business, results of operations and financial condition.

The Indian automotive industry is affected materially by the general economic conditions in India and around the world. Muted industrial growth in India during FY 2013-14 along with

continuing higher inflation and interest rates continue to pose risks to overall growth in this market. The automotive industry in general is cyclical and economic slowdowns in the recent past have affected the manufacturing sector including the automotive and related industries in India. Persistence of negative economic trends or further deterioration in key economic factors such as growth rate, interest rates and inflation as well as reduced availability of financing for vehicles at competitive rates could materially and adversely affect the Company automotive sales in India and results of operations.

Jaguar Land Rover business has significant operations in the United Kingdom, North America, continental Europe and China, as well as sales operations in many major countries across the globe. The global economic downturn significantly impacted the global automotive markets, particularly in the United States and Europe, including the United Kingdom, where Jaguar Land Rover operations have significant sales exposure. During Fiscal 2014, the automotive market in the United Kingdom and Europe continued to experience challenges. Confidence in financial markets and general consumer confidence have been further eroded by recent political tensions in North Africa, the Middle East and Ukraine, and concerns of an economic slowdown in China. Strategy with respect to Jaguar Land Rover operations, which includes new product launches and expansion in growing markets such as China, India, Russia and Brazil, may not be sufficient to mitigate the decrease in demand for our products in established markets and this could have a significant adverse impact on our financial performance. If industry demand softens because of lower or negative economic growth in key markets, including China, or other factors, results of operations and financial condition could be materially and adversely affected.

**Economic outlook in India:** The Indian automotive industry is affected substantially by the general economic conditions in India and around the world. The demand for automobiles in the Indian market is influenced by factors including the growth rate of the Indian economy, easy availability of credit, and increase in disposable income among Indian consumers, interest rates, freight rates and fuel prices. Demand for automobiles, particularly passenger vehicles and commercial vehicles were adversely impacted during FY 2013-14 due to lower GDP growth, high interest rates and high fuel prices. During FY 2013-14, RBI increased the key policy rates by 75 basis

points to control inflation. Interest rates remained firm thus making it difficult to purchase consumer durable items on finance. High costs of borrowing and elevated consumer price inflation adversely affected household consumer sentiment and spending. On the other hand, slowdown in GDP growth has been due to decline in both consumption and investment growth. Investments were stalled because of high interest rates, poor demand conditions, and regulatory issues. While mining output declined on a year-on-year basis owing to policy, clearance and legal obstructions, the decline in capital goods production was due to a downturn in the investment cycle. Consumer durables sector performance was affected adversely by low income growth, elevated interest rates, and subdued consumer sentiment. From 4.8% of GDP in FY 2012-13, current account deficit during the first three quarters of FY 2013-14 (April-December) remained around 2.3% of GDP. This has led to hardening of rupee and fuel prices remained firm. The automotive industry in general is cyclical and economic slowdowns in the past have affected the manufacturing sector including the automotive and related industries.

**Input Costs / Supplies:** Prices of commodity items used in manufacturing automobiles, including steel, aluminium, copper, zinc, rubber, platinum, palladium and rhodium have become increasingly volatile in recent years. Further price movements would closely depend on the evolving economic scenarios across the globe. While the Company continues to pursue cost reduction initiatives, an increase in price of input materials could severely impact the Company's profitability to the extent such increase cannot be absorbed by the market through price increases and / or could have a negative impact on the demand. In addition, because of intense price competition high level of fixed costs, the Company may not be able to adequately address changes in commodity prices even if they are foreseeable. Increases in fuel costs also pose a significant challenge to automobile manufacturers worldwide including the Company, especially in the commercial and premium vehicle segments where increased fuel prices have an impact on demand.

**Restrictive covenants in financing agreements:** Some of the Company's financing agreements and debt arrangements set limits on and/or require the Company to obtain lender consents before, among other things, pledging assets as security. In addition,

certain financial covenants may limit the Company's ability to borrow additional funds or to incur additional liens. In the past, the Company has been able to obtain required lender consents for such activities. However there can be no assurance that the Company will be able to obtain such consents in the future. If the financial or growth plans require such consents and such consents are not obtained, the Company may be forced to forego or alter plans, which could adversely affect the Company's results of operations and financial condition.

In the event that the Company breach these covenants, the outstanding amounts under such financing agreements could become due and payable immediately and/or resulting in increased costs. A default under one of these financing agreements may also result in cross-defaults under other financing agreements and result in the outstanding amounts under such other financing agreements becoming due and payable immediately. Defaults under one or more of financing agreements could have a material adverse effect on the Company's results of operations and financial condition.

**Environmental Regulations:** The automotive industry is subject to extensive Governmental regulations regarding vehicle emission levels, noise, safety and levels of pollutants generated by the production facilities. These regulations are likely to become more stringent and compliance costs may significantly impact the future results of operations. In particular, the US and Europe have stringent regulations relating to vehicular emissions. The proposed tightening of vehicle emissions regulations by the European Union will require significant costs for compliance. While the Company is pursuing various technologies in order to meet the required standards in the various countries in which the Company sell its vehicles, the costs for compliance with these required standards can be significant to the operations and may adversely impact the results of operations.

To comply with current and future environmental norms, the Company may have to incur additional capital expenditure and R&D expenditure to upgrade products and manufacturing facilities, which would have an impact on the Company's cost of production and the results of operations and may be difficult to pass through to its customers. If the Company is unable to develop commercially viable technologies within the time frames set by the new standards, the Company could face significant civil penalties

or be forced to restrict product offerings drastically to remain in compliance. Moreover, meeting Government mandated safety standards is difficult and costly because crash worthiness standards tend to conflict with the need to reduce vehicle weight in order to meet emissions and fuel economy standards.

**Intensifying Competition:** The global automotive industry is highly competitive and competition is intense in view of the continuing globalization and consolidation in the worldwide automotive industry. Competition is especially likely to increase in the premium automotive categories as each market participant intensifies its efforts to retain its position in established markets while also developing a presence in emerging markets, such as China, India, Russia, Brazil and parts of Asia. The factors affecting competition include product quality and features, innovation and time to introduce new product, ability to control costs, pricing, reliability, safety, fuel economy, environmental impact and perception thereof, customer service and financing terms.

The Company faces strong competition in the Indian market from domestic as well as foreign automobile manufacturers. Improving infrastructure and robust growth prospects compared to other mature markets, have attracted a number of international companies to India either through joint ventures with local partners or through independently owned operations in India. International competitors bring with them decades of international experience, global scale, advanced technology and significant financial resources. Consequently, domestic competition is likely to further intensify in the future.

**Exchange and interest rate fluctuations:** The Company's operations are subject to risk arising from fluctuations in exchange rates with reference to countries in which it operates.

The Company imports capital equipment, raw materials and components from, manufactures vehicles in, and sells vehicles into, various countries, and therefore its revenues and cost have significant exposure to the relative movements of the GBP, the US dollar, the Euro, the Chinese Renminbi, the Russian Ruble, the Japanese Yen and the Indian Rupee.

In particular the Indian Rupee decline significantly relative to the US dollar during FY 2013-14. Moreover, the Company has outstanding foreign currency denominated debt and is sensitive

to fluctuations in foreign currency exchange rates. The Company has experienced and expects to continue to experience foreign exchange losses and gains on obligations denominated in foreign currencies in respect of its borrowings and foreign currency assets and liabilities due to currency fluctuations. JLR has outstanding USD denominated debt and is sensitive to fluctuations in foreign currency exchange rates.

The Company also has interest-bearing assets (including cash balances) and interest bearing liabilities, which bear interest at variable rates. The Company is therefore exposed to changes in interest rates in the various markets in which it borrows.

Although the Tata Motors group engage in managing our interest and foreign exchange exposure through use of financial hedging instruments such as forward contracts, swap agreements and option contracts, adverse interest rates and a weakening of the Indian rupee against major foreign currencies may have an adverse effect on cost of borrowing, which could have a significant adverse impact on the Company's results of operations.

**New products, emissions and technology:** The competitors can gain significant advantages if they are able to offer products satisfying customer needs earlier than the Company is able to and this could adversely impact the Company's sales and results of operations. Unanticipated delays or cost overruns in implementing new product launches, expansion plans or capacity enhancements could adversely impact the Company's results of operations.

Customer preferences especially in many of the developed markets seem to be moving in favour of more fuel efficient and environmentally friendly vehicles. Further, in many countries there has been significant pressure on the automotive industry to reduce carbon dioxide emissions. In many markets these preferences are driven by increased Government regulation and rising fuel prices and customers environmental considerations. The Company's operations may be significantly impacted if the Company experience delays in developing fuel efficient products that reflect changing customer preferences, especially in the premium automotive category. Further a deterioration in the quality of the Company's vehicle could force it to incur substantial cost and damage its reputation.

**Underperformance of distribution channels and supply chains:**

The Company products are sold and serviced through a network of authorized dealers and service centers across the domestic market, and a network of distributors and local dealers in international markets. The Company monitors the performance of its dealers and distributors and provides them with support to enable them to perform to the expectations. Any under-performance by the dealers or distributors could adversely affect the Company's sales and results of operations.

The Company relies on third parties to supply raw materials, parts and components used in the manufacture of products. Furthermore, for some of these parts and components, the Company is dependent on a single source. The Company's ability to procure supplies in a cost effective and timely manner is subject to various factors, some of which are not within its control. While the Company manages its supply chain as part of the vendor management process, any significant problems with supply chain in the future could affect the results of operations. Natural disasters and man-made accidents, adverse economic conditions, decline in automobile demand, lack of access to sufficient financing arrangements among others could have a negative financial impact on the Company's suppliers and distributors, in turn impairing timely availability of components, or increases in costs of components. Similarly, impairments to the financial condition of our distributors may adversely impact our performance in some markets. In addition, if one or more of the other global automotive manufacturers were to become insolvent, this would have an adverse effect on the supply chains and may further affect the Company's results of operations in an adverse manner.

With respect to JLR operations, as part of a separation agreement from Ford, the Company has entered into supply agreements with Ford and certain other third parties for critical components. Any disruption of such transitional services could have a material adverse impact on the operations and financial condition.

**Changes in tax, tariff or fiscal policies and regulations:**

Imposition of any additional taxes and levies designed to limit the use of automobiles could adversely affect the demand for the Company's vehicles and the results of operations. Changes in corporate and other taxation policies as well as changes in export and other incentives given by the various Governments could

also adversely affect the results of operations. For example, the Company benefits from excise duty exemptions for manufacturing facilities in the State of Uttarakhand and other incentives in certain states of India either through subsidies or loans from such states where it has manufacturing operations. The Government of India had proposed a comprehensive national goods and services tax, or GST, regime that will combine taxes and levies by the central and state Governments into one unified rate structure. While both the Government of India and other state Governments of India have publicly announced that all committed incentives will be protected following the implementation of the GST, given the limited availability of information in the public domain concerning the GST the Company is unable to provide any assurance as to this and any of the aspect of tax regime following implementation of the GST. The implementation of this rationalized tax structure might be affected by any disagreement between certain state Governments, which could create uncertainty. The timelines of the proposed transition is uncertain at this point of time.

The Direct Tax Code Bill 2010, or DTC, proposes to replace the existing Income Tax Act, 1961 and other direct tax laws, with a view to simplify and rationalize the tax provisions into one unified code. The various proposals included in DTC bill are subject to review by Indian parliament and as such impact if any, is not quantifiable at this stage.

**Political instability, wars, terrorism, multinational conflicts, natural disasters, fuel shortages / prices, epidemics, labour strikes:**

The Company's products are exported to a number of geographical markets and the Company plans to expand international operations further in the future. Consequently, the Company is subject to various risks associated with conducting the business outside the domestic market and the operations may be subject to political instability in those markets, wars, terrorism, regional and / or multinational conflicts, natural disasters, fuel shortages, epidemics and labour strikes. In addition, conducting business internationally, especially in emerging markets, exposes the Company to additional risks, including adverse changes in economic and Government policies, unpredictable shifts in regulation, inconsistent application of existing laws and regulations, unclear regulatory and taxation systems and divergent commercial and employment practices and procedures. Any significant or

prolonged delay in the Company's operations related to these risks could impact its results of operations.

**Product liability, warranty and recall:** The Company is subject to risks and costs associated with product liability, warranties and recalls, should the Company supply defective products, parts, or related after-sales services, including by generating negative publicity, which may adversely affect the Company's business, results of operations and financial conditions. Such events also require the Company, to expend considerable resources in correcting these problems and could adversely affect the demand for the products. The Company may also be subject to class actions or other large scale product liability or other lawsuits in various jurisdictions where it has a significant presence.

**Jaguar Land Rover Pension obligations:** The Company provides post-retirement and pension benefits to its employees, some of which are defined benefit plans. The pension liabilities are generally funded and the pension plan assets are particularly significant in respect the JLR Pension plan. All new employees in the operations from April 19, 2010, have joined a new defined contribution pension plan.

Lower return on pension fund assets, changes in market conditions, changes in interest rates, changes in inflation rates and adverse changes in other critical actuarial assumptions, may impact its pension liabilities and consequently increase funding requirements, which will adversely affect the Company's financial condition and results of operations.

**Automobile financing business and selling arrangements:** In India the Company is subject to risks associated with its automobile financing business carried out by its subsidiary Tata Motor Finance Ltd. In order to support the sale of its vehicle. Any defaults by the customers or inability to repay installments as due, could adversely affect the Company's business, results of operations and cash flows. In addition, any downgrades in the Company's credit ratings may increase the borrowing costs and restrict the access to the debt markets. Over time, and particularly in the event of any credit rating downgrades, market volatility, market disruption, regulatory changes or otherwise, the Company may need to reduce the amount of financing receivables it originates, which could adversely affect the ability to support the sale of vehicles.

Jaguar Land Rover has consumer finance arrangements in place

with local providers in a number of key markets. Any reduction in the supply of available consumer financing for purchase of new vehicles could create additional pressures to increase marketing incentives in order to maintain demand for its vehicles, which could materially and adversely affect the Company's sales and results of operations. Further, Jaguar Land Rover also offers residual value guarantees on the leases of certain vehicles in some markets. Any adverse movement in used car valuation could impact our result of operations.

**Labour unrest:** The Company's permanent employees, other than officers and managers, in India and most of the permanent employees in South Korea and the United Kingdom, including certain officers and managers, in relation to automotive business, are members of labour unions and are covered by wage agreements, where applicable with those labour unions.

In general, the Company considers labour relations with all of employees to be good. However, in the future the Company may be subject to labour unrest, which may delay or disrupt the operations in the affected regions, including the acquisition of raw materials and parts, the manufacture, sales and distribution of products and the provision of services. If work stoppages or lock-outs at the Company's facilities or at the facilities of the major vendors occur or continue for a long period of time, the business, financial condition and results of operations may be adversely affected.

**JLR operations in key mature market:** JLR, which contributes large portion of the Company's consolidated revenues, generate a significant portion of its sales in the United Kingdom, North American, continental European markets where the automotive industry was severely impacted during the global economic downturn in FY 2008-09. Even though sales of passenger cars in certain of these markets were aided by Government-sponsored car-scrap incentives, these incentives primarily benefited the compact and micro-compact car segments and had virtually no slowing effect on the sales declines in the premium car or all-terrain vehicle segments, in which JLR operates. Although demand in these markets has recovered strongly, any decline in demand for the Company's vehicles in these major markets may in the future significantly impair the Company's business, financial position and results of operations. In addition the Company's strategy, which includes new product launches and further expansion into growing



markets, such as China, India, Russia and Brazil, may not be sufficient to mitigate a decrease in demand for the Company's products in mature markets in the future which could have a significant effect on the Company's financial performances.

**Growing business through mergers and acquisitions:** The Company believes that its acquisitions provide opportunities to grow significantly in the global automobile markets by offering premium brands and products. The acquisitions have provided access to technology and additional capabilities while also offering potential synergies. However, the scale, scope and nature of the integration required in connection with acquisitions, present significant challenges, and the Company may be unable to integrate the relevant subsidiaries, divisions and facilities effectively within the expected schedule. An acquisition may not meet the Company's expectations and the realization of the anticipated benefits may be blocked, delayed or reduced as a result of numerous factors, some of which are outside the Company's control.

The Company will continue to evaluate growth opportunities through suitable mergers and acquisitions in the future. Growth through mergers and acquisitions involves business risks, including unforeseen contingent risks or latent business liabilities that may only become apparent after the merger or acquisition is completed. The key success factors will be seamless integration and effective management of the merged/acquired entity, retention of key personnel, and generating cash flow from synergies in engineering and sourcing, joint sales and marketing efforts, and management of a larger business.

**Business is seasonal in nature:** The sales volumes and prices for the Company's vehicles are influenced by the cyclicity and seasonality of demand for these products. The automotive industry has been cyclical in the past and the Company expects this cyclicity to continue. In the Indian market, demand for vehicles generally peaks between January and March, although there is a decrease in demand in February just before release of the Indian fiscal budget. Demand is usually lean from April to July and picks up again in the festival season from September onwards, with a decline in December due to year-end.

JLR business is impacted by the bi-annual registration of vehicles in the UK where the vehicle registration number changes every

six months, which in turn has an impact on the resale value of vehicles. This leads to an increase in sales during the period when the aforementioned change occurs. Most other markets such as the United States are driven by introduction of new model year products which typically occurs in the autumn of each year. Furthermore, western European markets tend to be impacted by the summer and winter holidays. Markets in China tend to show higher demand for vehicles around the Chinese New Year. The summer and winter shutdowns of manufacturing plants also have a significant seasonal impact on the Company's cash flows. The resulting sales profile influences operating results on a quarter-to-quarter basis.

**Inability to protect or preserve intellectual property:** With respect to JLR, the Company owns or otherwise has rights to a number of patents relating to the products the Company manufacture, which have been obtained over a period of years. In connection with the design and engineering of new vehicles and the enhancement of existing models, the Company seeks to regularly develop new technical designs for use in its vehicles. The Company also uses technical designs which are the intellectual property of third parties with such third parties' consent. These patents and trademarks have been of value in the growth of the business and may continue to be of value in the future. Although the Company does not regard any of its businesses as being dependent upon any single patent or related group of patents, an inability to protect this intellectual property generally, or the illegal breach of some or a large group of our intellectual property rights, would have a materially adverse effect on the Company's operations, business and / or financial condition. The Company may also be affected by restrictions on the use of intellectual property rights held by third parties and it may be held legally liable for the infringement of the intellectual property rights of others in its products.

**Inability to manage growing international business:** The Company's growth strategy relies on the expansion of its operations by introducing certain automotive products in other parts of the world, including Europe, China, Russia, Brazil, the US, Africa, and other parts of Asia. The costs associated with entering and establishing in new markets, and expanding such operations, may be higher than expected, and the Company may face significant competition in those regions. In addition, the Company's international business is subject to many actual and potential risks and challenges, including

language barriers, cultural differences and other difficulties in staffing and managing overseas operations, inherent difficulties and delays in contract enforcement and the collection of receivables under the legal systems of some foreign countries, the risk of non-tariff barriers, other restrictions on foreign trade or investment sanctions, and the burdens of complying with a wide variety of foreign laws and regulations.

**Insurance coverage may not be adequate to protect us against all potential losses:** While the Company believes that the insurance coverage that it maintain is reasonably adequate to cover all normal risks associated with the operation of its business, there can be no assurance that insurance will be sufficient, that any claim under insurance policies will be honored fully or timely or that the insurance premium will not increase substantially. To the extent that the Company, suffer loss or damage that is not covered by insurance or which exceeds the insurance coverage or are required to pay higher insurance premium the Company's financial condition may be affected.

**Disruption in the manufacturing, design and engineering facilities:** The Company has manufacturing facilities and design and engineering centres, located in India, the UK, South Korea, Thailand, and South Africa and have established a presence in Indonesia. The Company could experience disruption to its manufacturing, design and engineering capabilities for a variety of reasons, including, among others, extreme weather, fire, theft, system failures, natural catastrophes, mechanical or equipment failures and similar risks. Any significant disruptions could adversely affect the Company's ability to design, manufacture and sell the Company's products and, if any of those events were to occur, the Company cannot be certain that the Company would be able to shift its design, engineering and manufacturing operations to alternative sites in a timely manner or at all. Any such disruption could therefore materially affect the Company's business, financial condition or results of operations.

**Regulation of production facilities:** The Company's production facilities are subject to a wide range of environmental, health and safety requirements. These requirements address, among other things, air emissions, wastewater discharges, accidental releases into the environment, human exposure to hazardous materials, storage, treatment, transportation and disposal of wastes and hazardous materials, investigation and cleanup of contamination,

process safety and maintenance of safe conditions in the workplace. Many of the Company's operations require permits and controls to monitor or prevent pollution. The Company has incurred, and will continue to incur, substantial on-going capital and operating expenditures to ensure compliance with current and future environmental, health and safety laws and regulations or their more stringent enforcement. Other environmental, health and safety laws and regulations could impose restrictions or onerous conditions on the availability or the use of raw materials the Company need for the Company's manufacturing process.

For JLR operations, the EU Emissions Trading Scheme, an EU-wide system in which allowances to emit greenhouse gases are issued and traded, is anticipated to cover more industrial facilities and become progressively more stringent over time, including by reducing the number of allowances that will be allocated free of cost to manufacturing facilities. In addition, a number of further legislative and regulatory measures to address greenhouse gas emissions, including national laws and the Kyoto Protocol, are in various phases of discussion or implementation. These measures could result in increased costs to: (i) operate and maintain the Company's production facilities; (ii) install new emissions controls or reduction technologies; (iii) purchase or otherwise obtain allowances to emit greenhouse gases; and (iv) administer and manage the Company's greenhouse gas emissions programmes.

**Inability to attract and retain skills:** The Company believes that the Company's growth and future success depend largely on the skills of the Company's workforce, including executives and officers, as well as the designers and engineers and the attraction of critical skills. The loss of the services of one or more of these employees could impair the Company's ability to continue to implement its business strategy. The Company's success also depends, in part, on its continued ability to attract and retain experienced and qualified employees, particularly qualified engineers with expertise in automotive design and production. In view of intense competition and the Company's inability to continue to attract, retain and motivate employees could adversely affect its business and plans to invest in the development of new designs and products.

**Operational risks, including risks in the connection with the use of information technology:** Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and

systems or from external events. This includes, among other things, losses that are caused by lack of controls within internal procedures, violation of internal policies by employees, disruption or malfunction of IT systems, computer networks and telecommunication systems, mechanical or equipment failures, human error, natural disasters or malicious acts by third parties. Any unauthorized access to or misuse of data processed on our IT systems, human errors associated with therewith or technological failures of any kind could disrupt the Company's operations, including the manufacturing, design and engineering processes and, consequently the Company's financial conditions.

**Deterioration in the performance of any of our subsidiaries, joint ventures and affiliates:** The Company has made and may continue to make capital commitments to subsidiaries, joint ventures and affiliates, and if the business or operations of any of these subsidiaries, joint ventures and affiliates deteriorates, the value of the Company's investments may be adversely affected.

## OUTLOOK

While the start of the new fiscal has continued from the moderate performance of last year, there is a cautious optimism that FY 2014-15 would see the start of the revival in the global and domestic economies. The Indian economy is also expected to look up marginally from growth in GDP of 5% in the last year.

Growth in first half of FY 2014-15 is unlikely to be much different than in FY 2013-14 as industrial and services sector growth is still weak. It is expected to be in the range 5% to 5.5%.

A new stable Government will take steps to improve investor confidence and thereby leading to revival of economy in the second half of FY 2014-15. M&HCV truck sales, which are reflective of the economic sentiment, have seen an arrest in the declining trend in the start of the new fiscal. Infrastructure spending as well as regulation in areas like mining is expected to receive a positive shot in the arm

While current account deficit is under control, fiscal deficit will continue to be priority for the Government and striking a balance between controlling expenditure and encouraging growth will be key for this year.

On the background of pressure on volumes in India and limited headroom in pricing due to the intensely competitive market dynamics, the focus will be on effective cost management- both direct and indirect to maintain margins. Even in this challenging environment, as envisioned in its Mission statement, the Company is looking to 'passionately anticipate' and provide vehicles and solutions that 'excite customers globally'. The objective remains to be the 'most admired' Company by all our stakeholders.

One of the key elements of this strategy would be to improve the relationship with the customer – the experience the customer has with the Company at each touch point from sale to service and replacement sales experiences. This would include improving the physical look of the setup, setting up right processes and forums for speedy resolution of customer issues.

The Company will also actively pursue growth in the right International markets and look to consolidate its position in markets where it is already present.

While Europe remains uncertain in the short term, JLR will continue to focus on growth from other markets, in particular the emerging markets. With entry been established in China last year, growing and consolidating presence in this market would be key to JLR's strategy for the coming year. Investment in new products and technologies along with enhancing capacity as required in the right geographies would continue for both Jaguar and Land Rover.

## INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls have been designed to provide a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, protecting assets from unauthorized use or losses, compliances with regulations. The Company has continued its efforts to align all its processes and controls with global best practices.

Some significant features of the internal control of systems are:

- ▶ Audit Committee of the Board of Directors, comprising independent directors, which is functional since August 1988, regularly reviews the audit plans, significant audit findings,

adequacy of internal controls, compliance with Accounting Standards as well as reasons for changes in accounting policies and practices, if any;

- Documenting of major business processes and testing thereof including financial closing, computer controls and entity level controls as part of compliance programme towards Sarbanes-Oxley Act, as required by the listing requirements at New York Stock Exchange;
- An on-going program for reinforcement of the Tata Code of Conduct. The Code covers integrity of financial reporting, ethical conduct, regulatory compliance, conflict of interests review and reporting of concerns.
- State-of-the-art ERP, Supplier Relations Management and Customer Relations Management, connect its different locations, dealers and vendors for efficient and seamless information exchange. A comprehensive information security policy and continuous upgrades to IT system;
- Detailed business plans for each segment, investment strategies, year-on-year reviews, annual financial and operating plans and monthly monitoring are part of the established practices for all operating and service functions;
- A well-established, independent, multi-disciplinary Internal Audit team operates in line with governance best practices. It reviews and reports to management and the Audit Committee about the compliance with internal controls and the efficiency and effectiveness of operations and the key process risks. The scope and authority of the Internal Audit division is derived from the Audit Charter, duly approved by the Audit Committee;
- Anti-fraud programmes including Whistle Blower mechanism is operative across the Company.

The Board takes responsibility for the overall process of risk management in the organisation. Through an Enterprise Risk Management programme, each Business Unit addresses opportunities and the attendant risks through an institutionalized approach aligned to the Company's objectives. This is also facilitated by internal audit. The business risk is managed through cross functional involvement and communication across businesses. The results of the risk assessment and residual risks are presented to the

senior management. The Audit Committee reviews business risk areas covering operational and financial risks.

## HUMAN RESOURCES / INDUSTRIAL RELATIONS

Tata Motor's Group considers its human capital as a critical factor to its success. Under the aegis of Tata Sons and the Tata Sons promoted entities, the Company has drawn up a comprehensive human resource strategy (the "Human Resource" strategy) which addresses key aspects of human resource development such as:

- Code of conduct and fair business practices.
- A fair and objective performance management system linked to the performance of the businesses which identifies and differentiates high performers while offering separation avenues for non-performers.
- Creation of a common pool of talented managers across Tata Sons and the Tata Sons promoted entities with a view to increasing their mobility through inter-Company job rotation.
- Evolution of performance based compensation packages to attract and retain talent within Tata Sons and the Tata Sons promoted entities.
- Development of comprehensive training programs to impart and continuously upgrade the industry/function specific skills.

In line with the Human Resource strategy, the Company, in turn, has implemented various initiatives in order to build organizational capability that will enable the Company to sustain competitiveness in the global market place. The focus is to attract talent, retain the better and advance the best. Some of the initiatives to meet this objective include:

- Extensive process mapping exercise to benchmark and align the human resource processes with global best practices.
- Introduction of a globally benchmarked employee engagement programme.
- Succession planning through identification of second level of managers for all units, locations, functions.
- Implementation of a "Fast Track Selection Scheme", which is a system for identifying potential talent in the areas of general, commercial and operations management and offering them opportunities for growth within the organization.

The Company's human resources team has been invited to replicate this system in other Tata Companies.

- ▶ The Company "Talent Management Scheme" which includes the identification of high performers and high potentials through various routes such as our Performance Management System and Development Centers. Subsequent to the identification process, we provide them with challenging assignments for faster development.
- ▶ Introduction of performance rating based salary review and quality linked variable payment for supervisory category of employees.
- ▶ Restructuring the top level organization and creation of new verticals for greater functional focus and moving towards creating a matrix organization.
- ▶ Implementation of a powerful employer brand to attract talent - "Lead the Future" has become the Company's Employee Value Proposition statement.
- ▶ Driving cultural transformation - The Company has reframed the mission, vision, values and culture of the organization and introduced the concept of ACES - Accountability, Customer & Product focus, Excellence and Speed.
- ▶ Extensive brand building initiatives at university campuses to increase recruiting from premium universities.

To focus on skill and capability building of our blue collar workforce; common curriculum, infrastructure and training methods have been developed. Pilot infrastructure has been developed at Pune and Sanand and the same will be introduced at all other manufacturing plants

- ▶ JLR launched a new "Team Talk Online" portal to its production workers, which provides them with business updates alongside information on employee benefits, training and development.

We employed approximately 66,593 and 62,716 (includes Tata Motor Group) permanent employees as of March 31, 2014 and 2013 respectively. The average number of temporary employees for the FY 2013-14, was approximately 33,422.

The following table set forth a breakdown of persons employed by our business segments and by geographic location as of March 31, 2014.

Segment	No. of Employees
Automotive	59,535
Other	7,058
<b>Total</b>	<b>66,593</b>

Location	No. of Employees
India	41,376
Abroad	25,217
<b>Total</b>	<b>66,593</b>

(Late) Mr Karl Slym, Managing Director of the Company had an untimely and tragic demise in Bangkok in January 2014, which has created a void in the management. As an interim measure, oversight on Company's operations which was provided by the Executive Committee of the Company (ExCom), chaired by the Managing Director, is now undertaken by a Corporate Steering Committee (CSC) chaired by Mr Cyrus P Mistry, who devotes greater focus and attention to the management of operations of the Company.

#### Training and Development:

Tata Motors is committed to the training & development of its employees. There is a focused approach to address all capability gaps and prepare employees for changes in the external environment, such that it enables meeting the organization's strategic objectives.

The training & development system addresses development needs of various segments of workforce through the Tata Motors Academy (TMA). Well defined Centres of Excellence (CoE) like Manufacturing Excellence & Innovation, Commercial, Corporate, Management Development and Global Leadership are a part of TMA. These CoEs address the diverse needs of different categories of employees and functions through mediums like classroom interventions, external programs as well as an in-house learning management system (LMS) based online platform. TMA offers learning interventions at each level of an employee's transition in the organization beginning with his/her joining. High potential employees at senior levels are also selected for the Fulbright fellowships for leadership in management.

As a means of ensuring business relevance and value of learning offered, efforts are taken to closely align learning & development with business needs and priorities through a learning governance body called as Learning Advisory Council (LAC). The Company has a multi-tiered LAC structure which involves senior leaders in different parts of the organization as its members. LACs play a threefold role namely – designing, implementing and reviewing the learning agenda.

Within the Technical Training set up an innovative Fundamental Skills Training intervention has been launched across the organization. This aims at addressing through training of the front line team members on the correct skill required to perform the job. The Company is now migrating from a trade based training approach to a process based training approach wherein it's more important for the team member to know skills related to his actual work in addition to the general trade based skills which he learns at the Training institutes (ITI's). These skills are very specific and not currently taught at the ITI's.

**Union Wage Settlements:** All employees in India belonging to the operative grades are members of labour unions except at Sanand & Dharwad plants. The Company has generally enjoyed cordial relations with its employees at its factories and offices.

Employee wages are paid in accordance with wage agreements that have varying terms (typically three years) at different locations. The expiration dates of the wage agreements with respect to various locations/subsidiaries are as follows:

Location/subsidiaries	Wage Agreement valid until
Pune CVBU	August 31, 2015
Pune PCBU	March 31, 2016
Jamshedpur	March 31, 2016
Mumbai	December 31, 2015
Lucknow	March 31, 2014*
Pantnagar	March 31, 2015
Jaguar Land Rover	October 31, 2014

\*Under negotiation

A cordial industrial relations environment has been maintained in all the Company's manufacturing units.

The variability in wage settlements was built in by introducing

vehicles and profit linked payment scheme based on the index of various parameters such as quality, productivity, operating profit and individual's performance and attendance.

Operatives and Union support in implementation of programmes towards quality, cost and productivity improvements across all locations is commendable.

## RESEARCH AND DEVELOPMENT:

Over the years, the Company has devoted significant resources towards our research and development activities. The Company's research and development activities focus on product development, environmental technologies and vehicle safety. The Company's Engineering Research Centre, or ERC, established in 1966, is one of the few in-house automotive research and development centers in India recognized by the Government. ERC is integrated with all of the Tata Motors Global Automotive Product Design and Development Centers in South Korea, Italy and the United Kingdom. In addition to this, the Company leverages key competencies through various engineering service suppliers and design teams of its suppliers.

The Company has a state of the art crash test facility for passive safety development towards meeting regulatory and consumer group test requirements and evaluating occupant safety. The Company has a full vehicle level crash test facility, sled test facility for simulating the crash environment on subsystems, a pedestrian safety testing facility, a pendulum impact test facility for goods carrier vehicles and other equipment & facilities to develop products that comply with various safety norms. This facility is also supported with CAE Infrastructure to simulate tests in digital environment. The Company has Transient Dynamometer test beds, Mileage Accumulation chassis dynamometer and Emission labs are available for futuristic engine development, State of the art Engine Noise Test Cell facility & Transmission Control Units are being installed for better Powertrain deployment. The Company also has a hemi-anechoic chamber testing facility for developing vehicles with lower noise and vibration levels and an engine emission and performance development facilities, to develop products meeting international standards. The Company also has an eight poster road load simulator for vehicle structural durability validation of M&HCV. Other key facilities include a full vehicle environmental testing facility, heavy duty dynamometers and aggregate endurance test rigs.



The Company's product design and development centers are equipped with sophisticated hardware, software and other information technology infrastructure, designed to create a digital product development and virtual testing and validation environment, resulting in reduced of product development cycle-time, improved quality and provide ability to create multiple design options. These centers are growing with increased vehicle development programs in breadth and depth of technology. Rapid prototype development systems, testing cycle simulators, advanced emission test laboratories and styling studios are also a part of our product development infrastructure. The Company has aligned our end-to-end digital product development objectives and infrastructure, with its business goals and have made significant investments to enhance the capabilities especially in the areas of product development through Computer Aided Design / Computer Aided Manufacturing / Computer Aided Engineering / Knowledge Based Engineering / Product Lifecycle Management and specific engineering review processes like Digital Mockup (DMU). The Company's product lifecycle management system provides vital processes, including manufacturing feasibility studies, for product development. In order to track various issues arising in vehicle design and development processes, the Company has institutionalized 'issue tracking' work flow based systems in various domains to manage them effectively.

The Company's research and development activities also focus on developing vehicles running on alternative fuels, including CNG, liquefied petroleum gas, bio-diesel and compressed air and electric cars. The Company is continuing to develop green vehicles. The Company is pursuing alternative fuel options such as ethanol blending for development of vehicles fuelled by hydrogen.

The Company is also pursuing various initiatives, such as the introduction of Premium Lightweight Architecture (PLA), to enable its business to comply with the existing and evolving emissions legislations in the developed world, which it believes will be a key enabler of both reduction in CO<sub>2</sub> and further efficiencies in manufacturing and engineering.

Initiatives in the area of vehicle electronics for meeting ever increasing regulatory requirement in the area of engine management systems, in-vehicle network architecture and Multiplexed Wiring were

successfully deployed on the Company range of vehicle whereas certain technologies Electronic Stability programs, Automated and Automatic transmission systems, telematics for communication and tracking, anti-lock braking system intelligent transportation system are in the process of various phases of deployment on future range of vehicles. Likewise this could possibly be deployed on our future range of vehicles. Likewise, various new technologies and systems that would improve safety, performance and emissions of product range are being implemented in our passenger cars and commercial vehicles

The Company is developing an enterprise level vehicle diagnostics system for achieving faster diagnostics of complex electronics in vehicles in order to provide prompt service to customers. Furthermore the initiative in telematics has spanned into a fleet management, driver information and navigation systems, and vehicle tracking system using GNSS (Global Navigation Satellite Systems).

The Company established a wholly owned subsidiary, TMETC, in 2006, to augment the abilities of its Engineering Research Centre with an objective to obtain access to leading-edge technologies to support the product development activities. In October 2010, the Company also acquired a design house in Italy, Trilix Srl, that has been working with the Company on many of its projects and are now a part of Tata Motors Design organization.

The Company endeavors to absorb the best of technologies for its product range to meet the requirements of a globally competitive market. All of its vehicles and engines are compliant with the prevalent regulatory norms in the respective countries in which they are sold. The Company's strategy to invest and develop its development capabilities have helped the Company in attaining significant achievements such as the design and development of India's first indigenously developed compact car, the segment creating mini-truck – the 'Tata Ace' and the world's most affordable family car — the Tata Nano. In collaboration with its subsidiary TDCV, the Company developed the "World Truck", now referred to as 'Prima', a sophisticated and contemporary M&HCV range with performance standards similar to those in developed markets.

The Jaguar Land Rover research and development operations currently consist of a single engineering team, operating within

co-managed engineering facilities, sharing premium technologies, power train designs and vehicle architecture. The ERC in India and Jaguar Land Rover engineering and development operations in the United Kingdom, have identified areas to leverage the facilities and resources to enhance the product development process and achieve economies of scale.

JLR's vehicles are designed and developed by award-winning design teams, and it is committed to a programme of regular enhancements in product design. JLR's two design and development centres are equipped with computer-aided design, manufacturing and engineering tools, and are configured for competitive product development cycle time and efficient data management. In recent years, JLR has refreshed the entire Jaguar range under a unified concept and design language and continued to enhance the design of Land Rover's range of all-terrain vehicles. JLR's R&D operations look for synergies through sharing premium technologies, powertrain designs and vehicle architecture. All of JLR's products are designed and engineered primarily in the United Kingdom. JLR endeavours to implement the best technologies into its product range to meet the requirements of a globally competitive market. JLR is currently developing vehicles which will run on alternative fuels and hybrids and is also investing in other programmes for the development of technologies to improve the environmental performance of its vehicles including the reduction of CO<sub>2</sub> emissions.

## INTELLECTUAL PROPERTY

The Company creates, owns, and maintains a wide array of intellectual property assets that are among its most valuable assets throughout the world. The Company's intellectual property assets include patents, trademarks, copyrights designs, trade secrets and other intellectual property rights. Patents relate to innovations and products; trademarks secured relate to brands and products; copyrights are secured for creative content; and designs are secured for aesthetic features of products/components. The Company proactively and aggressively seeks to protect its intellectual property in India and other countries.

The Company owns a number of patents and has applied for new patents which are pending for grant in India as well as in other countries. It has also filed a number of patent applications

outside India under the Patent Cooperation Treaty, which will be effective in different countries going forward. The Company obtains new patents as part of its ongoing research and development activities.

The Company own registrations for number of trade-marks and have pending applications for registration of these in India as well as other countries. The registrations mainly include trademarks for its vehicle models and other promotional initiatives. The Company uses the "Tata" brand, which has been licensed to the Company by Tata Sons Limited. The Company's believes that establishment of the "Tata" word mark and logo mark in India and world over, is material to its operations. As part of acquisition of TDCV, the Company has the rights to the perpetual and exclusive use of the "Daewoo" brand and trademarks in Korea and overseas markets for the product range of TDCV.

As part of the acquisition of Jaguar Land Rover business, ownership (or co-ownership, as applicable) of core intellectual property associated with JLR were transferred to the Company. Additionally, perpetual royalty free licenses to use other essential intellectual properties have been granted to the Company for use in Jaguar and Land Rover vehicles. Jaguar and Land Rover own registered designs, to protect the design of their vehicles in several countries.

In varying degrees, all its intellectual property is important to the Company. In particular, the Tata brand is integral to the conduct of the Company's business, a loss of which could lead to dilution of our brand image and have a material adverse effect on the business.

## CAUTIONARY STATEMENT

*Statements in the Management Discussion and Analysis describing the Company's objective, projections, estimates, expectations may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the Company's operations include, among others, economic conditions affecting demand /supply and price conditions in the domestic and overseas markets in which the Company operates, changes in the Government regulations, tax laws and other statutes and incidental factors.*

# REPORT ON CORPORATE GOVERNANCE

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

As a Tata Company, the Company's philosophy on Corporate Governance is founded upon a rich legacy of fair, ethical and transparent governance practices, many of which were in place even before they were mandated under Clause 49 of the Listing Agreement, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. As a global organization, the Corporate Governance practices followed by the Company and its subsidiaries are compatible with international standards and best practices. Through the Governance mechanism in the Company, the Board alongwith its Committees undertakes its fiduciary responsibilities to all its stakeholders by ensuring transparency, fairplay and independence in its decision making.

The Corporate Governance philosophy is further strengthened with the adherence to the Tata Business Excellence Model as a means to drive excellence and the Balanced Scorecard methodology for tracking progress on long term strategic objectives. The Tata Code of Conduct, which articulates the values, ethics and business principles, serves as a guide to the Company, its directors and employees and is supplemented with an appropriate mechanism to report any concern pertaining to non-adherence to the said Code. The Company is in full compliance with the requirements of Corporate Governance under Clause 49 of the Listing Agreement with the Indian Stock Exchanges ("the Listing Agreement"). The Company's Depository Programme is listed on the New York Stock Exchange and the Company also complies with US regulations as applicable to Foreign Private Issuers (non-US based listed companies) which cast upon the Board of Directors and the Audit Committee, onerous responsibilities to improve the Company's operating efficiencies. Risk management and internal control processes focuses on areas that continue to meet the progressive governance standards.

As a good corporate governance practice, the Company has been voluntarily undertaking an Audit by M/s Parikh & Associates, Practicing Company Secretaries, of the secretarial records and documents since the last two years in respect of compliance with

the Companies Act, 1956, applicable provisions of the Companies Act, 2013 ("The Act"), Listing Agreement with the Indian Stock Exchanges and the applicable regulations and guidelines issued by Securities and Exchange Board of India. A copy of the Audit Report for the period under review is a part of the Annual Report.

## BOARD OF DIRECTORS

The Board of Directors alongwith its Committees provide leadership and guidance to the Company's management as also direct, supervise and control the performance of the Company. The Board currently comprises of eleven Directors out of which nine Directors (82%) are Non-Executive Directors. The Company has a Non-Executive Chairman and the six Independent Directors comprise more than one half of the total strength of the Board. All the Independent Directors have confirmed that they meet the 'independence' criteria as mentioned under the existing Clause 49 of the Listing Agreement and Section 149 of the Act.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholder Relationship Committee (Erstwhile Investors' Grievance Committee)] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. None of the Directors of the Company are related to each other. All Non Executive Directors, excluding the 'Steel' Director (Tata Steel representative) are liable to retire by rotation. The appointment of the Managing Director and Executive Directors including the tenure and terms of remuneration are also approved by the Members at the first meeting after the said appointment.

The required information as enumerated in Annexure IA to Clause 49 of the Listing Agreement is made available to the Board of Directors for discussions and consideration at Board Meetings. The Board reviews the declaration made by the Management regarding compliance with all applicable laws on a quarterly basis as also steps taken to remediate instances of non-compliance.

The Executive Director and the Chief Financial Officer (CFO) have certified to the Board in accordance with Clause 49 V of the Listing Agreement pertaining to CEO and CFO certification for the Financial Year ended March 31, 2014.

During the year under review, eight Board Meetings were held on May 9, 2013, July 8, 2013, August 7, 2013, September 20, 2013, November 8, 2013, December 12, 2013, February 10, 2014

and March 28, 2014. The maximum time-gap between any two consecutive meetings did not exceed four months. The composition of the Board, attendance at Board Meetings held during the Financial Year under review and at the last Annual General Meeting, number of directorships (including Tata Motors), memberships/chairmanships of the Board and Committees of public companies and their shareholding as on March 31, 2014 in the Company are as follows:.

Name of the Director	Director Identification Number	Category	No. of Board Meetings attended in the year	Attendance at the last AGM	Directorships <sup>(1)</sup>		Committee positions <sup>(2)</sup>		Shareholding	
					Chairman	Member	Chairman	Member	Ordinary Shares	'A' Ordinary Shares
Cyrus P Mistry <sup>(3)</sup>	00010178	Non-Executive, Chairman	8	Yes	10	-	-	1	14,500	-
Ravi Kant	00016184	Non-Executive, Vice Chairman	8	Yes	2	3	-	1	-	-
N N Wadia	00015731	Non-Executive, Independent	8	Absent	4	4	-	-	-	-
S M Palia <sup>(4)(7)</sup>	00031145	Non-Executive, Independent	0	NA	-	7	2	5	1,500	12,500
R A Mashelkar	00074119	Non-Executive, Independent	7	Absent	-	6	1	3	-	-
S Bhargava	00035672	Non-Executive, Independent	5	Yes	3	4	1	2	-	-
N Munjee	00010180	Non-Executive, Independent	8	Yes	2	10	5	3	-	-
V K Jairath	00391684	Non-Executive, Independent	8	Yes	-	1	1	1	250	-
Falguni Nayar <sup>(5)</sup>	00003633	Non-Executive, Independent	7	Yes	-	1	-	2	-	-
Ralf Speth	03318908	Non-Executive	7 <sup>(8)</sup>	Yes	-	1	-	-	-	-
Karl Slym <sup>(6)(7)</sup>	01875188	Managing Director	5	Yes	1	1	-	1	-	-
Ravindra Pisharody	01875848	Executive Director (Commercial Vehicles)	8	Yes	2	3	-	1	-	50
Satish B Borwankar	01793948	Executive Director (Quality)	8	Yes	1	6	-	2	-	-

(1) excludes Directorships in private companies, foreign companies and associations

(2) includes only Audit and Stakeholder Relationship Committees (previously Investor Grievance Committee)

(3) Is the 'Steel' Director

(4) stepped down as Director w.e.f. April 25, 2013, in accordance with the Company's retirement policy

(5) appointed as Non-Executive, Independent Director w.e.f. May 29, 2013

(6) ceased to be Managing Director w.e.f. January 26, 2014

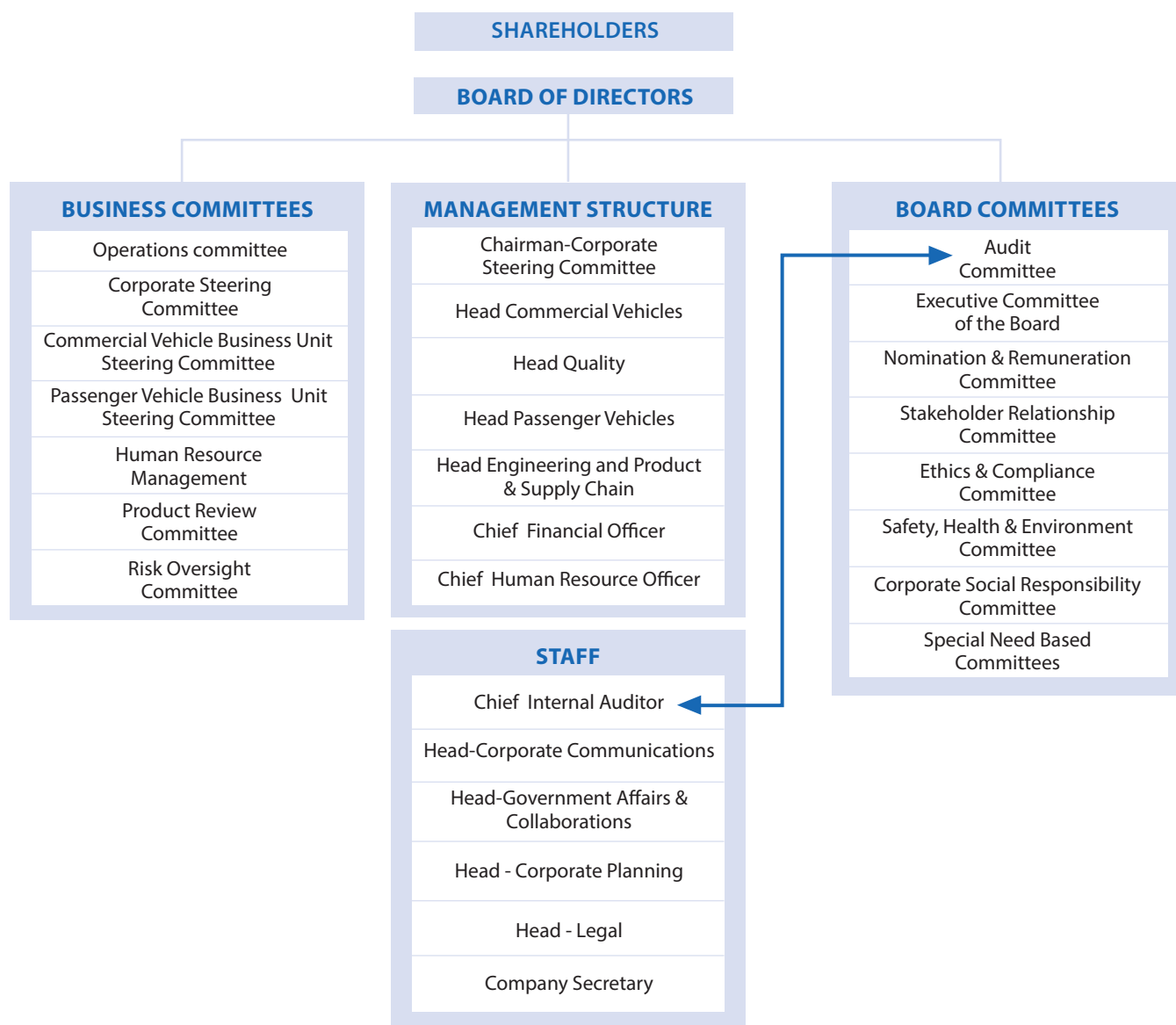
(7) the membership/chairmanship on the Board and Committees of public companies and shareholding is as on the date of cessation.

(8) Excludes 1 meeting attended via teleconferencing facility on September 20, 2013

## THE COMMITTEES OF THE BOARD

The Board has constituted a set of Committees with specific terms of reference/scope to focus effectively on the issues and ensure expedient resolution of diverse matters. The Committees operate as empowered agents of the Board as per their Charter/terms of reference. Targets set by them as agreed with the management are reviewed periodically and mid-course corrections are also carried out. The Board of Directors and the

Committees also take decisions by circular resolutions which are noted at the next meeting. The minutes of the meetings of all Committees of the Board are placed before the Board for discussions/noting. An Organisation Chart depicting the relationship between the Board of Directors, the Committees and the Senior Management functions as on March 31, 2014 is illustrated below:-



## Audit Committee

The Audit Committee functions according to its Charter that defines its composition, authority, responsibility and reporting functions in accordance with the Act, listing requirements and US regulations applicable to the Company and is reviewed from time to time. Whilst, the full Charter is available on the Company's website, given below is a gist of the responsibilities of the Audit Committee:

- a. Reviewing the quarterly /annual financial statements before submission to the Board, focusing primarily on:
  - ▶ Overseeing the Company's financial reporting process and the disclosure of its financial information, including earnings, press release, to ensure that the financial statements are correct, sufficient and credible;
  - ▶ Review Reports on the Management Discussion and Analysis of financial condition, results of Operations and the Directors' Responsibility Statement;
  - ▶ Compliance with accounting standards and changes in accounting policies and practices;
  - ▶ Major accounting entries involving estimates based on exercise of judgment by Management;
  - ▶ Draft Auditors' Report, qualifications, if any and significant adjustments arising out of audit;
  - ▶ Analysis of the effects of alternative GAAP requirements on the financial statements;
  - ▶ Compliance with listing and other legal requirements concerning financial statements;
  - ▶ Scrutinise inter corporate loans and investments; and
  - ▶ Disclosures made under the CEO and CFO certification and related party transactions to the Board and Shareholders.
- b. Reviewing with the management, external auditor and internal auditor, adequacy of internal control systems and recommending improvements to the management.
- c. Reviewing, with the management, the statement of uses/ application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/ prospectus/ notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter.
- d. Recommending the appointment/removal of the statutory auditor, cost auditor, fixing audit fees, name of Audit Firms and approving non-audit/consulting services provided by the statutory auditors' firms to the Company and its subsidiaries; evaluating auditors' performance, qualifications, experience, independence and pending proceeding relating to professional misconduct, if any. It shall also ensure that the cost auditors are independent, have arm's length relationship and are also not otherwise disqualified at the time of their appointment or during their tenure.
- e. Reviewing the adequacy of internal audit function, coverage and frequency of internal audit, appointment, removal, performance and terms of remuneration of the chief internal auditor.
- f. Discussing with the internal auditor and senior management significant internal audit findings and follow-up thereon.
- g. Reviewing the findings of any internal investigation by the internal auditor into matters involving suspected fraud or irregularity or a failure of internal control systems of a material nature and report the matter to the Board.
- h. Discussing with the external auditor before the audit commences, the nature and scope of audit, as well as conduct post-audit discussions to ascertain any area of concern.
- i. Reviewing the Company's financial and risk management policies.
- j. Establish and review the functioning of the Vigil Mechanism under the Whistle-Blower policy of the Company and review the functioning of the legal compliance mechanism.
- k. Reviewing the financial statements and investments made by subsidiary companies and subsidiary oversight relating to areas such as adequacy of the internal audit structure and function of the subsidiaries, their status of audit plan and its execution, key internal audit observations, risk management and the control environment.



- l. Look into the reasons for any substantial defaults in payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividend) and creditors, if any.
- m. Reviewing the effectiveness of the system for monitoring compliance with laws and regulations.
- n. Approving the appointment of CFO after assessing the qualification, experience and background etc. of the candidate.
- o. Engage a registered valuer in case valuations are required in respect of any property, stocks, shares, debentures, securities, goodwill, assets, liabilities or net worth of the Company.
- p. Review and suitably reply to the report(s) forwarded by the auditors on the matters where auditors have sufficient reason to believe that an offence involving fraud, is being or has been committed against the Company by officers or employees of the Company.
- q. Review the system of storage, retrieval, display or printout of books of accounts maintained in electronic mode during the required period under law.
- r. Approve all or any subsequent modification of transactions with related parties.

During the year, the Committee reviewed key audit findings covering operational, financial and compliance areas. Management personnel presented their risk mitigation plan to the Committee. It also reviewed the internal control system in subsidiary companies, status on compliance of its obligations under the Charter and confirmed that it fulfilled its duties and responsibilities. The Committee, through self-assessment, annually evaluates its performance. The Chairman of the Audit Committee briefs the Board members about the significant discussions at Audit Committee meetings.

During the year under review, the Committee comprised of four Independent Directors, all of whom are financially literate and have relevant finance and/or audit exposure. Mr S M Palia, who was the Financial Expert, stepped down as Director with effect from April 25, 2013. Mr Munjee has been appointed as the Financial Expert in his place. The quorum of the Committee is two members or one-third of its members, whichever is higher. The Chairman of the Audit

Committee also attended the last Annual General Meeting of the Company. During the period under review, ten Audit Committee meetings were held on April 3, 2013, May 27, 2013, July 9, 2013, August 6, 2013, September 16, 2013, October 8, 2013, November 7, 2013, January 16/17, 2014, February 8, 2014 and March 25, 2014. Each Audit Committee meeting which considers financial results is preceded by a meeting which is attended only by the Audit Committee members and the Auditors.

The composition of the Audit Committee and attendance at its meetings is as follows:

Composition	Meetings attended
N Munjee (Chairman)	10
S M Palia <sup>(1)</sup>	1
R A Mashelkar	8
V K Jairath	10
Falguni Nayar <sup>(2)</sup>	8

(1) Ceased to be member w.e.f. April 25, 2013

(2) Appointed as member w.e.f. May 29, 2013

The Committee meetings are held at the Company's Corporate Headquarters or at its plant locations and are attended by Managing Director, Executive Directors, Chief Financial Officer, Chief Internal Auditor, Statutory Auditors and Cost Auditors. The Business and Operation Heads are invited to the meetings, as and when required. The Company Secretary acts as the Secretary of the Audit Committee. The Chief Internal Auditor reports to the Audit Committee to ensure independence of the Internal Audit function.

The Committee relies on the expertise and knowledge of the management, the internal auditors and the independent Statutory Auditor in carrying out its oversight responsibilities. It also uses external expertise, if required. The management is responsible for the preparation, presentation and integrity of the Company's financial statements including consolidated statements, accounting and financial reporting principles. The management is also responsible for internal control over financial reporting and all procedures are designed to ensure compliance with accounting standards, applicable laws and regulations as well as for objectively reviewing and evaluating the adequacy, effectiveness and quality of the Company's system of internal control.

Deloitte Haskins & Sells LLP, Mumbai (ICAI Firm Registration No.117366W/W – 100018), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

## Nomination And Remuneration Committee

During the year under review, the Remuneration Committee of the Board held meetings on May 29, 2013 and November 8, 2013 wherein all members namely, M/s. N N Wadia, Chairman, Cyrus P Mistry, Ravi Kant and S Bhargava were present.

Further during the year under review the Nominations Committee of the Board held a meeting on May 29, 2013, attended by all members, namely M/s. N N Wadia, Chairman, Cyrus P Mistry and Ravi Kant.

Pursuant to Section 178(1) of the Act the Company merged its Nomination Committee and Remuneration Committee into the Nomination and Remuneration Committee on November 8, 2013, not less than one half of the Committee, including the Chairman are Independent Directors. Further, based on the requirements of the Act and the current applicable Clause 49 of the Listing Agreement, the constituted Committee has the following terms of reference:

- Formulate the criteria for determining qualifications, positive attributes and independence of a director.
- Recommend to the Board a policy relating to the remuneration for the directors (including specific remuneration packages for Executive Directors including pension rights and any compensation payment), key managerial personnel and other employees. While formulating the policy, it shall ensure that –
  - The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the Company successfully;
  - Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

iii. Identify persons who are qualified to become directors (including independent directors) and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal. Whilst recommending appointment of Executive Directors, a balance between functional and business unit representatives may be considered.

iv. Carry out evaluation of every director's performance including review of remuneration of CEOs of certain significant subsidiaries.

v. Take steps to refresh the composition of the Board from time to time.

During the year under review, a meeting of the Committee was held on March 10, 2014. The decisions are taken by the Committee, at meetings or by passing circular resolutions. The composition of the Nomination and Remuneration Committee and attendance at its meeting is as follows:

Composition	Meetings attended*
N N Wadia (Chairman)	4
Cyrus P Mistry	4
S Bhargava	2
Ravi Kant	4

\*Includes meetings of Nomination Committee and Remuneration Committee conducted during the year as mentioned above.

## Remuneration Policy

- The remuneration of the Managing Director, Executive Directors, Key Managerial Personnel of the Company and CEOs of certain significant subsidiaries is reviewed and recommended by the Nomination and Remuneration Committee, based on criterias such as industry benchmarks, the Company's performance vis-à-vis the industry, responsibilities shouldered, performance/track record, macro-economic review on remuneration packages of heads of other organisations and is decided by the Board of Directors. The Company pays remuneration by way of salary, perquisites and allowances (fixed component), incentive remuneration and/or commission (variable components) to its Managing Director and Executive Directors. Annual increments are decided by the Nomination and Remuneration Committee within the salary scale approved by the Members and are effective from April 1, every year.

b. A sitting fee of ₹20,000/- for attendance at each meeting of the Board, Audit Committee, Executive Committee, Nomination and Remuneration Committee; ₹5,000/- for attendance at each meeting of Stakeholder Relationship Committee, Ethics and Compliance Committee and ₹10,000/- for attendance at each meeting of Safety, Health and Environment Committee, the Sub-Committee of the Audit Committee and Special need based committees, is paid to its Members (excluding Managing Director and Executive Directors) and also to Directors attending as Special Invitees. The sitting fees paid/payable to the non Whole-time directors is excluded whilst calculating the limits of remuneration in accordance with Section 197 of the Act, corresponding to Section 198 of the Companies Act, 1956. The Company also reimburses out-of-pocket expenses to Directors attending meetings held at a city other than the one in which the Directors reside.

c. The remuneration by way of Commission to the non-executive directors is decided by the Board of Directors and distributed to them based on their participation and contribution at the Board and certain Committee meetings as well as time spent on matters other than at meetings. The Members had, at the Annual General Meeting held on August 21, 2013, approved the payment of remuneration by way of commission to the Non whole-time directors of the Company, of a sum not exceeding 1% per annum of the net profits of the Company, calculated in accordance with the provisions of the Companies Act, 1956, for a period of 5 years commencing from April 1, 2013.

d. Remuneration of employees largely consists of basic remuneration, perquisites, allowances and performance incentives. The components of the total remuneration vary for different employee grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by them, their individual performances, etc. The annual variable pay of senior managers is linked to the Company's performance in general and their individual performance for the relevant year is measured against specific major performance areas which are closely aligned to the Company's objectives.

The Company does not have any Employee Stock Option Scheme.

The Directors' remuneration and sitting fees paid/payable by the

Company in respect of the Financial Year 2013-14, are given below:

### Non-Executive Directors

No Commission was paid to any Non-Executive Director for FY 2013-14 in the view of inadequacy of profits.

(₹ in Lakhs)

Name	Sitting Fees
Cyrus P Mistry <sup>(1)</sup>	3.10
Ravi Kant	3.20
N N Wadia	3.00
S M Palia <sup>(2)</sup>	0.20
R A Mashelkar	3.30
N Munjee	4.00
S Bhargava	1.80
V K Jairath	4.00
Falguni Nayar <sup>(3)</sup>	3.40
R Speth <sup>(4)</sup>	-
<b>Total</b>	<b>26.00</b>

1) Mr Cyrus Mistry, Chairman of the Company is not paid any commission by the Company.

2) Ceased to be a Director w.e.f. April 25, 2013.

3) Appointed as an Additional Director w.e.f. May 29, 2013 and as Director with w.e.f. August 21, 2013.

4) Dr Ralf Speth is a Non-Executive Director and is not paid any commission or sitting fees for attending Board meetings of the Company in view of his appointment as Chief Executive Officer and Director of Jaguar Land Rover Automotive PLC.

### Managing and Executive Directors

#### Terms of appointment and remuneration

Terms of Agreement	(Late) Mr Karl Slym, Managing Director	Mr Ravindra Pisharody, Executive Director (Commercial Vehicles) Mr Satish B Borwankar, Executive Director (Quality)
Period of Contract	Sept 13, 2012 – Sept 12, 2017*	June 21, 2012 – June 20, 2017
Severance Fees	The Contracts with the Managing Director, Executive Directors may be terminated by either party giving the other party six months' notice or the Company paying six months' salary in lieu thereof. There is no separate provision for payment of Severance fees.	

\*Ceased to be Managing Director w.e.f. January 26, 2014

The Remuneration paid/payable to the Managing Directors and Executive Directors in FY 2013-14 is as under:

(₹ in Lakhs)

Name	Karl Slym <sup>(3)</sup>	Ravindra Pisharody	S B Borwankar
Salary	110.80	57.24	45.12
Perquisites & Allowances <sup>(1)</sup>	1,159.97	249.87	198.69
Retirement Benefits <sup>(2)</sup>	13.30	68.26	38.97

*Note: Approval of the Shareholders has been sought vide Postal Ballot Notice dated May 22, 2014 for payment of minimum remuneration to Managing Director and Executive Directors in view of inadequacy of profits/losses and ratification of payment of excess remuneration paid/payable during the financial year ended March 31, 2014. An application to the Central Government is also being made for the same. No Commission was paid/payable to the Managing Director and Executive Directors for FY 2013-14 in view of inadequacy of profits.*

- (1) Includes leave encashment, bonus and incentive
- (2) Includes provisions for special retirement benefits but excludes provision for encashable leave and gratuity, as separate actuarial valuation for Executive Directors is not available.
- (3) Apart from the above, statutory dues paid on the demise of Mr. Slym to his legal heir namely social security benefits and gratuity, both, aggregated to ₹241.03 Lakhs.

### Retirement Policy for Directors

The Company has adopted the Guidelines for retirement age wherein Managing and Executive Directors retire at the age of 65 years. The Executive Directors, who have been retained on the Company's Board beyond the age of 65 years as Non-Executive Directors for special reasons may continue as Directors at the discretion of the Board but in no case beyond the age of 70 years. The retirement age for Independent Directors is 75 years. The Company has adopted a Policy for Managing and Executive Directors which has been approved by the Members of the Company, offering special retirement benefits including pension, ex-gratia and medical. In addition to the above, the retiring Managing Director is entitled to residential accommodation or compensation in lieu of accommodation on retirement. The quantum and payment of the said benefits are subject to an eligibility criteria of the retiring director and is payable at the discretion of the Board in each individual case on the recommendation of the Nomination and

Remuneration Committee.

Based on the requirements of the Act, an Independent Director shall hold office for a term of upto five consecutive years on the Board of a Company and would not be liable to retire by rotation. An Independent Director would be eligible to be re-appointed for another five years on passing of a Special Resolution by the Company. However no Independent Director shall hold office for more than two consecutive terms but would be eligible for appointment after the expiration of three years of ceasing to become an Independent Director. Provided that during the said period of three years, he/she is not appointed in or be associated with the Company in any other capacity, either directly or indirectly.

### Stakeholder Relationship Committee

Pursuant to Section 178(5) of the Act the Company renamed the erstwhile Investors' Grievance Committee as the Stakeholder Relationship Committee with effect from November 8, 2013. The Committee comprises of two Independent Directors and one Non-Executive Director. The Stakeholder Relationship Committee of the Board is empowered to oversee the redressal of investors' complaints pertaining to share/debenture transfers, non-receipt of annual reports, interest/dividend payments, issue of duplicate certificates, transmission (with and without legal representation) of shares and debentures, matters pertaining to Company's fixed deposit programme and other miscellaneous complaints. During the year under review, two Committee meetings were held on August 21, 2013 and March 28, 2014. The composition of the Stakeholder Relationship Committee and attendance at its meeting is as follows:

Composition	Meetings attended
V K Jairath	2
Ravi Kant	2
Falguni Nayar	1
(Late) Karl Slym <sup>(1)</sup>	1

<sup>(1)</sup> Ceased to be member w.e.f. January 26, 2014

### Compliance Officer

Mr H K Sethna, Company Secretary, who is the Compliance Officer, can be contacted at: Tata Motors Limited, Bombay House, 24, Homi Mody Street, Mumbai - 400 001, India.

Tel: 91 22 6665 8282, 91 22 6665 7824 / Fax: 91 22 6665 7260  
Email: inv\_rel@tatamotors.com.

Complaints or queries relating to the shares and/or debentures can be forwarded to the Company's Registrar and Transfer Agents – M/s TSR Darashaw Pvt. Ltd. at [csd-unit@tsrdarashaw.com](mailto:csd-unit@tsrdarashaw.com), whereas complaints or queries relating to the public fixed deposits can be forwarded to the Registrars to the Fixed Deposits Scheme – M/s TSR Darashaw Pvt. Ltd. at [tmfcd@tsrdarashaw.com](mailto:tmfcd@tsrdarashaw.com).

The status on the total number of investors' complaints during FY 2013-14 is as follows:

Type	Nos.
Complaints regarding non-receipt of dividend, shares lodged for transfer	76
Complaints received from the shareholders through SEBI and other statutory bodies and resolved	45
Complaints redressed out of the above	119
Pending complaints as on 31.03.2014	2*
Other queries received from shareholders and replied	9,795

\* The SEBI complaint has been replied within 4 days but the same has been reflected as unresolved as on 31.03.2014, as per the condition for complete resolution defined by SEBI.

All letters received from the investors are replied to and the response time for attending to investors' correspondence during FY2013-14 is shown in the following table:

	Number	%
Total number of correspondence received during 2013-2014	9,916	100.00
Replied within 1 to 4 days of receipt	6,573	66.28
Replied within 5 to 7 days of receipt	1,891	19.07
Replied within 8 to 15 days of receipt	1,408	14.19
Replied after 15 days of receipt <sup>(1)</sup>	38	0.38
Received in last week of March 2014 have been replied in April 2014	4	0.04

<sup>(1)</sup> These correspondence pertained to court cases which involved retrieval of case files, cases involving retrieval of very old records, co-ordination with the Company/ Advocates etc, partial documents awaited from the Investors, cases involving registration of legal documents, executed documents received for issue of duplicate certificates and transmission of shares without legal representation which involved checking of the documents, sending notices to Stock Exchange and issue of duplicate certificates/transmission of shares after approval from the Company. However, all these cases have been attended to within the statutory limit of 30 days.

There were no pending share transfers pertaining to the Financial Year ended March 31, 2014. Out of the total number of complaints mentioned above, 53 complaints pertained to letters received through Statutory/Regulatory bodies and those related to Court/ Consumer forum matters, fraudulent encashment and non-receipt of dividend amounts.

TSR Darashaw Private Limited (TSRDPL), the Company's Registrar and Transfer Agents, are also the Registrar for the Company's Fixed Deposits Scheme (FD). TSRDPL is the focal point of contact for investor services in order to address various FD related matters mainly including repayment / revalidation, issue of duplicate FD receipts / warrants, TDS certificates, change in bank details/ address and PAN corrections. In view of increase in the correspondence, TSRDPL have increased their investor interface strength (telephone and counter departments) and have taken other steps for rendering speedy and satisfactory services to the FD holders.

On recommendations of the Stakeholder Relationship Committee (erstwhile Investors' Grievance Committee), the Company has taken various investor friendly initiatives like organising Shareholders' visit to Company Works at Pune, sending reminders to investors who have not claimed their dues, sending nominations forms etc.

## OTHER COMMITTEES

**The Executive Committee of the Board** reviews capital and revenue budgets, long-term business strategies and plans, the organizational structure of the Company, real estate and investment transactions, allotment of shares and/or debentures, borrowing and other routine matters. The Committee also discusses the matters pertaining to legal cases, acquisitions and divestment, new business forays and donations. During the year under review, three Committee meetings were held on July 4, 2013, January 9, 2014 and March 10, 2014. The Executive Committee of Board comprises three Independent Directors, two Non-Executive Directors and two Executive Directors. The composition of the Executive Committee of Board and attendance at meetings is given hereunder:

Composition	Meetings attended
Cyrus P Mistry (Chairman)	3
Ravi Kant	3
N N Wadia	3
N Munjee <sup>(1)</sup>	1
S Bhargava	2
(Late) Karl Slym <sup>(2)</sup>	2
R Pisharody	3
S B Borwankar	3

<sup>(1)</sup> Excluding 1 meeting attended on March 10, 2014 via teleconference facility

<sup>(2)</sup> Ceased to be a member w.e.f. January 26, 2014

The Executive Committee of the Board had constituted a Donations Committee in 2003, however no meetings of the Donations Committee were held during the year under review.

**The Ethics and Compliance Committee** was constituted to formulate policies relating to the implementation of the Tata Code of Conduct for Prevention of Insider Trading (the Code), take on record the monthly reports on dealings in securities by the "Specified Persons" and decide penal action in respect of violations of the applicable regulations/the Code. During the year under review, two meetings of the Committee were held on August 21, 2013 and March 28, 2014. The composition of the Ethics and Compliance Committee and attendance at meetings, is given hereunder:

Composition	Meetings attended
V K Jairath (Chairman)	2
Ravi Kant	2
Falguni Nayar	1
(Late) Karl Slym <sup>(1)</sup>	1

<sup>(1)</sup> Ceased as member w.e.f. January 26, 2014

Mr C Ramakrishnan, Chief Financial Officer, acts as the Compliance Officer under the said Code.

**The Safety, Health and Environment (SHE) Committee** was constituted by the Board of Directors on February 14, 2013, with the objective of reviewing Safety, Health and Environment practices. During the year under review, three meetings of the Committee were held on June 5, 2013, November 7, 2013 and January 16, 2014. The composition of the SHE Committee and attendance at the meetings is given hereunder:

Composition	Meetings attended
R A Mashelkar (Chairman)	3
V K Jairath	3
R Pisharody	3
S B Borwankar	3
(Late) Karl Slym <sup>(1)</sup>	3

<sup>(1)</sup> Ceased to be member w.e.f. January 26, 2014

**Corporate Social Responsibility (CSR) Committee:** The Executive Committee of the Board had earlier constituted a CSR Committee in 2003. The Board of Directors had at its meeting held on November 8, 2013 reconstituted the CSR Committee in accordance with the provisions of Section 135 of the Act. The terms of reference of the Committee are to:

- Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be

undertaken by the Company as specified in Schedule VII;

- Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- Monitor the Corporate Social Responsibility Policy of the Company from time to time.

During the year under review, one meeting of the Committee was held on March 14, 2014. The composition of the CSR Committee and attendance at its meeting is given hereunder:

Composition	Meetings attended
R A Mashelkar (Chairman)	1
Falguni Nayar	1
(Late) Karl Slym <sup>(1)</sup>	-

<sup>(1)</sup> Ceased to be member w.e.f. January 26, 2014

**Need Based Committees:** Apart from the above, the Board of Directors also constitutes Committee(s) of Directors and/or Executives with specific terms of reference, as it deems fit. In this regard the following two Committee were constituted:

- Sub Committee of the Audit Committee was constituted, comprising of two members Mr N Munjee, Chairman and Ms Falguni Nayar. During the year under review a meeting of the Committee was held on December 10, 2013, attended by both its members.
- Fund Raising Committee of the Board was constituted, comprising of three members Mr Cyrus Mistry, Chairman, Mr N Munjee and Ms. Falguni Nayar. During the year under review a meeting of the Committee was held on March 25, 2014, attended by all its members.

**Code of Conduct:** Whilst the Tata Code of Conduct is applicable to all Whole-time Directors and employees of the Company, the Board has also adopted a Code of Conduct for Non-Executive Directors, both of which are available on the Company's website. All the Board members and Senior Management of the Company as on March 31, 2014 have affirmed compliance with their respective Codes of Conduct. A Declaration to this effect, duly signed by the Executive Director is annexed hereto.

## SUBSIDIARY COMPANIES

The Company does not have any material non-listed Indian subsidiary company and hence, it is not required to have an Independent Director of the Company on the Board of such subsidiary company, in terms of Clause 49 (III) of the Listing Agreement. Mr Munjee, an



Independent Director of the Company is also on the Board of Jaguar Land Rover Automotive Plc and Tata Motors Finance Limited. The Audit Committee also has a meeting wherein the CEO and CFO of the subsidiary companies make a presentation on significant issues in audit, internal control, risk management, etc. Significant issues pertaining to subsidiary companies are also discussed at Audit Committee meetings of the Company. Apart from disclosures made in the Directors' Report, there were no strategic investments made by the Company's non-listed subsidiaries during the year under review.

The minutes of the subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance of its subsidiaries is also reviewed by the Board periodically.

## GENERAL BODY MEETINGS

Date	Year	Special Resolutions passed	Venue and Time
August 21, 2013	2012-2013	<ul style="list-style-type: none"> <li>Commission to non Whole-time Directors</li> <li>Increase in the limit for holding by registered Foreign Institutional Investors (FIIs) for 'A' Ordinary Shares</li> </ul>	Birla Matushri Sabhagar, 19, Sir Vithaldas Thackersey Marg, Mumbai - 400 020 3:00 p.m.
August 10, 2012	2011-2012	NIL	
August 12, 2011	2010-2011	NIL*	

\*In August, 2010, Company has obtained the approval of its Members under Section 192A of the Companies Act, 1956 pertaining to following Special Resolutions:

- Raising of Additional long term resources upto a limit of ₹4,700 crores
  - Issuance of 'A' Ordinary Shares on exercise of conversion option by holders of Zero Coupon Convertible Alternative Reference Securities (CARS).
  - Payment of Advisory Fees to Mr Ravi Kant.
- All the above Special Resolutions were approved with requisite majority.

All resolutions moved at the last Annual General Meeting were passed by a show of hands by the requisite majority of Members attending the meeting. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

## Postal Ballot

Approval of the Members has been sought vide Postal Ballot Notice dated May 22, 2014, under Section 110 of the Act, pertaining to:-

- Resolution No. 1: Approval for payment of minimum remuneration to Mr Ravindra Pisharody, Executive Director (Commercial Vehicles)

incase of inadequacy of profits and ratification of the excess remuneration paid for the financial year ended March 31, 2014

- Resolution No. 2: Approval for payment of minimum remuneration to Mr Satish Borwankar, Executive Director (Quality) in case of inadequacy of profits and ratification of the excess remuneration paid for the financial year ended March 31, 2014
- Resolution No. 3: Approval and ratification of the excess remuneration paid to (late) Mr Karl Slym, Managing Director/his legal heir in view of inadequacy of profits for the financial year ended March 31, 2014
- Resolution No. 4: Borrowing powers of the Board
- Resolution No. 5: Creation of charge on Company's properties
- Resolution No. 6: To offer or invite for subscription of Non-Convertible Debentures on private placement basis

An E-voting facility was also made available to the Members. The Board of Directors of the Company, appointed Ms Shirin Bharucha, Advocate, as the Scrutinizer for conducting the postal ballot voting process. The results of the Postal Ballot via postal ballot forms and e-voting facility will be announced on June 30, 2014 at the Registered Office of the Company as per the Scrutinizer's Report.

## DISCLOSURES

- Details of related party transactions entered into by the Company are included in the Notes to Accounts. Material individual transactions with related parties are in the normal course of business on an arm's length basis and do not have potential conflict with the interests of the Company at large. Transactions with related parties entered into by the Company in the normal course of business are placed before the Audit Committee.
- The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last 3 years. No penalties or strictures have been imposed by them on the Company.
- The Audit Committee has established a Vigil Mechanism and adopted a Revised Whistle-Blower Policy at its meeting held on May 29, 2014, which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company (Audit Committee in case where the concern involves the Senior Management) and make protective disclosures to the Management about unethical behaviour, actual or suspected fraud or violation of the Company's Code of

Conduct or ethics policy. The disclosures reported are addressed in the manner and within the time frames prescribed in the Policy. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

**The status of compliance in respect of each of the non-mandatory requirements under Clause 49 of Listing Agreement is as follows:**

**The Board:** The Non-Executive Chairman maintains a separate office, for which the Company does not reimburse expenses.

As per the Guidelines regarding retirement age of Directors as adopted by the Board of Directors at its meeting held on July 13, 2012, tenure of 9 years may be considered a threshold for granting further tenure for independent directors based, *inter alia*, on the merit and contribution of each Director. In line with best practice to continuously refresh the Board's membership, the Board is encouraged to seek a balance between change and continuity. Ex-Managing Directors/Executive Directors may be invited to rejoin the Board as Non-Executive Directors, but preferably after an interval of 3 years. The Nomination and Remuneration Committee takes into consideration criteria such as qualifications and expertise whilst recommending induction of Non-Executive Directors on the Board as also recommending to the shareholders re-appointment of eligible directors retiring by rotation.

**Remuneration Committee:** Details are given under the heading "Nomination and Remuneration Committee".

**Shareholder Rights:** Details are given under the heading "Means of Communications".

**Audit Qualifications:** During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

**Training of Board Members:** The Directors interact with the management in a very free and open manner on information that may be required by them. Orientation and factory visits are arranged for new Non- Executive Directors. The Independent Directors are encouraged to attend training programmes that may be of relevance and interest to the Directors in discharging their responsibilities to the Company's stakeholders.

**Mechanism for evaluating non-executive Board members:** The performance evaluation of non-executive members is done by the Board annually based on the criteria of attendance and contributions at Board/Committee Meetings as also for the role played other than at Meetings.

**Whistle Blower Mechanism:** The Company has adopted a Whistle-Blower Policy. Please refer to 'DISCLOSURES' given above.

## MEANS OF COMMUNICATION

The Quarterly, Half Yearly and Annual Results are regularly submitted to the Stock Exchanges in accordance with the Listing Agreement and are generally published in the Indian Express, Financial Express and the Loksatta (Marathi). The information regarding the performance of the Company is shared with the shareholders every six months through a half yearly communiqué and the Annual Report. The official news releases, including on the quarterly and annual results and presentations made to institutional investors and analysts are also posted on the Company's website ([www.tatamotors.com](http://www.tatamotors.com)) in the 'Investors' sections. A brief profile of Directors is also on the Company's website and on the website of Indian Boards. Members also have the facility of raising their queries/complaints on share related matters through a facility provided on the Company's website.

The Annual Report, Quarterly Results, Shareholding Pattern, Press Releases, Intimation of the Board Meeting and Issuance of shares and other required details of the Company are posted through Corporate Filing and Dissemination System (CFDS) and NSE Electronic Application Processing System (NEAPS), portals to view information filed by listed companies.

## Green Initiative:

In support of the "Green Initiative" undertaken by Ministry of Corporate Affairs, the Company had during the year 2013-14 sent various communications including intimation of dividend and Half Yearly Communiqué by email to those shareholders whose email addresses were made available to the depositories or the Registrar and Transfer Agents. Physical copies were sent to only those shareholders whose email addresses were not available.

The Company has dispatched Abridged Annual Reports to its Members. The Unabridged Annual Report is available on the Company's website and a copy would be furnished to the Members on request.

## General Information For Members

The Company is registered with the Registrar of Companies, Mumbai, Maharashtra. The Corporate Identity Number (CIN) allotted to the Company by the Ministry of Corporate Affairs (MCA) is L28920MH1945PLC004520.

### Annual General Meeting

Date and Time	Thursday, July 31, 2014 at 3:00 p.m.
Venue	Birla Matushri Sabhagar, 19, Sir Vithal-das Thackersey Marg, Mumbai 400 020
Date of Book Closure	Friday, July 11 to Thursday, July 31, 2014 (both days inclusive)
Dividend Payment Date	August 1, 2014. The Dividend warrants will be posted/dividend amount will be remitted into the shareholders account on or after August 1, 2014

### Financial Calendar (Tentative)

Financial Year	ending March 31
Results for the Quarter ending	
June 30, 2014	On or before August 14, 2014
September 30, 2014	On or before November 14, 2014
December 31, 2014	On or before February 14, 2015
March 31, 2015	On or before May 30, 2015

### Listing

The Company's securities are listed on the BSE Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The following are the details of the Company's shares:

Type	Ordinary Shares	'A' Ordinary Shares
ISIN	INE155A01022	IN9155A01020
BSE – Stock Code	500570	570001
NSE – Stock Code	TATAMOTORS	TATAMTRDVR
BSE - Address	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 www.bseindia.com	
NSE - Address	"Exchange Plaza", Bandra Kurla Complex, Bandra (E), Mumbai 400 051 www.nseindia.com	

Attention is also drawn to the Section "Outstanding Securities" below for foreign listing and listing of debt securities of the Company.

### Two-way Fungibility of Depositary Receipts

The Company offers foreign investors a limited facility for conversion of Ordinary Shares into American Depositary Receipts/Global Depositary Receipts within the limits permissible for two-way Fungibility, as announced by the Reserve Bank of India vide its operative guidelines for the limited two way fungibility under the "Issue of Foreign Currency Convertible Bond and Ordinary Shares (through Depositary Receipt Mechanism) Scheme, 1993", circular dated February 13, 2002.

### Payment of Listing Fees

The Company has paid Annual Listing fees for FY 2014-15 to all the Stock Exchanges (both domestic and international) where the Company's securities are listed.

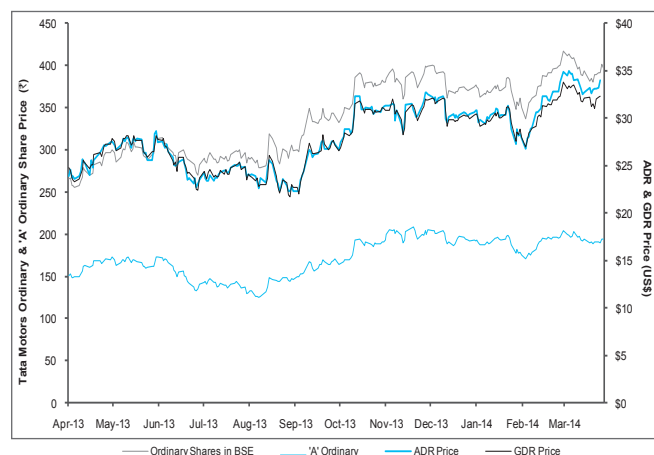
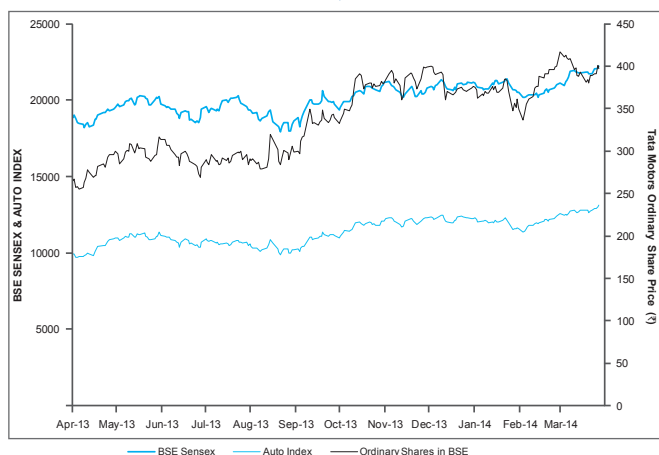
### Market Information

Market price data - monthly high/low of the closing price and trading volumes on BSE/NSE depicting liquidity of the Company's Ordinary Shares and 'A' Ordinary Shares on the said exchanges is given hereunder:-

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded
Apr-13	299.45	255.30	16350279	300.00	255.20	169469733	173.05	148.65	8258355	172.85	148.50	35579638
May-13	316.90	285.30	18131942	317.05	285.60	166420840	172.80	159.80	3089844	172.90	159.70	35336461
Jun-13	313.80	269.50	20299421	314.05	270.30	174980146	171.85	132.35	4807265	172.00	132.35	57970213
Jul-13	299.85	284.15	19565956	299.90	284.05	152723955	146.80	129.50	2221070	147.00	129.15	50398646
Aug-13	319.30	278.70	20077721	319.10	278.80	203924052	148.85	124.55	3340698	148.90	124.50	73750064

Month	Ordinary Shares						'A' Ordinary Shares					
	BSE			NSE			BSE			NSE		
	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded	High (₹)	Low (₹)	Volume Traded
Sep-13	349.20	297.25	20223867	349.60	297.35	149199503	170.40	149.45	3231770	170.40	149.00	38887109
Oct-13	390.85	335.50	21660691	390.45	335.65	162140897	194.35	165.55	2371133	194.35	165.25	40711455
Nov-13	399.25	360.05	19091152	399.20	360.00	139562782	207.95	190.10	2883826	208.10	190.45	42761461
Dec-13	399.85	360.60	15382269	399.90	360.45	133146946	204.20	185.75	1145259	204.10	185.90	30678050
Jan-14	385.30	347.80	11678580	386.10	348.25	114721250	198.35	174.70	1695344	198.20	174.90	24014980
Feb-14	417.05	336.60	14744041	416.95	336.40	142492913	203.90	170.20	1605036	204.15	170.05	26866897
Mar-14	412.90	380.10	8716294	412.90	379.70	105401925	202.55	188.20	1775223	202.40	188.20	30758276

#### The Performance of the Company's Stock Price vis-à-vis Sensex, Auto Index, ADR and GDR:



#### The Monthly High and Low Price of the Company's ADRs and GDRs:

(in US\$)

Month	ADRs		GDRs	
	High	Low	High	Low
April 2013	27.54	23.62	27.88	23.28
May 2013	28.67	25.6	28.2	25.89
June 2013	27.53	22.71	27.66	22.45
July 2013	25.25	23.41	25.37	23.55
August 2013	25.58	22.25	26.05	21.65
September 2013	27.67	22.31	28.26	21.95

(in US\$)

Month	ADRs		GDRs	
	High	Low	High	Low
October 2013	32.32	27.3	31.54	26.84
November 2013	32.72	28.46	32.11	28.26
December 2013	32.28	29.5	32.18	29.15
January 2014	31.33	27.25	31.23	27.59
February 2014	35.05	26.74	33.76	26.88
March 2014	34.98	32.48	33.48	30.95

Each Depositary Receipt represents 5 underlying Ordinary Shares of face value of ₹2/- each w.e.f. September 14, 2012.

## Registrar and Transfer Agents

For share related matters, Members are requested to correspond with the Company's Registrar and Transfer Agents – M/s TSR Darashaw Private Limited quoting their folio no./DP ID & Client ID at the following addresses:

- For transfer lodgement, delivery and correspondence :  
TSR Darashaw Private Limited, Unit: Tata Motors Limited,  
6-10, Haji Moosa Patrawala Industrial Estate, 20, Dr. E Moses Road,  
(Nr. Famous Studios) Mahalaxmi, Mumbai – 400 011.  
Tel: 022-6656 8484; Fax: 022- 6656 8494;  
e-mail : csg-unit@tsrdarashaw.com;  
website:www.tsrdarashaw.com
- For the convenience of investors based in the following cities, transfer documents and letters will also be accepted at the following branches/agencies of TSR Darashaw Private Limited:
  - Bangalore: 503, Barton Centre, 5th Floor, 84, Mahatma Gandhi Road, Bangalore – 560 001.  
Tel: 080 – 25320321, Fax: 080 – 25580019,  
e-mail: tsrdlbang@tsrdarashaw.com
  - Jamshedpur: Bungalow No.1, "E" Road, Northern Town, Bistupur, Jamshedpur – 831 001.  
Tel: 0657 – 2426616, Fax: 0657 – 2426937,  
email : tsrdljsr@tsrdarashaw.com
  - Kolkata: Tata Centre, 1st Floor, 43, Jawaharlal Nehru Road, Kolkata – 700 071.  
Tel: 033 – 22883087, Fax: 033 – 22883062,  
e-mail: tsrdlcal@tsrdarashaw.com
  - New Delhi: Plot No.2/42, Sant Vihar, Ansari Road, Daryaganj, New Delhi – 110 002.  
Tel : 011 – 23271805, Fax : 011 – 23271802,  
e-mail : tsrdldel@tsrdarashaw.com
  - Ahmedabad: Agent of TSRDPL – Shah Consultancy Services Pvt. Limited: 3-Sumathinath Complex, Pritam Nagar Akhada Road, Ellisbridge, Ahmedabad -380 006.  
Tel: 079-2657 6038,  
e-mail: shahconsultancy8154@gmail.com

For Fixed Deposits, the investors are requested to correspond with the Registrars to the Fixed Deposits Scheme – TSR Darashaw Private Limited at the same addresses as mentioned above or send an e-mail at [tmlfd@tsrdarashaw.com](mailto:tmlfd@tsrdarashaw.com). Tel : 022-66568484

## Share Transfer System

Securities lodged for transfer at the Registrar's address are normally processed within 15 days from the date of lodgement, if the documents are clear in all respects. All requests for dematerialization of securities are processed and the confirmation is given to the depositories within 15 days. Senior Executives of the Company are empowered to approve transfer of shares and debentures and other investor related matters. Grievances received from investors and other miscellaneous correspondence on change of address, mandates, etc. are processed by the Registrars within 15 days.

## Reconciliation of Share Capital Audit/ Compliance of Share Transfer Formalities

- Pursuant to Clause 47(c) of the Listing Agreement with the Stock Exchanges, certificates, on half-yearly basis, have been issued by a Company Secretary-in-Practice for due compliance of share transfer formalities by the Company.
- A Company Secretary-in-Practice carried out a Reconciliation of Share Capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital. The audit confirms that the total issued/paid up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of shares in dematerialized form (held with NSDL and CDSL).

## Shareholding Pattern as on March 31, 2014

	Ordinary Shares					'A' Ordinary Shares				
	As on March 31, 2014		As on March 31, 2013		Variance 14 v/s 13	As on March 31, 2014		As on March 31, 2013		Variance 14 v/s 13
	No. of Shares	%	No. of Shares	%		No. of Shares	%	No. of Shares	%	
Promoters and Promoter Group#	*939556205	34.33	*940056205	34.72	(0.39)	3478587	0.72	4253587	0.88	(0.16)
Mutual Funds and Unit Trust of India	23850222	0.87	34499261	1.27	(0.40)	110021498	22.83	169152392	35.09	(12.27)
Government Companies, Financial Institutions, Banks and Insurance Cos.	232235481	8.49	255756154	9.44	(0.96)	122417	0.03	288936	0.06	(0.03)

	Ordinary Shares					'A' Ordinary Shares				
	As on March 31, 2014		As on March 31, 2013		Variance 14 v/s 13	As on March 31, 2014		As on March 31, 2013		Variance 14 v/s 13
	No. of Shares	%	No. of Shares	%		No. of Shares	%	No. of Shares	%	
Foreign Institutional Investors	742369598	27.13	762192951	28.14	(1.02)	320666215	66.53	236915544	49.16	17.38
NRIs, Foreign companies and ADRs/GDRs	604112458	22.07	515634863	19.04	3.03	1274920	0.26	2197642	0.46	(0.19)
Others	194589158	7.11	200016717	7.39	0.10	46403163	9.63	69151519	14.35	(4.72)
<b>Total</b>	<b>2736713122</b>	<b>100</b>	<b>2708156151</b>	<b>100</b>		<b>481966800</b>	<b>100.0</b>	<b>481959620</b>	<b>100</b>	

\* Out of the Promoter holding, 71,000,000 shares of face value of ₹2/- each, aggregating 2.62% of the paid-up capital were pledged in FY12-13 and 58,400,000 shares of face value of ₹2/- each, aggregating 6.23% of the paid-up capital were pledged in FY13-14. #TATA AIA LIFE INSURANCE COMPANY LIMITED (TALIC) does not act in concert with Tata Sons Limited or any of its group companies for acquisition of shares, voting rights or control over the Company. However TALIC held 5503349 Ordinary Shares representing 0.20% of the paid up Ordinary Share Capital. Accordingly, their holding is included under Public Shareholding under the head "Institutions"-Insurance Companies.

#### Distribution of shareholding as on March 31, 2014

##### Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of share	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	93478295	0.71	2.71	3.42	350904	13.80	81.90	95.70
501 – 1000	32223042	0.21	0.97	1.18	9120	0.45	2.04	2.49
1001 – 2000	25210723	0.13	0.79	0.92	3617	0.14	0.84	0.99
2001 – 5000	25435077	0.11	0.82	0.93	1676	0.06	0.40	0.46
5001 – 10000	12818446	0.04	0.42	0.47	364	0.01	0.09	0.10
Above 10000	2547547539	0.14	92.95	93.09	974	0.01	0.26	0.27
<b>Total</b>	<b>2736713122</b>	<b>1.34</b>	<b>98.66</b>	<b>100.00</b>	<b>366655</b>	<b>14.46</b>	<b>85.54</b>	<b>100.00</b>

##### 'A' Ordinary Shares

Range of Shares	No. of Shares				No. of shareholders			
	No. of share	Physical form (%)	Demat form (%)	% of Capital	No. of Holders	Physical form (%)	Demat form (%)	% of Capital
1 – 500	4358332	0.03	0.88	0.90	33131	2.50	78.24	80.74
501 – 1000	2423718	0.01	0.49	0.50	3070	0.17	7.31	7.48
1001 – 2000	2716187	0.01	0.56	0.56	1805	0.07	4.33	4.40
2001 – 5000	5213424	0.01	1.08	1.08	1590	0.02	3.85	3.88
5001 -10000	4656635	0.00	0.97	0.97	627	0.00	1.53	1.53
Above 10000	462598504	0.00	95.99	95.98	809	0.00	1.97	1.97
<b>Total</b>	<b>481966800</b>	<b>0.05</b>	<b>99.95</b>	<b>100.00</b>	<b>41032</b>	<b>2.76</b>	<b>97.24</b>	<b>100.00</b>



### Top shareholders (holding in excess of 1% of capital) as on March 31, 2014

#### Ordinary Shares

Name of Shareholder	No. of shares held	% to paid-up capital
Tata Sons Limited	70,23,33,345	25.66
Citibank N.A. New York, NYADR Department	58,16,30,185	21.25
Tata Steel Limited	14,78,10,695	5.40
Life Insurance Corporation of India	10,77,84,195	3.94
Europacific Growth Fund	6,87,63,243	2.51
Tata Industries Limited	6,84,36,485	2.50

#### 'A' Ordinary Shares

Name of Shareholder	No. of shares held	% to paid-up capital
Matthews Asia Dividend Fund	3,33,95,515	6.93
HSBC Global Investment Funds A/C HSBC Gif Mauritius Limited	2,90,86,664	6.04
HDFC Trustee Company Limited – HDFC Top 200 Fund	2,18,45,457	4.53
HDFC Trustee Company Limited - HDFC Equity Fund	2,14,22,875	4.44
Government of Singapore	1,68,38,040	3.49
Merrill Lynch Capital Markets Espana S.A. S.V.	1,53,08,008	3.18
Government Pension Fund Global	1,32,06,117	2.74
Swiss Finance Corporation (Mauritius) Limited	1,13,34,646	2.35
HDFC Trustee Company Limited - HDFC Prudence Fund	90,04,027	1.87
Pioneer Asset Management S.A. A/C Pioneer Asset Management S.A. on Behalf of Pioneer Funds-Emerging Markets Equity	89,10,575	1.85
Skagen Global Verdipapirfond	82,26,456	1.71
The Master Trust Bank of Japan, Ltd. A/C HSBC Indian Equity Mother Fund	81,92,143	1.70
SBI Magnum Taxgain Scheme	80,00,000	1.66
Citigroup Global Markets Mauritius Private Limited	78,14,300	1.62

Eastspring Investments India Equity Open Limited	70,32,614	1.46
HDFC Trustee Company Limited – HDFC Tax Saverfund	66,85,418	1.39
HSBC Global Investment Funds A/C HSBC Global Investment Funds BRIC Equity	66,46,455	1.38
D. E. Shaw Oculus Investments Bi-Fi 1 Mauritius Limited	65,00,000	1.35
Franklin Templeton Investment Funds	63,50,000	1.32
Robeco Capital Growth Funds	59,90,000	1.24
Goldman Sachs (Singapore) Pte.	58,02,961	1.20
ICICI Prudential Focused Bluechip Equity Fund	57,18,791	1.19
Monetary Authority of Singapore	55,44,813	1.15
Goldman Sachs Investments (Mauritius) I Ltd.	48,58,981	1.01

#### Dematerialisation of shares

The electronic holding of the shares as on March 31, 2014 through NSDL and CDSL are as follows:

Particulars	Ordinary Shares (%)		'A' Ordinary Shares (%)	
	2014	2013	2014	2013
NSDL	97.75	97.28	98.17	97.78
CDSL	0.91	1.17	1.78	2.16
<b>Total</b>	<b>98.66</b>	<b>98.56</b>	<b>99.95</b>	<b>99.94</b>

#### Outstanding Securities:

Outstanding Depository Receipts/Warrants or Convertible instruments, conversion date and likely impact on equity as on March 31, 2014:

Depository Receipts (Each Depository Receipts represents 5 underlying Ordinary Shares of ₹2/- each post subdivision of face value of shares in September 2011)

- 116,321,835 ADSs listed on the New York Stock Exchange.
- 8,872 GDSs listed on the Luxembourg Stock Exchange.

#### Foreign Currency Convertible Notes

741 - 4% Convertible Notes (due 2014) of US\$100,000 each aggregating US\$74.1 million issued in October 2009 may, at the option of the Note holders, be converted into Ordinary Shares of ₹2/- each at ₹120.119 per share or ADS/GDS of ₹10/- each (each ADS represents 5 Ordinary Shares of ₹2/- each) at ₹600.595 (Reset Price) at any time into GDSs during November 25, 2009 to

October 16, 2014 and ADSs at anytime during October 15, 2010 to October 16, 2014.

Pursuant to the April 16, 2013 announcement on early redemption of outstanding notes on June 10, 2013 at a redemption price equal to US\$106,572.52 for every note of US\$100,000 each, on the conversion option being received by the Noteholders, the Company converted, all the balance 741 Notes.

The following are the relevant details of the Notes:

Security Type	ISIN	CUSIP	Listing at
4% Notes (due 2014)	XS0457793510	045779351	Luxembourg Stock Exchange, 1, Avenue de la porte – Neuve, L-2227, Luxembourg

Overseas Depository	Domestic Custodian
Citibank N.A., 388 Greenwich Street, 14th Floor, New York, NY 10013	Citibank N.A., Trent House, 3rd Floor, G-60, Bandra Kurla Complex, Bandra (East), Mumbai 400 051

There are no outstanding warrants issued by the Company.

Apart from Shares and Convertible Instruments, the following Non-Convertible Debentures (NCDs) are listed on the National Stock Exchange under Wholesale Debt Market segment\*:

Series No.	ISIN	Principal Amount (₹ crores)	Redemption Premium (₹ crores)	Yield to Maturity (%)	Date of Maturity
E 21	INE155A07193	1,250	919.23	10.03	March 31, 2016
E 22	INE155A07219	200	Nil	9.95	March 2, 2020
E 22A	INE155A07227	500	Nil	10.25	₹100 crores on April 30, 2022, April 30, 2023, ₹150 crores on April 30, 2024, April 30, 2025
E 23A	INE155A08043	150	Nil	9.90	May 7, 2020
E 23B	INE155A08050	100	Nil	9.75	May 24, 2020
E 23C	INE155A08068	150	Nil	9.70	June 18, 2020
E 24A	INE155A08076	250	Nil	10.00	May 26, 2017
E 24B	INE155A08084	250	Nil	10.00	May 28, 2019
E 24C	INE155A08092	300	Nil	9.85	March 30, 2015
E 24D	INE155A08100	300	Nil	9.84	March 10, 2017
E 24E	INE155A08118	200	Nil	9.69	March 29, 2019
E 24F	INE155A08126	200	Nil	9.45	March 29, 2018
E 25A	INE155A08134	300	Nil	9.22	December 1, 2015
E 25B	INE155A08142	300	Nil	9.15	June 3, 2015
E 25C	INE155A08159	300	Nil	9.05	October 30, 2015
E 25D	INE155A08167	300	Nil	8.95	April 29, 2016
E 25E	INE155A08175	300	Nil	8.73	May 17, 2016
E26A	INE155A08183	200	Nil	10.30	November 30, 2018

\*Detailed information on the above debentures is included in the 'Notes to Accounts'.

The Trustees for the above debentures are Vijaya Bank, Merchant Banking Division, Head Office, 41/2, M.G. Road, Trinity Circle, Bangalore – 560 001 and Central Bank of India, Merchant Banking Division, 4th Floor, Central Bank of India Building, M. G. Road, Fort, Mumbai 400 001.

## PLANT LOCATIONS

Location	Range of Products Produced
Pimpri, Pune – 411 018; Chikhali, Pune – 410 501; Chinchwad, Pune – 411 033	Medium and Heavy Commercial Vehicles (M&HCVs), Light Commercial Vehicles (LCVs), Utility Vehicles (UVs) and Cars
Jamshedpur – 831 010	M&HCVs
Chinhat Industrial Area, Lucknow – 226 019	M&HCVs and LCVs
Plot No. 1, Sector 11 and Plot No. 14, Sector 12, I.I.E., Pantnagar, District Udham Singh Nagar, Uttarakhand – 263 145	LCVs
Revenue Survey No. 1, Village Northkotpura, Tal, Sanand, Dist. Ahmedabad – 380 015	Cars
KIADB Block II, Belur Industrial Area, Mummigatti Post, Dharwad – 580 011	LCVs

### Action required regarding non-receipt of dividends, proceeds of matured deposits and interest and redeemed debentures and interest thereon:

- (i) Pursuant to Sections 205A and 205C of the Companies Act, 1956 (or as amended/re-enacted) all unclaimed/unpaid dividend, application money, debenture interest and interest

on deposits as well as principal amount of debentures and deposits pertaining to the Company and erstwhile Tata Finance Limited (TFL) remaining unpaid or unclaimed for a period of 7 years from the date they became due for payment, have been transferred to the Investors Education and Protection Fund (IEPF) established by the Central Government.

- (ii) In case of non receipt/non encashment of the dividend warrants, Members are requested to correspond with the Company's Registrars/the Registrar of Companies, as mentioned hereunder:

Dividend for	Whether it can be claimed	Contact Office	Action to be taken
2007-08 to 2012-13	Yes	TSR Darashaw Private Limited	Letter on plain paper.
2002-03 to 2006-07	No	-	None. Already transferred to IEPF. In respect of 2006-07, would be transferred in July 2014
2000-01 and 2001-02	N.A.	-	Not Applicable due to non declaration of dividend.
1995-96 to 1999-2000	No	-	None. Already transferred to IEPF.
1978-79 to 1994-95	Yes	Office of the Registrar of Companies, CGO Complex, 'A' Wing, 2nd floor, Next to RBI, CBD – Belapur, Navi Mumbai – 400614. Maharashtra	Claim in Form No. II of the Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978.

(iii) Following table gives information relating to outstanding dividend accounts and due dates for claiming dividend:

Financial Year	Date of Declaration	Last date for claiming dividend *
2006-07	July 9, 2007	July 8, 2014
2007-08	July 24, 2008	July 23, 2015
2008-09	August 25, 2009	August 24, 2016
2009-10	September 1, 2010	August 31, 2017
2010-11	August 12, 2011	August 11, 2018
2011-12	August 10, 2012	August 9, 2019
2012-13	August 21, 2013	August 20, 2020

\*Indicative dates. Actual dates may vary.

(iv) As of March 31, 2014, the Company transferred ₹18,00,90,664.34 to IEPF including the following amounts during the year

(in ₹)	
Particulars	FY 2013-14
Unpaid dividend amounts of the Company	1,43,61,594
Application moneys received for allotment of any securities and due for refund	0
Unpaid matured deposit with the Company	71,643
Unpaid matured debentures with the Company	0
Interest accrued on matured deposits with the Company	0
Interest accrued on matured debentures with the Company	0
<b>Total</b>	<b>1,44,33,237</b>

v) Whilst the Company's Registrar has already written to the Members, Debenture holders and Depositors informing them about the due dates for transfer to IEPF for unclaimed dividends/interest payments, attention of the stakeholders is again drawn to this matter through the Annual Report.

(vi) Investors of the Company and of the erstwhile TFL who have not yet encashed their unclaimed/unpaid amounts are requested to do so at the earliest.

(vii) Other facilities of interest to shareholders holding shares in physical form:

As per Clause 5A of the Listing Agreement, the Company has sent 9915 reminders in February 2013 to those shareholders whose certificates have been returned undelivered. These certificates are currently lying with the Registrar and Transfer Agents of the Company. Members, holding Company's shares in physical form, are requested to tally their holding with the certificates in their possession and revert in case of any discrepancy in holdings. In case there is no response after three reminders, the unclaimed shares shall be transferred to one folio in the name of "Unclaimed Suspense Account" and the voting rights on such shares shall remain frozen till the rightful owner claims the shares.

Nomination facility: Shareholders, who hold shares in single name or wish to make/change the nomination in respect of their shares as permitted under the Act, may submit to the Registrars and Transfer Agents, in the prescribed form.

Bank details: Shareholders are requested to notify/send the following to the Company's Registrars and Share Transfer Agents to facilitate better services:

- Any change in their address/mandate/NECS bank details; and
- Particulars of the bank account in which they wish their dividend to be credited, in case they have not been furnished earlier.

(viii) Shareholders are informed that their respective bank details and address as furnished by them to the Company will be printed on their dividend warrants as a measure of protection against fraudulent encashment.

**DECLARATION BY THE CEO UNDER CLAUSE 49 OF THE LISTING AGREEMENT REGARDING ADHERENCE TO THE CODE OF CONDUCT**

In accordance with Clause 49 sub-clause I(D) of the Listing Agreement with the Stock Exchanges, I hereby confirm that, all the Directors and the Senior Management personnel of the Company have affirmed compliance to their respective Codes of Conduct, as applicable to them for the Financial Year ended March 31, 2014.

For Tata Motors Limited

**R Pisharody**

Executive Director (Commercial Vehicles)

Mumbai, May 29, 2014

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**PRACTISING COMPANY SECRETARIES' CERTIFICATE ON CORPORATE GOVERNANCE****TO THE MEMBERS OF TATA MOTORS LIMITED**

We have examined the compliance of the conditions of Corporate Governance by Tata Motors Limited ('the Company') for the year ended on March 31, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For Parikh & Associates**

Practising Company Secretaries

**P. N. Parikh**

FCS: 327 CP: 1228

Mumbai, May 29, 2014

# SECRETARIAL AUDIT REPORT

To,  
The Board of Directors  
**TATA MOTORS LIMITED**  
Bombay House, 24 Homi Modi street,  
Mumbai 400001

**Company No.: L28920MH1945PLC004520**

**Authorised Capital: ₹3900 Crores**

We have examined the registers, records, books and papers of **TATA MOTORS LIMITED** ("the Company") as required to be maintained under the Companies Act, 1956, and the applicable provisions of Companies Act, 2013 (the Act) and the rules made thereunder and the provisions contained in the Memorandum and Articles of Association of the Company as also under the listing agreement with the Stock Exchange and the regulations of SEBI as applicable for the year ended March 31, 2014.

1. In our opinion and to the best of our information and according to the examinations carried out by us and explanations furnished and representations made to us by the Company, its officers and agents, we report that the Company has complied with the provisions of the Act, the Rules made thereunder and the Memorandum and Articles of Association of the Company with regard to:

- a) maintenance of various statutory registers and documents and making necessary entries therein;
- b) closure of Register of Members/ record date for debentureholders;
- c) forms, returns, documents and resolutions required to be filed with the Registrar of Companies, Regional Director, Central Government, Company Law Board or other authorities;
- d) service of documents by the Company on its Members, Debenture holders, Stock Exchanges, Auditors and the Registrar of Companies;
- e) notice of Board and various Committee meetings of Directors;
- f) meetings of Directors and all the Committees of Directors and passing of circular resolutions;
- g) notice and convening of Annual General Meeting held on 21st August 2013;
- h) minutes of the proceedings of the Board Meetings, Committee Meetings and General Meetings;
- i) approvals of the Board of Directors, Committee of Directors, Members and government authorities, wherever required;
- j) constitution of the Board of Directors, Committees of Directors and appointment, retirement and reappointment of Directors including Managing Directors and Executive Directors;
- k) payment of remuneration to Directors, Managing Director and Executive Directors;
- l) appointment and remuneration of Statutory Auditors and Cost Auditors;
- m) transfer and transmission of the Company's shares, issue and allotment of shares and issue and delivery of certificates of shares;
- n) declaration and payment of dividend;
- o) transfer of amounts as required under the Act to the Investor Education and Protection Fund;
- p) borrowings and registration of charges;
- q) report of the Board of Directors;

- r) investment of the Company's funds including inter corporate loans and investments;
- s) generally, all other applicable provisions of the Act and the Rules thereunder.

2. We further report that:

- a) the Directors have complied with the requirements as to disclosure of interests and concerns in contracts and arrangements, shareholdings and directorships in other Companies and interest in other entities;
- b) the Directors have complied with the disclosure requirements in respect to their eligibility of appointment, their being independent, compliance with the code of conduct for Directors and Senior Management Personnel as per clause 49 of the listing agreement and with the Insider Trading code of conduct and;
- c) the Company has obtained all necessary approvals under various provisions of the Act where necessary;
- d) there was no prosecution initiated against or show cause notice received by the Company during the year under review under the Companies Act, SEBI Act, Depositories Act, Listing Agreement and rules, regulations and guidelines under these Acts.

3. We further report that:

- a) the Company has complied with the requirements under the Equity Listing Agreements entered into with the BSE Limited and the National Stock Exchange of India Limited;
- b) the Company has complied with the requirements under the Debt Listing Agreement for the securities listed on Wholesale Debt Market segment of National Stock Exchange of India Limited;
- c) the Company has complied with the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 including the provisions with regards to disclosures and maintenance of records required under the Regulations;
- d) the Company has complied with the provisions of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 including the provisions with regard to disclosures and maintenance of records required under the Regulations;
- e) the Company has complied with the provisions of the SEBI (Depositories and Participants) Regulations, 1996 including submitting of Reconciliation of Share Capital Audit Reports;
- f) there were no issues during the year which required specific compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- g) there were no issues during the year which required specific compliance of the provisions of the Securities Contracts (Regulation) Act, 1956 (SCRA) and the Rules made under that Act.

**For Parikh & Associates**

Practising Company Secretaries

**P N Parikh**

(Partner)

C. P. No.: 1228

Mumbai, May 29, 2014



# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF TATA MOTORS LIMITED

### Report on the Financial Statements

We have audited the accompanying financial statements of **TATA MOTORS LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2014, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Financial Statements

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs) and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Act (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs).
  - (e) On the basis of the written representations received from the directors as on March 31, 2014 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm's Registration No. 117366W/W-100018)

**B. P. SHROFF**  
Partner  
(Membership No. 34382)

MUMBAI, May 29, 2014

# ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

**(Referred to in paragraph 1 under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the Members of Tata Motors Limited)**

- (i) Having regard to the nature of the Company's business / activities / results during the year, clauses (xiii) and (xiv) of paragraph 4 of the Order are not applicable to the Company.
- (ii) In respect of its fixed assets:
  - (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
  - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanation given to us, no material discrepancies were noticed on such verification;
  - (c) The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventories:
  - (a) As explained to us, the stock of finished goods and work-in-progress in the Company's custody have been physically verified by the Management as at the end of the financial year, before the year-end or after the year-end, other than a significant part of the spare parts held for sale, and raw materials in the Company's custody for both of which, there is a perpetual inventory system and a substantial portion of the stocks have been verified during the year. In our opinion, the frequency of verification is reasonable. In case of materials and spare parts held for sale lying with the third parties, certificates confirming stocks have been received periodically for stocks held during the year and for a substantial portion of such stocks held at the year-end;
  - (b) In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business;
  - (c) In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - (a) The Company has granted unsecured loans aggregating ₹146.28 crores to two parties during the year. At the year-end, the outstanding balances of such loans granted aggregated ₹562.69 crores (number of parties - three) and the maximum amount involved during the year was ₹ 875.18 crores (number of parties - four).
  - (b) The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie* not prejudicial to the interests of the Company having regard to the business relationship with the companies to whom loans have been granted.
  - (c) The receipts of principal amounts have been as per stipulations. However, there are delays in receipt of interest.
  - (d) In respect of overdue interest amounts of over Rs. 1 lakh remaining outstanding as at the year-end, as explained to us, Management has taken reasonable steps for recovery of the interest amount.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

The Company has not taken any loans from such parties during the year accordingly clauses (iii) (b) to (iii) (d) of Paragraph 4 of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that some of the items purchased are of special nature and suitable alternative sources are not readily available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weakness in such internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - (a) The particulars of contracts or arrangements referred to in Section 301 that needed to be entered in the Register maintained under the said Section have been so entered.
  - (b) Where each of such transaction (excluding loans reported under paragraph (iv) above) is in excess of ₹ 5 lakhs in respect of any party, having regard to our comments in paragraph (v) above, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time, other than certain purchases which are of a special nature for which comparable quotations are not available and in respect of which we are, therefore, unable to comment if the transactions have been carried out at prices having regard to the prevailing market prices at the relevant time.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 58A, 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. According to the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.
- (viii) In our opinion, the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209 (1) (d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us in respect of statutory dues:
- (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it with the appropriate authorities. We are informed by the Company that the Employees' States Insurance Act, 1948 is applicable only to certain locations of the Company. With regard to the contribution under the Employees' Deposit Linked Insurance Scheme, 1976 (the Scheme), we are informed that the Company has its own Life Cover Scheme, and consequently, an application has been made seeking an extension of exemption from contribution to the Scheme, which is awaited.
- (b) There were no undisputed amounts payable in respect of Provident Fund, Investor Education and Protection Fund, Employees' State Insurance, Income-tax, Sales Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at March 31, 2014 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty and Cess which have not been deposited as on March 31, 2014 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount Involved (₹ in crores)
Income-tax Act, 1961	Income-tax	Commissioner (Appeals)	2004-05, 2005-06, 2008-09, 2009-10, 2010-11	23.66
	Income-tax	Appellate Tribunal	2009-10	2.74
Central Excise Laws	Excise Duty & Service Tax	Tribunal	1993-94, 2002-03, 2004-05 to 2013-14	1,886.01
	Excise Duty & Service Tax	Commissioner (Appeals)	1984-85, 1995-96, 2003-04, 2009-10 to 2013-14	5.37
Sales Tax Laws	Sales Tax	Supreme Court	1995-96	13.01
	Sales Tax	High Court	1984-85 to 1988-89, 1990-91, 1993-94, 1994-95, 1997-98, 1999-00, 2001-02 to 2004-05	159.24
	Sales Tax	Tribunal	1983-84, 1988-89, 1989-90, 1992-93, 1995-96, 1998-99, 2000-01, 2002-03 to 2004-05, 2007-08, 2010-11	14.84
	Sales Tax	Commissioner (Appeals)	1996-97, 1998-99, 2001-02	0.20
	Sales Tax	Joint Commissioner	1997-98, 1999-00 to 2012-13	449.13
	Sales Tax	Additional Commissioner	1989-90, 1997-98, 2001-02 to 2013-14	100.06
	Sales Tax	Deputy Commissioner	1979-80, 1986-87, 1988-89, 1991-92, 1992-93, 1994-95, 1995-96, 2000-01 to 2001-02, 2003-04, 2005-06, 2007-08 to 2009-10, 2013-14	6.22
	Sales Tax	Assistant Commissioner	1990-91, 1995-96, 1997-98, 1999-00, 2008-09, 2010-11, 2011-12	3.95
	Sales Tax	Trade Tax Officer	1989-90, 1995-96 to 2001-02, 2006-07	1.97
Custom Laws	Custom Duty	Tribunal	1998-99, 2008-09, 2011-12	4.46

- (xi) The Company does not have any accumulated losses at the end of the financial year and the Company has not incurred cash losses during the financial year covered by our audit and in the immediately preceding financial year.
- (xii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to financial institutions, banks and debenture holders.

## ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

- (xiii) Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiv) According to the information and explanations given to us, the Company has not given guarantees for loans taken by others from banks or financial institutions.
- (xv) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purposes for which they were obtained.
- (xvi) In our opinion and according to the information and explanations given to us, and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis aggregating ₹ 11,521.20 crores have been used for long-term investments. Further the Company has explained that steps are being taken to augment long term funds.
- (xvii) During the year the Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
- (xviii) During the period covered by our audit report, the Company has not issued any secured debentures.
- (xix) According to the information and explanations given to us, during the year covered by our audit report, the Company has not raised any money by public issue.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants  
(Firm Registration No. 117366W/W-100018)

**B. P. SHROFF**  
Partner  
(Membership No. 34382)

MUMBAI, May 29, 2014

# BALANCE SHEET

AS AT MARCH 31, 2014

(₹ in crores)

	Note	Page	As at March 31, 2014	As at March 31, 2013
<b>I. EQUITY AND LIABILITIES</b>				
<b>1. SHAREHOLDERS' FUNDS</b>				
(a) Share capital	2	138	643.78	638.07
(b) Reserves and surplus	3	140	18,532.87	18,496.77
			<b>19,176.65</b>	19,134.84
<b>2. NON-CURRENT LIABILITIES</b>				
(a) Long-term borrowings	4	141	9,746.45	8,051.78
(b) Deferred tax liabilities (net)	6	144	43.11	1,963.91
(c) Other long-term liabilities	7	145	1,155.48	1,238.44
(d) Long-term provisions	9	146	815.20	691.19
			<b>11,760.24</b>	11,945.32
<b>3. CURRENT LIABILITIES</b>				
(a) Short-term borrowings	5	141	4,769.08	6,216.91
(b) Trade payables	11	146	9,672.36	8,455.02
(c) Other current liabilities	8	145	2,463.18	4,923.10
(d) Short-term provisions	10	146	1,892.91	1,509.58
			<b>18,797.53</b>	21,104.61
<b>TOTAL</b>			<b>49,734.42</b>	52,184.77
<b>II. ASSETS</b>				
<b>1. NON-CURRENT ASSETS</b>				
(a) Fixed assets				
(i) Tangible assets	12	147	12,133.50	12,287.71
(ii) Intangible assets	13	147	3,107.07	3,168.03
(iii) Capital work-in-progress			1,716.85	1,507.84
(iv) Intangible assets under development			4,638.22	3,244.96
			<b>21,595.64</b>	20,208.54
(b) Non-current investments	14	148	18,357.57	18,171.71
(c) Long-term loans and advances	16	151	2,918.30	3,575.24
(d) Other non-current assets	18	152	123.85	94.32
			<b>42,995.36</b>	42,049.81
<b>2. CURRENT ASSETS</b>				
(a) Current investments	15	150	100.85	1,762.68
(b) Inventories	20	153	3,862.53	4,455.03
(c) Trade receivables	21	153	1,216.70	1,818.04
(d) Cash and bank balances	22	153	226.15	462.86
(e) Short-term loans and advances	17	151	1,223.77	1,532.09
(f) Other current assets	19	152	109.06	104.26
			<b>6,739.06</b>	10,134.96
<b>TOTAL</b>			<b>49,734.42</b>	52,184.77
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 29, 2014

**CYRUS P MISTRY**  
Chairman**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

**N N WADIA**  
**R A MASHELKAR**  
**S BHARGAVA**  
**N MUNJEE**  
**V K JAIRATH**  
**F NAYAR**  
**R SPETH**  
Directors**R PISHARODY**  
Executive Director**S B BORWANKAR**  
Executive Director**C RAMAKRISHNAN**  
Chief Financial Officer**H K SETHNA**  
Company Secretary

Mumbai, May 29, 2014

# STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	Note	Page	2013-2014	2012-2013
<b>I. REVENUE FROM OPERATIONS</b>	23 (1)	154	<b>37,758.00</b>	49,319.73
Less : Excise duty			<b>(3,469.89)</b>	(4,554.01)
			<b>34,288.11</b>	44,765.72
<b>II. OTHER INCOME</b>	23 (2)	154	<b>3,833.03</b>	2,088.20
<b>III. TOTAL REVENUE (I + II)</b>			<b>38,121.14</b>	46,853.92
<b>IV. EXPENSES :</b>				
(a) Cost of materials consumed	39	167	<b>20,492.87</b>	27,244.28
(b) Purchase of products for sale	33	165	<b>5,049.82</b>	5,864.45
(c) Changes in inventories of finished goods, work-in-progress, and products for sale			<b>371.72</b>	(143.60)
(d) Employee cost / benefits expense	24	155	<b>2,877.69</b>	2,837.00
(e) Finance cost	25	155	<b>1,337.52</b>	1,387.76
(f) Depreciation and amortisation expense		147	<b>2,070.30</b>	1,817.62
(g) Product development expense / Engineering expenses			<b>428.74</b>	425.76
(h) Other expenses	26	155	<b>6,987.53</b>	7,783.32
(i) Expenditure transferred to capital and other accounts			<b>(1,009.11)</b>	(953.80)
<b>TOTAL EXPENSES</b>			<b>38,607.08</b>	46,262.79
<b>V. PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)</b>			<b>(485.94)</b>	591.13
<b>VI. EXCEPTIONAL ITEMS</b>				
(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans			<b>273.06</b>	263.12
(b) Provision for loan given and costs associated with closure of operations of a subsidiary			<b>202.00</b>	245.00
(c) Diminution in the value of investments in a subsidiary			<b>17.52</b>	(9.67)
(d) Employee separation cost			<b>47.28</b>	-
(e) Profit on sale of a division	43 (iii)	169	<b>-</b>	(82.25)
			<b>539.86</b>	416.20
<b>VII. PROFIT / (LOSS) BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)</b>			<b>(1,025.80)</b>	174.93
VIII. Extraordinary items			<b>-</b>	-
<b>IX. PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)</b>			<b>(1,025.80)</b>	174.93
X. Tax credit (net)	6 (b)	144	<b>(1,360.32)</b>	(126.88)
<b>XI. PROFIT AFTER TAX FOR THE YEAR FROM CONTINUING OPERATIONS (IX - X)</b>			<b>334.52</b>	301.81
<b>XII. EARNINGS PER SHARE</b>	27	156		
A. Ordinary shares (Face value of ₹ 2 each)				
a. Basic	₹		<b>1.03</b>	0.93
b. Diluted	₹		<b>1.03</b>	0.93
B. 'A' Ordinary shares (Face value of ₹ 2 each)				
a. Basic	₹		<b>1.13</b>	1.03
b. Diluted	₹		<b>1.13</b>	1.03
<b>XIII. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>				

In terms of our report attached

For and on behalf of the Board

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**CYRUS P MISTRY**  
Chairman

**N N WADIA**  
**R A MASHELKAR**

**R PISHARODY**  
Executive Director

**B P SHROFF**  
Partner

**RAVI KANT**  
Vice-Chairman

**S BHARGAVA**  
**N MUNJEE**  
**V K JAIRATH**  
**F NAYAR**

**S B BORWANKAR**  
Executive Director

**R SPETH**  
Directors

**C RAMAKRISHNAN**  
Chief Financial Officer

**H K SETHNA**  
Company Secretary

Mumbai, May 29, 2014

Mumbai, May 29, 2014



# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	2013-2014	2012-2013
<b>A. Cash flows from Operating Activities</b>		
Profit after tax	334.52	301.81
Adjustments for:		
Depreciation / amortisation	2,070.30	1,817.62
Lease equalisation adjusted in income	(4.52)	(4.52)
Loss / (profit) on sale of assets (net) (including assets scrapped / written off)	20.29	2.96
Profit on sale of investments (net)	(2,052.33)	(43.91)
Profit on sale of a division	-	(82.25)
Provision for loan given and cost associated with closure of operations of a subsidiary	202.00	245.00
Provision for loans and inter corporate deposits (net)	-	5.29
Provision / (reversal) for diminution in value of investments	17.52	(9.67)
Tax credit (net)	(1,360.32)	(126.88)
Interest / dividend (net)	(443.18)	(656.52)
Exchange differences (net)	276.90	199.39
	(1,273.34)	1,346.51
Operating Profit before working capital changes	(938.82)	1,648.32
Adjustments for:		
Inventories	592.50	129.42
Trade receivables	601.34	890.28
Finance receivables	15.00	64.76
Other current and non-current assets	141.37	(138.30)
Trade payables and acceptances	1,212.83	(249.93)
Other current and non-current liabilities	249.25	(381.50)
Provisions	646.05	188.06
	3,458.34	502.79
Cash generated from operations	2,519.52	2,151.11
Income taxes credit / (paid) (net)	(56.06)	107.33
Net cash from operating activities	2,463.46	2,258.44
<b>B. Cash flows from Investing Activities</b>		
Payments for fixed assets	(3,105.42)	(2,605.39)
Proceeds from sale of fixed assets	11.37	16.95
Proceeds from sale of a division	-	110.00
Realisation of loans to associates and subsidiaries	297.83	-
Loans to associates and subsidiaries	(146.28)	(194.36)
Advance towards investments in subsidiary companies	(135.15)	(16.82)
Investments in joint venture	(325.00)	-
Investments in subsidiary companies	(443.18)	(186.12)
Investments in associate companies	-	(0.01)
Investments - others	-	(0.84)
Investments in Mutual Fund (purchased) / sold (net)	445.63	(315.51)
Decrease in investments in retained interests in securitisation transactions	-	0.63
Sale / redemption of investments in subsidiary companies	3,978.48	1,378.95
Redemption of investments in associate companies	-	21.00
Redemption of investments - others	-	10.75
(Increase) / decrease in short term inter corporate deposits	(40.00)	43.53
Deposits of margin money / cash collateral	-	(1.38)
Realisation of margin money / cash collateral	-	91.25
Fixed/restricted deposits with scheduled banks made	(530.15)	(205.85)
Fixed/restricted deposits with scheduled banks realised	760.40	780.00
Fixed deposits with financial institution made	(200.00)	-
Fixed deposits with financial institution realized	200.00	-
Interest received	181.70	404.07
Dividend received	1,602.68	1,660.65
Net Cash from Investing Activities	2,552.91	991.50

# CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	2013-2014	2012-2013
<b>C. Cash flows from Financing Activities</b>		
Expenses on Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) conversion	(0.35)	(0.23)
Premium on redemption of FCCN / (CARS) (including tax)	-	(886.95)
Brokerage and other expenses on Non-Convertible Debentures (NCD)	(87.54)	(93.02)
Premium paid on redemption of NCD	(658.05)	(96.55)
Proceeds from issue of shares held in abeyance	0.09	0.16
Repayment of fixed deposits	(362.19)	(1,868.38)
Proceeds from long-term borrowings	2,310.59	2,562.84
Repayment of long-term borrowings	(2,232.38)	(3,377.47)
Proceeds from short-term borrowings	8,548.00	11,873.79
Repayment of short-term borrowings	(8,679.86)	(10,177.80)
Net change in other short-term borrowings (with maturity up to three months)	(1,473.41)	1,287.75
Dividend paid (including dividend distribution tax)	(648.81)	(1,460.41)
Interest paid [including discounting charges paid, ₹ 373.78 crores (2012-2013 ₹ 345.06 crores)]	(1,749.90)	(1,809.42)
Net Cash used in financing activities	(5,033.81)	(4,045.69)
Net Decrease in cash and cash equivalents (A+B+C)	(17.44)	(795.75)
Cash and cash equivalents as at April 01, (opening balance)	205.57	919.64
Exchange fluctuation on foreign currency bank balances	10.55	81.68
Cash and cash equivalents as at March 31, (closing balance)	198.68	205.57
<b>Non-cash transactions :</b>		
Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) converted to Ordinary shares	413.34	232.83

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**B P SHROFF**  
Partner

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

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

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

Mumbai, May 29, 2014

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 1. Significant accounting policies

### (a) Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956, (the "Act") and the relevant provisions thereof which continue to be applicable in respect of Section 133 of Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

### (b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

### (c) Revenue recognition

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

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

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

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

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

### (d) Depreciation and amortisation

(i) Depreciation is provided on Straight Line Method (SLM), at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 except in the case of:

- Leasehold Land – amortised over the period of the lease
- Technical Know-how – at 16.67% (SLM)
- Laptops – at 23.75% (SLM)
- Cars – at 23.75% (SLM)
- Assets acquired prior to April 1, 1975 – on Written Down Value basis at rates specified in Schedule XIV to the Companies Act, 1956.
- Software in excess of ₹25,000 is amortised over a period of 60 months or on the basis of estimated useful life whichever is lower.
- Assets taken on lease are amortised over the period of lease.

(ii) Product development costs are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period.

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

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

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

### (e) Fixed assets

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

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

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

(iv) Software not exceeding ₹25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the Statement of Profit and Loss as and when incurred.

### (f) Impairment

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

(g) **Leases**

(i) **Finance lease**

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

(ii) **Operating lease**

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

(h) **Transactions in foreign currencies and accounting of derivatives**

(i) **Exchange differences**

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

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

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

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

(ii) **Hedge accounting**

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

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

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

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

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

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

(i) **Product warranty expenses**

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

(j) **Income on vehicle loan**

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

net outstanding amount is accrued over the period of contract. The Company provides an allowance for hire purchase and loan receivables that are in arrears for more than 11 months, to the extent of an amount equivalent to the outstanding principal and amounts due but unpaid, considering probable inherent loss including estimated realisation based on past performance trends. In respect of loan contracts that are in arrears for more than 6 months but not more than 11 months, allowance is provided to the extent of 10% of the outstanding and amount due but unpaid.

(k) **Inventories**

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

(l) **Employee benefits**

(i) **Gratuity**

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

(ii) **Superannuation**

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

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

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

The Company maintains a separate irrevocable trust for employees covered and entitled to benefits. The Company contributes up to 15% of the eligible employees' salary to the trust every year. The Company recognizes such contributions as an expense when incurred. The Company has no further obligation beyond this contribution.

(iii) **Bhavishya Kalyan Yojana (BKY)**

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

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

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

(v) **Provident fund**

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

(vi) **Compensated absences**

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

(m) **Investments**

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(n) **Income taxes**

Tax expense comprises current and deferred taxes.

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

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

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

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

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

Premium payable on redemption of FCCN / NCD as per the terms of issue, is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA) (net of tax). Any change in the premium payable, consequent to conversion or exchange fluctuations is adjusted to the SPA. Discount on redemption of FCCN, if any, is recognised on redemption.

(p) **Borrowing costs**

Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortised over the period of the loan

(q) **Liabilities and contingent liabilities**

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.

(r) **Business segments**

The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles including financing of the vehicles sold by the Company. These, in the context of Accounting Standard 17 on Segment Reporting, as specified in the Companies (Accounting Standards) Rules, 2006, are considered to constitute one single primary segment. Further, there is no reportable secondary segment i.e. Geographical Segment.



# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

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

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

\* Less than ₹ 50,000/-

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

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

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

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

## (k) The entitlements to 4,84,470 Ordinary shares of ₹2 each (as at March 31, 2013 : 4,91,875 ordinary shares of ₹2 each) and 2,39,570 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 2,46,895 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

## Notes

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## I. Information regarding long term borrowings

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

- (a) During the year 2009-10, the Company issued 2% secured non-convertible credit enhanced rupee debentures in four tranches, having tenor upto seven years, aggregating ₹4,200 crores on a private placement basis. These are secured by a second charge in favour of Vijaya Bank, Debenture Trustee and first ranking pari passu charge in favour of State Bank of India as security trustee on behalf of the guarantors, by way of English mortgage of the Company's lands, freehold and leasehold, together with all buildings, constructions and immovable and movable properties situated at Chinchwad, Pimpri, Chikhali and Maval in Pune District and plant and machinery and other movable assets situated at Pantnagar in the State of Uttarakhand and at Jamshedpur in the state of Jharkhand. As at March 31, 2014, the outstanding is ₹1,250 crores.
- (b) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹500 crores are secured by a pari passu charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.
- (c) Buyers line of credit from banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.
- (d) The term loan is due for repayment from the quarter ending March 31, 2033 to quarter ending March 31, 2034, along with simple interest at the rate of 0.10 % p.a. The loan is secured by a second and subservient charge (creation of charge is under process) over Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand plant in the State of Gujarat.

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

Non Convertible Debentures (NCDs)		(₹ in crores)		
	Redeemable on	Principal	Premium	Total
<b>(a) Secured :</b>				
10.25% Non-Convertible Debentures (2025) #	April 30, 2025	150.00	-	150.00
10.25% Non-Convertible Debentures (2024) #	April 30, 2024	150.00	-	150.00
10.25% Non-Convertible Debentures (2023) #	April 30, 2023	100.00	-	100.00
10.25% Non-Convertible Debentures (2022) #	April 30, 2022	100.00	-	100.00
9.95% Non-Convertible Debentures (2020)	March 2, 2020	200.00	-	200.00
2% Non-Convertible Debentures (2016)	March 31, 2016	1,250.00	919.23	2,169.23
# The Company has a call option to redeem, either in part or full, at the end of 8th year from the date of allotment i.e. April 30, 2018.				
<b>(b) Unsecured :</b>				
9.70% Non-Convertible Debentures (2020)	June 18, 2020	150.00	-	150.00
9.75% Non-Convertible Debentures (2020)	May 24, 2020	100.00	-	100.00
9.90% Non-Convertible Debentures (2020)	May 7, 2020	150.00	-	150.00
10.00% Non-Convertible Debentures (2019)	May 28, 2019	250.00	-	250.00
9.69% Non-Convertible Debentures (2019)	March 29, 2019	200.00	-	200.00
10.30% Non-Convertible Debentures (2018)	November 30, 2018	200.00	-	200.00
9.45% Non-Convertible Debentures (2018)	March 29, 2018	200.00	-	200.00
10.00% Non-Convertible Debentures (2017)	May 26, 2017	250.00	-	250.00
9.84% Non-Convertible Debentures (2017)	March 10, 2017	300.00	-	300.00
8.73% Non-Convertible Debentures (2016)	May 17, 2016	300.00	-	300.00
8.95% Non-Convertible Debentures (2016)	April 29, 2016	300.00	-	300.00
9.22% Non-Convertible Debentures (2015)	December 1, 2015	300.00	-	300.00
9.05% Non-Convertible Debentures (2015)	October 30, 2015	300.00	-	300.00
9.15% Non-Convertible Debentures (2015)	June 3, 2015	300.00	-	300.00
9.85% Non-Convertible Debentures (2015) *	March 30, 2015	300.00	-	300.00

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

- (iii) The buyers' line of credit from banks is repayable within a maximum period of three years from the drawdown dates. All the repayments are due from financial year ending March 31, 2015 to financial year ending March 31, 2017.

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

Issue	4% FCCN (due 2014)*
Issued on	October 15, 2009
Issue Amount (in INR at the time of the issue)	US \$ 375 million (₹ 1,794.19 crores)
Face value	US \$ 100,000
Conversion Price per share at fixed exchange rate	₹623.88 US \$ 1 = ₹ 46.28
Reset Conversion Price (Due to Rights Issue,GDS Issue and subdivision of shares)	₹ 120.12 US \$ 1 = ₹46.28
Exercise period	November 25, 2009 (for conversion into shares or GDSs) and October 15, 2010 (for conversion into ADSs) to October 9, 2014
Early redemption at the option of the Company subject to certain conditions	i) any time on or after October 15, 2012 (in whole but not in part) at our option or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India
Redeemable on	October 16, 2014
Redemption percentage of the principal amount	108.505%
Amount converted	US \$ 375 million
Aggregate conversion into ADRs (in terms of equivalent shares) and shares	14,21,87,437
Aggregate notes redeemed	Nil
Aggregate notes bought back	Nil
Notes outstanding as at March 31, 2014	Nil
Amount outstanding as at March 31, 2014	Nil
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil

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

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

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

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

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

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

## II. Information regarding short-term borrowings

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



# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

**Note :**

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 12. Tangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2013	Additions / adjustments [Note (iv)]	Deductions / adjustments	Cost as at March 31, 2014	Accumulated depreciation as at April 1, 2013	Depreciation for the year [Note (v)]	Deductions / adjustments for the year	Accumulated depreciation up to March 31, 2014	Net book value as at March 31, 2014
<b>[I] Owned assets :</b>									
(i) Land	519.76	-	-	519.76	-	-	-	-	519.76
	519.76	-	-	519.76	-	-	-	-	519.76
(ii) Buildings [Note (i) and (ii) (a)]	2,533.82	186.78	2.18	2,718.42	543.50	77.11	0.45	620.16	2,098.26
	2,352.11	186.11	4.40	2,533.82	474.97	71.01	2.48	543.50	1,990.32
(iii) Plant, machinery and equipment [Note (ii) (a) & (iii)]	17,134.19	868.63	82.43	17,920.39	7,989.70	1108.45	77.11	9,021.04	8,899.35
	15,825.26	1,484.74	175.81	17,134.19	7,071.44	1,060.66	142.40	7,989.70	9,144.49
(iv) Furniture and fixtures [Note (iii)]	121.69	11.09	0.55	132.23	50.06	6.60	0.41	56.25	75.98
	109.85	13.47	1.63	121.69	44.46	6.62	1.02	50.06	71.63
(v) Vehicles [Note (iii)]	158.56	17.98	12.58	163.96	89.30	24.42	9.15	104.57	59.39
	139.54	34.49	15.47	158.56	78.36	23.00	12.06	89.30	69.26
(vi) Office equipment [Note (iii)]	49.25	1.72	1.30	49.67	19.57	2.28	0.72	21.13	28.54
	46.27	3.83	0.85	49.25	18.11	2.22	0.76	19.57	29.68
(vii) Computers and other IT assets [Note (iii)]	569.47	34.17	39.26	564.38	467.36	30.10	38.94	458.52	105.86
	553.87	24.94	9.34	569.47	437.33	38.97	8.94	467.36	102.11
(viii) Water system and sanitation [Note (ii)(a)]	205.30	12.27	-	217.57	55.15	9.77	-	64.92	152.65
	164.31	41.08	0.09	205.30	46.72	8.51	0.08	55.15	150.15
<b>[II] Assets given on lease :</b>									
(i) Plant, machinery and equipment	392.79	-	-	392.79	377.00	4.52	4.52	377.00	15.79
	392.79	-	-	392.79	377.00	4.52	4.52	377.00	15.79
<b>[III] Assets taken on lease :</b>									
(i) Leasehold land [Note (ii)(b)]	118.73	2.65	-	121.38	12.44	1.36	-	13.80	107.58
	118.73	-	-	118.73	11.26	1.18	-	12.44	106.29
(ii) Buildings	31.28	-	-	31.28	4.25	0.05	(0.44)	4.74	26.54
	31.28	-	-	31.28	3.73	0.08	(0.44)	4.25	27.03
(iii) Plant, machinery and equipment	36.43	-	-	36.43	31.77	1.46	-	33.23	3.20
	36.43	-	-	36.43	29.94	1.83	-	31.77	4.66
(iv) Computers and other IT assets	151.43	4.06	-	155.49	94.89	20.00	-	114.89	40.60
	113.21	38.22	-	151.43	63.62	31.27	-	94.89	56.54
<b>Total Tangible assets</b>	<b>22,022.70</b>	<b>1,139.35</b>	<b>138.30</b>	<b>23,023.75</b>	<b>9,734.99</b>	<b>1,286.12</b>	<b>130.86</b>	<b>10,890.25</b>	<b>12,133.50</b>
	20,403.41	1,826.88	207.59	22,022.70	8,656.94	1,249.87	171.82	9,734.99	12,287.71

### Notes :

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

## 13. Intangible assets

(₹ in crores)

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

### Notes :

\* internally generated intangible asset

# other than internally generated intangible asset

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

14. Non-current investments			As at March 31, 2014	As at March 31, 2013
Number	Face value per unit	Description		
<b>I. Long-term investments (at cost)</b>				
<b>(A) Trade investments</b>				
<b>(1) Fully paid Ordinary / Equity shares (quoted)</b>				
<b>(i) Associates</b>				
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22
44,32,497	10	Tata Steel Ltd	245.04	245.04
70,249	10	Tata Chemicals Ltd	0.24	0.24
			<b>353.50</b>	353.50
<b>(2) Fully paid Ordinary / Equity shares (unquoted)</b>				
<b>(i) Subsidiaries</b>				
7,500,000	100	Sheba Properties Ltd	75.00	75.00
30,300,600	10	Tata Technologies Ltd	224.10	224.10
3,698,120	10	Concorde Motors (India) Ltd [Note 10, page 149]	49.63	49.63
65,000,000	10	TAL Manufacturing Solutions Ltd	150.00	150.00
77,000,000	10	TML Drivelines Ltd	448.85	448.85
2,500,000	10	Tata Motors Insurance Broking & Advisory Services Ltd	19.31	19.31
		[Note 5 page 149]		
		Tata Daewoo Commercial Vehicle Co. Ltd (Korea)	-	245.41
		(30,16,060 shares sold during the year) [Note 43(ii), page 169]		
2,85,29,085	(GBP)	Tata Motors European Technical Centre Plc, UK [Note 6, page 149]	234.02	220.94
		(12,80,658 shares acquired during the year)		
7,900	-	Tata Technologies Inc	0.63	0.63
128,93,47,181	10	Tata Motors Finance Ltd	2,400.00	2,200.00
		(5,93,47,181 shares acquired during the year)		
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70	86.70
22,50,00,000	10	TML Distribution Company Ltd	225.00	225.00
		Tata Motors (Thailand) Ltd	-	209.89
		(1,02,60,000 shares acquired during the year and 2,51,29,900 shares sold during the year) [Note 43(ii), page 169]		
		Tata Motors (SA) (Proprietary) Ltd	-	7.81
		(1,19,02,200 shares sold during the year) [Note 43(ii), page 169]		
254,66,59,318	(USD)	TML Holdings Pte Ltd, (Singapore)	11,816.76	11,816.76
1,34,523	(EUR)	Tata Hispano Motors Carrocera S.A.	17.97	17.97
1,83,59,203	(SGD)	Tata Precision Industries Pte. Ltd (Singapore)	40.53	40.53
		PT Tata Motors Indonesia [Note 7, page 149]	-	30.38
		Trilix Srl, Turin (Italy) [Note 8, page 149]	11.94	11.94
			<b>15,800.44</b>	16,080.85
<b>(ii) Associates</b>				
16,000	(TK)	NITA Co. Ltd (Bangladesh)	1.27	1.27
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	77.47
3,97,50,000	10	Tata Hitachi Construction Machinery Company Ltd		
		(formerly known as Telco Construction Equipment Co. Ltd)	79.50	79.50
			<b>158.24</b>	158.24
<b>(iii) Joint ventures (JV)</b>				
12,22,57,980	100	Fiat India Automobiles Ltd [Note 9, page 149]	1,567.04	1,242.04
		(3,25,00,000 shares acquired during the year)		
9,00,00,000	10	Tata Cummins Ltd	90.00	90.00
			<b>1,657.04</b>	1,332.04
<b>(iv) Others</b>				
50,000	1,000	Tata International Ltd	28.85	28.85
1,383	1,000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
1,03,10,242	100	Tata Industries Ltd.	183.19	183.19
1,35,000	100	Tata Projects Ltd	4.68	4.68
33,600	100	Kulkarni Engineering Associates Ltd	0.67	0.67
12,375	1,000	Tata Sons Ltd	68.75	68.75
2,25,00,001	10	Haldia Petrochemicals Ltd.	22.50	22.50
2,40,000	10	Oriental Floratech (India) Pvt. Ltd	0.24	0.24
43,26,651	15	Tata Capital Ltd	6.70	6.70
			<b>315.73</b>	315.73
<b>(3) Fully paid Cumulative Redeemable Preference shares (unquoted)</b>				
<b>(a) Subsidiaries</b>				
13,54,195	100	7% Concorde Motors (India) Ltd [Note 10, page 149]	13.54	13.54
			<b>13.54</b>	13.54
		Carried forward	<b>18,298.49</b>	18,253.90

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

## Notes :

- (1) Face Value per unit is in Rupees unless stated otherwise
- (2) Book value of quoted investments 353.50 353.50
- (3) Book value of unquoted investments 18,004.07 17,818.21
- (4) Market value of quoted investments 253.07 204.82
- (5) The Company has given a letter of comfort to HDFC Bank amounting to ₹1 crore against working capital facility to Tata Motors Insurance Broking & Advisory Services Ltd (TMIBASL). Also the Company has given an undertaking to HDFC Bank that it will not dilute its stake below 51% during the tenor of the loan.
- (6) The Company has given a letter of comfort to Standard Chartered Bank, London for GBP 15 million (₹149.27 crores as on March 31, 2014) against loan extended by the bank to Tata Motors European Technical Centre Plc, UK (TMETC). Also the Company has given an undertaking to Standard Chartered Bank, London to retain 100% ownership of TMETC at all times during the tenor of the loan.
- (7) The Company is in the process of divesting the holding of investments in certain subsidiary companies by transferring these investments to a wholly owned subsidiary. Consequently the investment are classified as current investments.
- (8) Trilix Srl, Turin (Italy) is a limited liability company.
- (9) The Company has given letter of comfort to certain banks and other lenders against credit facilities extended to Fiat India Automobiles Ltd for ₹1,600 crores and Euro 130 million (₹1,069.75 crores as on March 31, 2014). The Letter of Comfort is restricted to 50% of the value of credit facilities extended i.e. ₹1,334.88 crores.
- (10) The Company has given a letter of comfort to Tata Capital Financial Services Limited (TCFSL) amounting ₹15 crores against Credit Facility Extended to Concorde Motors (India) Limited (CMIL).
- (11) Trade Investments also include :

Number	Face value per unit	Description	₹	₹
<b>(i) Investments in subsidiary companies</b>				
100	(SGD) 1	TML Holdings Pte Ltd, (Singapore)	2,778.73	2,778.73
<b>(ii) Investments in other companies</b>				
20,000	10	Metal Scrap Trade Corporation Ltd (15,000 shares received as bonus during the year)	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd	250	250
16,56,517	(M\$) 1	Tatab Industries Sdn. Bhd. Malaysia	1	1
4	25,000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995
200	10	Punjab Chemicals	1	1



# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

24. Employee cost / benefits expense	2013-2014	2012-2013
(a) Salaries, wages and bonus	2,355.59	2,312.15
(b) Contribution to provident fund and other funds	218.94	207.53
(c) Staff welfare expenses	303.16	317.32
	<b>2,877.69</b>	<b>2,837.00</b>

25. Finance cost	2013-2014	2012-2013
(a) Interest	1,359.48	1,378.78
Less: Transferred to capital account	(366.52)	(327.33)
	<b>992.96</b>	<b>1,051.45</b>
(b) Discounting charges	344.56	336.31
	<b>1,337.52</b>	<b>1,387.76</b>

26. Other expenses	2013-2014	2012-2013
(a) Processing charges	1,416.70	1,743.64
(b) Consumption of stores and spare parts	497.90	655.67
(c) Power and fuel	392.09	484.66
(d) Rent	92.80	84.11
(e) Repairs to buildings	48.93	91.97
(f) Repairs to plant, machinery etc.	94.39	95.61
(g) Insurance	80.03	74.80
(h) Rates and taxes	86.08	32.01
(i) Freight, transportation, port charges, etc.	905.01	929.63
(j) Publicity	612.18	792.67
(k) Excise duty on change in closing stock	(68.37)	58.41
(l) Works operation and other expenses [note below]	2,829.79	2,740.14
	<b>6,987.53</b>	<b>7,783.32</b>
<b>Note :</b>		
<b>Works operation and other expenses include</b>		
(a) Warranty expenses	343.78	353.05
(b) Computer expenses	594.51	529.43
(c) Consultancy	181.33	189.96
(d) Provisions and write off for sundry debtors, vehicle loans and advances	262.40	35.80



## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

28. Contingent liabilities, commitments (to the extent not provided for)	As at March 31, 2014	As at March 31, 2013
Description of claims and assertions where a potential loss is possible, but not probable is reported under note (1) and (2) below :		
1 Claims against the Company not acknowledged as debts		
(i) Sales tax - Gross	869.50	353.54
- Net of tax	573.96	238.84
(ii) Excise duty - Gross	856.67	867.35
- Net of tax	565.49	585.94
(iii) Others - Gross	250.34	173.90
- Net of tax	157.52	117.48
(iv) Income Tax in respect of matters pending in appeal / others	92.58	95.20
2 The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which the Department is in further appeal	71.42	70.80
3 Other money for which the Company is contingently liable in respect of bills discounted and export sales on deferred credit	348.39	204.30
4 Estimated amount of contracts remaining to be executed on capital account and not provided for	1,629.65	1,526.11
5 Purchase commitments	9,597.72	12,142.44

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

### (a) Related party and their relationship

#### 1. Subsidiaries :

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

#### 2. Associates :

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

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

#### 3. Joint Ventures :

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

#### 4. Key Management Personnel :

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

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

\* Less than ₹5,000/-

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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



# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

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

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

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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

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

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

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

(₹ in crores)

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

### (a) Defined contribution plans -

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

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

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

### (d) The Company expects to contribute ₹87.95 crores to the funded pension plans in the year 2014-15.

# NOTES FORMING PART OF FINANCIAL STATEMENTS

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

## 37. Derivative transactions

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

### (a) Derivative Instruments outstanding as at March 31, 2014

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

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

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

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

## NOTES FORMING PART OF FINANCIAL STATEMENTS

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

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



# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

40. Information regarding exports and imports and other matters	2013-2014	2012-2013
1. Earnings in foreign exchange :		
(i) F.O.B. value of goods exported [including sales through export house, exports to Nepal, Bhutan and local sales eligible for export incentives and exchange differences (net) - gain of ₹ 5.45 crores (2012-13 gain of ₹ 33.20 crores)]	3,508.26	3,419.05
(ii) Rent income	4.10	7.30
(iii) Commission	2.07	1.33
(iv) Interest and dividend	1,385.89	1,430.58
(v) Sale of services	75.29	27.57
(vi) Profit on sale of investment	1,966.12	-
2. C.I.F. value of imports		
(i) Raw material and components	1,049.65	1,057.03
(ii) Machinery spares and tools	35.46	60.66
(iii) Capital goods	268.37	275.34
(iv) Vehicles / spare parts / accessories for sale	274.03	456.98
(v) Other items	35.68	38.32
3. (a) Value of imported and indigenous raw materials and components consumed [note below] :		
(i) Imported	1,040.14	1,140.20
(ii) Indigenously obtained	19,452.73	26,104.08
(b) Percentage to total consumption :		
(i) Imported	% 5.08	4.19
(ii) Indigenously obtained	% 94.92	95.81

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

(₹ in crores)

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

# NOTES FORMING PART OF FINANCIAL STATEMENTS

(₹ in crores)

42. Remittances in foreign currencies for dividends :	2013-2014	2012-2013
The Company does not have complete information as to the extent to which remittances in foreign currencies on account of dividends have been made by or on behalf of non-resident shareholders. The particulars of dividends declared during the year and payable to non - resident shareholders for the year 2012-13 are as under :		
(i) Number of non-resident shareholders		
a) For 2012-13	Nos. <b>9,511</b>	-
b) For 2011-12	Nos. -	10,292
(ii) Number of shares held by them		
a) For 2012-13	Nos. <b>126,05,80,381</b>	-
b) For 2011-12	Nos. -	122,16,76,252
(iii) Gross amount of dividend		
a) For 2012-13	<b>252.12</b>	-
b) For 2011-12	-	488.67

## 43. Other notes

- (i) Capital Work-in-progress as at March 31, 2014 includes building under construction at Singur in West Bengal of ₹309.88 crores for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal (State Government) enacted a legislation to cancel land lease agreement. The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta ruled against the validity of the legislation and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India, which is pending disposal. Based on management's assessment no provision is considered necessary to the carrying cost of buildings at Singur.
- (ii) The Company has substantially completed the process of divesting its investments in certain foreign subsidiary companies to TML Holding Pte Ltd, Singapore, a wholly owned subsidiary. Consequently, the year ended March 31, 2014 includes a profit of **₹1,966.12 crores** on such divestment (₹ Nil for the year ended March 31, 2013).
- (iii) During FY 2012-13, the Company sold the Forge division at Jamshedpur to its wholly-owned subsidiary, TML Drivelines Ltd on a slump sale basis for a consideration of ₹ 110 crores vide an agreement dated March 28, 2013.
- (iv) **Micro, Small and Medium Enterprises Development Act, 2006 :**

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

	2013-2014	2012-2013
(a) Amounts outstanding but not due as at March 31,	<b>141.65</b>	184.41
(b) Amounts due but unpaid as at March 31,	-Principal -	-
(c) Amounts paid after appointed date during the year	-Principal <b>18.21</b>	8.43
(d) Amount of interest accrued and unpaid as at March 31,	-Interest <b>1.07</b>	2.29
(e) Amount of estimated interest due and payable for the period from April 1, 2014 to actual date of payment or May 29, 2014 (whichever is earlier)	-Interest <b>0.03</b>	0.03
(v) Current year figures are shown in bold prints		
(vi) Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.		

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

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

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

# INDEPENDENT AUDITORS' REPORT

## TO THE BOARD OF DIRECTORS OF TATA MOTORS LIMITED

### Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of **TATA MOTORS LIMITED** (the "Company"), its subsidiaries and jointly controlled entities (the Company, its subsidiaries and jointly controlled entities constitute "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2014, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Consolidated Financial Statements

The Company's Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

As stated in the Other Matters paragraph below, our opinion, in so far as it relates to the amounts and disclosures included in respect of the subsidiaries, jointly controlled entity and associates not audited by us, is based solely on the reports of such other auditors.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of the reports of the other auditors on the financial statements of the subsidiaries, and associates and based on the consideration of the unaudited financial statements of the subsidiaries, jointly controlled entity and associates; referred to below in the Other Matters paragraph, the aforesaid consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at March 31, 2014;
- b) in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
- c) in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

### Emphasis of Matter

We draw attention to Note k (i) under significant accounting policies. As stated in the note, the changes in actuarial valuation (net) amounting to ₹1,343.67 crores (debit) (net of tax of ₹40.39 crores) for the year ended March 31, 2014 and ₹7,568.38 crores (debit) as at March 31, 2014, have been accounted in "Reserves and Surplus" in respect of a group of subsidiary companies.

Our opinion is not qualified in respect of this matter.

### Other Matters

- a) We did not audit the financial statements of 12 subsidiaries whose financial statements reflect total assets (net) of ₹62,024.11 crores as at March 31, 2014, total revenues of ₹1,96,754.68 crores and net cash inflows amounting to ₹4,075.15 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net profit of ₹9.71 crores for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of 2 associates, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. (170-171)
- b) The consolidated financial statements include the unaudited financial statements of 7 subsidiaries and 1 jointly controlled entity, whose financial statements reflect total assets (net) of ₹438.21 crores as at March 31, 2014, total revenue of ₹2,438.99 crores and net cash outflows amounting to ₹110.90 crores for the year ended on that date, as considered in the consolidated financial statements. The consolidated financial statements also include the Group's share of net loss of ₹71.01 crores for the year ended March 31, 2014, as considered in the consolidated financial statements, in respect of 2 associates, based on their unaudited financial statements. Our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, jointly controlled entity and associates, is based solely on such unaudited financial statements.

Our opinion is not qualified in respect of these matters.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

**B. P. SHROFF**

(Partner)

(Membership No. 34382)

Mumbai, May 29, 2014

# CONSOLIDATED BALANCE SHEET

AS AT MARCH 31, 2014

				(₹ in crores)	
	Note	Page	As at March 31, 2014	As at March 31, 2013	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1. SHAREHOLDERS' FUNDS</b>					
(a) Share capital	2	182	643.78		638.07
(b) Reserves and surplus	3	184	64,959.67		36,999.23
				65,603.45	37,637.30
<b>2. MINORITY INTEREST</b>				420.65	370.48
<b>3. NON-CURRENT LIABILITIES</b>					
(a) Long-term borrowings	4	186	45,258.61		32,155.29
(b) Deferred tax liabilities (net)	6	188	1,572.33		2,048.21
(c) Other long-term liabilities	7	189	2,596.86		3,284.06
(d) Long-term provisions	9	190	12,190.29		8,337.24
				61,618.09	45,824.80
<b>4. CURRENT LIABILITIES</b>					
(a) Short-term borrowings	5	186	9,695.86		11,620.21
(b) Trade payables	11	190	57,315.73		44,912.35
(c) Other current liabilities	8	189	17,373.86		22,224.94
(d) Short-term provisions	10	190	7,970.68		7,788.16
				92,356.13	86,545.66
<b>TOTAL</b>				<u>219,998.32</u>	<u>170,378.24</u>
<b>II. ASSETS</b>					
<b>1. NON-CURRENT ASSETS</b>					
(a) Fixed Assets					
(i) Tangible assets	12	191	40,694.29		32,728.95
(ii) Intangible assets	13	191	23,418.55		18,680.41
(iii) Capital work-in-progress			10,137.30		4,345.11
(iv) Intangible assets under development			23,125.26		14,108.44
			97,375.40		69,862.91
(b) Goodwill (on consolidation)	14	192	4,978.83		4,102.37
(c) Non-current investments	15	192	1,114.39		1,222.41
(d) Deferred tax assets (net)	6	188	2,347.08		4,428.93
(e) Long-term loans and advances	17	193	13,268.84		15,584.12
(f) Other non-current assets	19	194	5,068.45		1,023.95
				124,152.99	96,224.69
<b>2. CURRENT ASSETS</b>					
(a) Current investments	16	193	9,572.28		7,542.32
(b) Inventories	21	194	27,270.89		21,036.82
(c) Trade receivables	22	194	10,574.23		10,959.60
(d) Cash and bank balances	23	194	29,711.79		21,114.82
(e) Short-term loans and advances	18	193	14,055.24		12,667.05
(f) Other current assets	20	194	4,660.90		832.94
				95,845.33	74,153.55
<b>TOTAL</b>				<u>219,998.32</u>	<u>170,378.24</u>
<b>III. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>					

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants**B P SHROFF**  
Partner

Mumbai, May 29, 2014

**CYRUS P MISTRY**  
Chairman**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

**N N WADIA**  
**R A MASHALKAR**  
**S BHARGAVA**  
**N MUNJEE**  
**V K JAIRATH**  
**F NAYAR****R SPETH**  
Directors**R PISHARODY**  
Executive Director**S B BORWANKAR**  
Executive Director**C RAMAKRISHNAN**  
Chief Financial Officer**H K SETHNA**  
Company Secretary  
Mumbai, May 29, 2014

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

FOR THE YEAR ENDED MARCH 31, 2014

				(₹ in crores)	
	Note	Page		2013-2014	2012-2013
<b>I. REVENUE FROM OPERATIONS</b>	24 (I)	195		<b>236,626.43</b>	193,698.47
Less : Excise duty				<b>(3,792.77)</b>	(4,905.78)
				<b>232,833.66</b>	188,792.69
<b>II. OTHER INCOME</b>	24 (II)	195		<b>828.59</b>	815.59
<b>III. TOTAL REVENUE (I + II)</b>				<b>233,662.25</b>	189,608.28
<b>IV. EXPENSES :</b>					
(a) Cost of materials consumed			135,550.04		113,851.34
(b) Purchase of products for sale			10,876.95		9,266.00
(c) Changes in inventories of finished goods, work-in-progress and products for sale			(2,840.58)		(3,029.29)
(d) Employee cost / benefits expense	25	196	21,556.42		16,632.19
(e) Finance cost	26	196	4,733.78		3,560.25
(f) Depreciation and amortisation expense			11,078.16		7,601.28
(g) Product development / Engineering expenses			2,565.21		2,021.59
(h) Other expenses	27	196	43,825.77		35,648.33
(i) Expenditure transferred to capital and other accounts			(13,537.85)		(10,193.45)
<b>TOTAL EXPENSES</b>				<b>213,807.90</b>	175,358.24
<b>V. PROFIT BEFORE EXCEPTIONAL ITEMS, EXTRAORDINARY ITEMS AND TAX (III - IV)</b>				<b>19,854.35</b>	14,250.04
<b>VI. EXCEPTIONAL ITEMS</b>					
(a) Exchange loss (net) including on revaluation of foreign currency borrowings, deposits and loans			707.72		515.09
(b) Provision for costs associated with closure of operations and impairment of intangibles			224.16		87.62
(c) Employee separation cost			53.50		-
				<b>985.38</b>	602.71
<b>VII. PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V - VI)</b>				<b>18,868.97</b>	13,647.33
VIII. Extraordinary items				-	-
<b>IX. PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (VII - VIII)</b>				<b>18,868.97</b>	13,647.33
X. Tax expense	6	188		<b>4,764.79</b>	3,776.66
<b>XI. PROFIT AFTER TAX FROM CONTINUING OPERATIONS (IX - X)</b>				<b>14,104.18</b>	9,870.67
XII. Share of profit / (loss) of associates (net)				<b>(53.71)</b>	105.61
XIII. Minority interest				<b>(59.45)</b>	(83.67)
<b>XIV. PROFIT FOR THE YEAR</b>				<b>13,991.02</b>	9,892.61
<b>XV. EARNINGS PER SHARE</b>	28	197			
A. Ordinary shares (Face value of ₹ 2 each)					
a. Basic	₹			<b>43.51</b>	31.02
b. Diluted	₹			<b>43.50</b>	30.94
B. 'A' Ordinary shares (Face value of ₹ 2 each)					
a. Basic	₹			<b>43.61</b>	31.12
b. Diluted	₹			<b>43.60</b>	31.04
<b>XVI. NOTES FORMING PART OF FINANCIAL STATEMENTS</b>					

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**B P SHROFF**  
Partner

Mumbai, May 29, 2014

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

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

**R SPETH**  
Directors

**R PISHARODY**  
Executive Director

**S B BORWANKAR**  
Executive Director

**C RAMAKRISHNAN**  
Chief Financial Officer

**H K SETHNA**  
Company Secretary  
Mumbai, May 29, 2014

# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

	(₹ in crores)	
	2013 -2014	2012 -2013
<b>A. Cash flows from operating activities</b>		
Profit for the year	13,991.02	9,892.61
Adjustments for:		
Depreciation (including lease equalisation adjusted in income)	11,073.64	7,596.76
Loss on sale of assets (including assets scrapped / written off)	46.52	23.89
Profit on sale of investments (net)	(114.58)	(80.09)
Provision for costs associated with closure of operations and impairment of intangibles	224.16	87.62
Provision / (reversal) for diminution in value of investments	(1.05)	0.41
Provision for inter corporate deposits (net)	-	5.29
Gain on settlement of deferred sales tax liability	(154.46)	(138.29)
Share of (profit) / loss of associate companies (net)	53.71	(105.61)
Share of Minority Interest	59.45	83.67
Tax expense	4,764.79	3,776.67
Interest / dividend (net)	4,019.77	2,828.30
Exchange difference (net)	722.11	434.31
	<b>20,694.06</b>	14,512.93
Operating profit before working capital changes	<b>34,685.08</b>	24,405.54
Adjustments for:		
Inventories	(2,852.55)	(2,655.81)
Trade receivables	2,130.19	(2,697.57)
Finance receivables	(67.55)	(2,479.10)
Other current and non-current assets	1,123.90	(999.03)
Trade payables	4,693.90	8,132.19
Other current and non-current liabilities	(141.66)	(628.33)
Provisions	888.18	1,324.79
	<b>5,774.41</b>	(2.86)
Cash generated from operations	<b>40,459.49</b>	24,402.68
Income taxes paid (net)	<b>(4,308.33)</b>	(2,240.07)
Net cash from operating activities	<b>36,151.16</b>	22,162.61
<b>B. Cash flows from investing activities</b>		
Payment for fixed assets	(26,975.13)	(18,862.57)
Proceeds from sale of fixed assets	49.93	36.69
Investments in Mutual Fund sold / (made) (net)	(424.69)	186.11
Acquisition of a subsidiary company	(184.56)	-
Investment in associate companies	-	(0.01)
Investments - others	(3.88)	(5.50)
Investments in Pass-through certificate (PTC) (net)	13.60	-
Decrease in Investments in retained interests in securitisation transactions	-	(107.69)
Redemption of Investment in associate companies	-	21.00
Sale / redemption of investments - others	3.56	12.86
Fixed deposits with Financial Institution made	(237.50)	-
Fixed deposits with Financial Institutions realised	200.00	-
Deposits of margin money / cash collateral	(4.48)	(251.21)
Realisation of margin money / cash collateral	1,365.93	762.15
Fixed / restricted deposits with banks made	(5,252.38)	(6,972.22)
Fixed / restricted deposits with banks realised	863.31	836.65
Interest received	653.23	712.89
Dividend received from associate companies	14.51	56.25
Dividend / income on investments received	25.53	38.40
(Increase) / decrease in short term Inter-corporate deposits	-	44.83
Net cash used in investing activities	<b>(29,893.02)</b>	(23,491.37)



# CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED MARCH 31, 2014

(₹ in crores)

	2013 - 2014	2012 - 2013
<b>C. Cash flows from financing activities</b>		
Expenses on Foreign Currency Convertible Notes (FCCN) /		
Convertible Alternative Reference Securities (CARS) conversion	(0.35)	(0.23)
Brokerage and other expenses on Non-Convertible Debentures (NCD)	(87.54)	(93.02)
Proceeds from issue of shares to minority shareholders (net of issue expenses)	-	0.56
Premium paid on redemption of FCCN / CARS (including tax)	-	(886.95)
Premium paid on redemption of NCD	(658.05)	(96.55)
Proceeds from issue of shares held in abeyance	0.09	0.16
Proceeds from long-term borrowings (net of issue expenses)	23,321.39	13,160.24
Repayment of long-term borrowings	(16,737.81)	(7,538.44)
Proceeds from short-term borrowings	11,353.56	14,702.92
Repayment of short-term borrowings	(12,403.24)	(13,011.82)
Net change in other short-term borrowings (with maturity up to three months)	(1,416.57)	155.56
Repayment of fixed deposits	(362.19)	(1,868.38)
Dividend paid (including dividend distribution tax)	(688.62)	(1,527.24)
Dividend paid to minority shareholders	(33.35)	(23.33)
Interest paid [including discounting charges paid ₹665.93 crores (2012-2013 ₹568.49 crores)]	(6,170.56)	(4,665.56)
Net cash (used in) financing activities	(3,883.24)	(1,692.08)
<b>Net (decrease) / increase in cash and cash equivalents (A+B+C)</b>	<b>2,374.90</b>	<b>(3,020.84)</b>
Cash and cash equivalents as at April 1 (Opening balance)	12,350.97	14,849.89
Cash and cash equivalent on acquisition of subsidiary	40.51	-
Effect of foreign exchange on cash and cash equivalents	1,861.60	521.92
<b>Cash and cash equivalents as at March 31 (Closing balance)</b>	<b>16,627.98</b>	<b>12,350.97</b>
Previous year figures have been restated, wherever necessary, to conform to this period's classification.		
<b>Non-cash transactions :</b>		
Foreign Currency Convertible Notes (FCCN) /		
Convertible Alternative Reference Securities (CARS) converted to Ordinary shares	413.34	232.83

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**  
Chartered Accountants

**B P SHROFF**  
Partner

Mumbai, May 29, 2014

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

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

**R SPETH**  
Directors

**R PISHARODY**  
Executive Director

**S B BORWANKAR**  
Executive Director

**C RAMAKRISHNAN**  
Chief Financial Officer

**H K SETHNA**  
Company Secretary  
Mumbai, May 29, 2014

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 1. Basis of Consolidation and Significant Accounting Policies

### (I) Basis of consolidation:

The Consolidated Financial Statements relate to Tata Motors Limited (the Company), its subsidiary companies, joint ventures and associates. The Company and its subsidiaries constitute the Group.

#### (a) Basis of preparation

The financial statements are prepared under the historical cost convention on an accrual basis of accounting in accordance with the generally accepted accounting principles, Accounting Standards notified under Section 211 (3C) of the Companies Act, 1956 (the "Act") and the relevant provisions thereof, which continue to be applicable in respect of Section 133 of Companies Act, 2013 in terms of General Circular 15/2013 dated September 13, 2013 of the Ministry of Corporate Affairs.

#### (b) Use of estimates

The preparation of financial statements requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent liabilities at the date of these financial statements. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

#### (c) Principles of consolidation:

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

- The financial statements of the subsidiary companies / joint ventures / associates used in the consolidation are drawn upto the same reporting date as of the Company i.e. year ended March 31, 2014.
- The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together like items of assets, liabilities, income and expenses. The intra-group balances and intra-group transactions and unrealised profits have been fully eliminated.
- The Consolidated Financial Statements include the share of profit / loss of the associate companies which has been accounted as per the 'Equity method'; and accordingly, the share of profit / loss of each of the associate companies (the loss being restricted to the cost of investment) has been added to / deducted from the cost of investments.  
An associate is an enterprise in which the investor has significant influence and which is neither a subsidiary nor a joint venture of the investor.
- The financial statements of the joint venture companies have been combined by using proportionate consolidation method and accordingly, venturer's share of each of the assets, liabilities, income and expenses of jointly controlled entity is reported as separate line items in the Consolidated Financial Statements.
- The excess of cost to the Company of its investments in the subsidiary companies / joint ventures over its share of equity of the subsidiary companies / joint ventures, at the dates on which the investments in the subsidiary companies / joint ventures are made, is recognised as 'Goodwill' being an asset in the Consolidated Financial Statements. Alternatively, where the share of equity in the subsidiary companies / joint ventures as on the date of investment is in excess of cost of investment of the Company, it is recognised as 'Capital Reserve' and shown under the head 'Reserves and Surplus', in the Consolidated Financial Statements.
- Minority interest in the net assets of consolidated subsidiaries consists of the amount of equity attributable to the minority shareholders at the dates on which investments are made by the Company in the subsidiary companies and further movements in their share in the equity, subsequent to the dates of investments as stated above.

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

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at March 31, 2014	As at March 31, 2013
	Direct Subsidiaries			
1	TML Drivelines Ltd	India	100	100
2	TAL Manufacturing Solutions Ltd	India	100	100
3	Sheba Properties Ltd	India	100	100
4	Concorde Motors (India) Ltd	India	100	100
5	Tata Motors Insurance Broking & Advisory Services Ltd	India	100	100
6	Tata Motors European Technical Centre Plc	UK	100	100
7	Tata Technologies Ltd	India	72.32	72.32
8	Tata Motors Finance Ltd	India	100	100
9	Tata Marcopolo Motors Ltd	India	51	51
10	TML Holdings Pte Ltd, Singapore	Singapore	100	100
11	TML Distribution Company Ltd	India	100	100
12	Tata Hispano Motors Carrocera S.A	Spain	100	100
13	Trilix S.r.l	Italy	80	80
14	Tata Precision Industries Pte Ltd	Singapore	78.39	78.39
15	PT Tata Motors Indonesia	Indonesia	100	100
	Indirect Subsidiaries *			
16	Tata Daewoo Commercial Vehicle Co. Ltd	South Korea	100	100
17	Tata Motors (Thailand) Ltd	Thailand	94.36	90.82
18	Tata Motors (SA) (Proprietary) Ltd	South Africa	60	60
19	Tata Technologies (Thailand) Ltd	Thailand	72.32	72.32
20	Tata Technologies Pte. Ltd, Singapore	Singapore	72.32	72.32
21	INCAT International Plc	UK	72.32	72.32
22	Tata Technologies Europe Ltd	UK	72.32	72.32

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

Sr No.	Name of the Subsidiary Company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at	As at
			March 31, 2014	March 31, 2013
23	INCAT GmbH.	Germany	72.32	72.32
24	Tata Technologies Inc.	USA	72.52	72.52
25	Tata Technologies de Mexico, S.A. de C.V.	Mexico	72.52	72.52
26	Tata Technologies (Canada) Inc.	Canada	72.52	72.52
27	Cambric Holdings Inc. (w.e.f. May 1, 2013)	USA	72.32	-
28	Cambric Corporation, Delaware (w.e.f. May 1, 2013)	USA	72.32	-
29	Cambric Limited, Bahama (w.e.f. May 1, 2013)	USA	72.32	-
30	Cambric UK Ltd. (w.e.f. May 1, 2013)	UK	72.32	-
31	Cambric Managed Services, Utah (w.e.f. May 1, 2013)	USA	72.32	-
32	Cambric GmbH (w.e.f. May 1, 2013)	Germany	72.32	-
33	Midwest Managed Services, Utah (w.e.f. May 1, 2013)	USA	72.32	-
34	Cambric Consulting SRL, Romania (w.e.f. May 1, 2013)	Romania	72.32	-
35	Cambric Manufacturing Technologies (Shanghai) Co. Ltd (incorporated w.e.f. March 10, 2014)	China	72.32	-
36	Jaguar Land Rover Automotive Plc	UK	100	100
37	Jaguar Land Rover Ltd	UK	100	100
38	Jaguar Land Rover Austria GmbH	Austria	100	100
39	Jaguar Land Rover Belux NV (formerly known as Jaguar Belux NV)	Belgium	100	100
40	Jaguar Land Rover Japan Ltd	Japan	100	100
41	Jaguar Cars South Africa (pty) Ltd	South Africa	100	100
42	JLR Nominee Company Limited (formerly known as Jaguar Land Rover Exports Ltd)	UK	100	100
43	The Daimler Motor Company Ltd	UK	100	100
44	The Jaguar Collection Ltd	UK	100	100
45	Daimler Transport Vehicles Ltd	UK	100	100
46	S.S. Cars Ltd	UK	100	100
47	The Lanchester Motor Company Ltd	UK	100	100
48	Jaguar Hispania SL (absorbed into Land Rover Espana SL w.e.f. January 1, 2013)	Spain	-	100
49	Jaguar Land Rover Deutschland GmbH	Germany	100	100
50	Jaguar Land Rover Holdings Limited (formerly known as Land Rover)	UK	100	100
51	Land Rover Group Ltd	Jersey	100	100
52	Jaguar Land Rover North America LLC	USA	100	100
53	Land Rover Belux SA/NV (merged with Jaguar Belux NV w.e.f. October 1, 2013)	Belgium	-	100
54	Land Rover Ireland Ltd	Ireland	100	100
55	Jaguar Land Rover Nederland BV	Netherlands	100	100
56	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal	100	100
57	Jaguar Land Rover Australia Pty Ltd	Australia	100	100
58	Jaguar Land Rover Italia SpA	Italy	100	100
59	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	Spain	100	100
60	Jaguar Land Rover Korea Co. Ltd	South Korea	100	100
61	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	100	100
62	Jaguar Land Rover Canada ULC	Canada	100	100
63	Jaguar Land Rover France, SAS	France	100	100
64	Jaguar Land Rover (South Africa) (pty) Ltd	South Africa	100	100
65	Jaguar Land Rover Brazil LLC	Brazil	100	100
66	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	100	100
67	Land Rover Parts Ltd	UK	100	100
68	Jaguar Land Rover (South Africa) Holdings Ltd.	UK	100	100
69	Jaguar Land Rover India Ltd	India	100	100
70	Tata Hispano Motors Carroceries Maghreb	Morocco	100	100
71	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea	100	100
72	PT Tata Motors Distribusi Indonesia	Indonesia	99.99	99.99

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

(e) The following Joint Venture companies are considered in the consolidated financial statements:

Sr No.	Name of the joint venture company	Country of incorporation	% of holding either directly or through subsidiaries	
			As at	As at
			March 31, 2014	March 31, 2013
1	Fiat India Automobiles Limited	India	50	50
2	Tata Cummins Ltd	India	50	50
3	Tata HAL Technologies Ltd **	India	36.16	36.16
4	Spark 44 Ltd	UK	50	50
5	Chery Jaguar Land Rover Automotive Co. Ltd	China	50	50
6	Suzhou Chery Jaguar Land Rover Trading Co. Ltd (Ownership transferred to Chery Jaguar Land Rover Automotive Co. Ltd w.e.f. November 2013)	China	-	50

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (III) Significant accounting policies :

### (a) Revenue recognition

#### (i) Sale of products

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

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

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

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

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

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

### (b) Depreciation and Amortisation

#### (i) Depreciation is provided on Straight Line Method basis (SLM) over the estimated useful lives of the assets. Estimated useful lives of assets are as follows:

##### Type of Asset

##### Estimated useful life

Leasehold Land

amortised over the period of the lease

Buildings

20 to 40 years

Plant, machinery and equipment

9 to 30 years

Computers and other IT assets

3 to 6 years

Vehicles

3 to 10 years

Furniture, fixtures and office appliances

3 to 20 years

Technical know-how

2 to 10 years

Developed technologies

10 years

Computer software

1 to 8 years

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

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

#### (ii) Product development costs are amortised over a period of 36 months to 120 months or on the basis of actual production to planned production volume over such period.

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

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

### (c) Fixed Assets

#### (i) Fixed assets are stated at cost of acquisition or construction less accumulated depreciation / amortisation.

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

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

#### (iv) Software not exceeding Rs. 25,000 and product development costs relating to minor product enhancements, facelifts and upgrades are charged off to the Profit and Loss Statement as and when incurred.

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

At each Balance Sheet date, the Company assesses whether there is any indication that the tangible assets, intangible assets including Goodwill may be impaired. If any such impairment indicators exists, the recoverable amount of an asset is estimated to determine the extent of the impairment, if any. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of the cash generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to that unit and then to the other assets of the unit pro rata on the basis of carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in the subsequent period unless there are changes in external events. As of March 31, 2014 none of the tangible and intangible assets were considered impaired except for amounts disclosed in Note 14 to the Consolidated Financial Statements.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (e) Leases

### (i) Finance lease

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

### (ii) Operating lease

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

## (f) Transactions in foreign currencies and accounting of derivatives

### (i) Exchange differences

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

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

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

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

(3) On consolidation, the assets, liabilities and goodwill or capital reserve arising on the acquisition, of the Group's overseas operations are translated at exchange rates prevailing on the balance sheet date. Income and expenditure items are translated at the average exchange rates for the year/month. Exchange differences arising in case of Integral Foreign operations are recognised in the Statement of Profit and Loss and exchange differences arising in case of Non integral Foreign Operations are recognised in the Group's Translation Reserve classified under Reserves and surplus.

### (ii) Hedge accounting

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

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

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

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

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

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

## (g) Product warranty expenses

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

## (h) Income on vehicle loan

Interest income from loan contracts in respect of vehicles and income from plant given on lease, are accounted for by using the Internal Rate of Return method. Consequently, a constant rate of return on the net outstanding amount is accrued over the period of contract. The Company and its subsidiary provides an allowance for finance receivables that are in arrears for more than 11 months, to the extent of an amount equivalent to the outstanding principal and amounts due but unpaid considering probable inherent loss including estimated realisation based on past performance trends. In respect of loan contracts that are in arrears for more than 6 months but not more than 11 months, allowance is provided to the extent of 10% of the outstanding and amount due but unpaid.

## (i) Sale of finance receivables

One of the subsidiary sells finance receivables to Special Purpose Entities ("SPE") in securitisation transactions. Recourse is in the form of the subsidiary's investment in subordinated securities issued by these special purpose entities, cash collateral and bank guarantees. The loans are derecognised in the balance sheet when they are sold and consideration has been received by the subsidiary. Sales and transfers that do not meet the criteria for surrender of control are accounted for as secured borrowings.

Gains or losses from the sale of loans are recognised in the period the sale occurs based on the relative fair value of the portion sold and the portion allocated to

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

retained interests, except for subsidiaries which are governed by prudential norms for income recognition issued by the Reserve Bank of India for Non Banking Financial Companies (NBFC), where gains or losses on sale are accounted for as per these norms.

The estimated liability for servicing expenses in respect of assigned receivables is made based on the ratio between the cost incurred for servicing current receivables and the collection made during the year.

## (j) Inventories

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

## (k) Employee benefits

### (i) Pension plans

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

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

During the year ended and as at March 31, 2014, ₹ 1,343.67 crores (debit) (net of tax) and ₹ 7,568.38 crores (debit) (net of tax) respectively have been accounted, to "Reserves and Surplus", representing changes in actuarial valuation of pension plans of a subsidiary company in the UK, in accordance with IFRS principles and as permitted by AS 21 in the consolidated financial statements.

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

### (ii) Gratuity

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

### (iii) Superannuation

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

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

The Company and some of its subsidiaries maintain separate irrevocable trusts for employees covered and entitled to benefits. The Company and its subsidiaries contributes up to 15% of the eligible employees' salary to the trust every year. Such contributions are recognised as an expense when incurred. The Company and the said subsidiaries have no further obligation beyond this contribution.

### (iv) Bhavishya Kalyan Yojana (BKY)

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

### (v) Severance indemnity

Tata Daewoo Commercial Vehicle Co. Ltd and Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd, subsidiary companies 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. In accordance with the National Pension Law of Korea, a portion of the severance indemnities was transferred, in cash, to the National Pension Fund through March 1999, and such amounts are presented as a deduction from accrued severance indemnities.

### (vi) Post-retirement medicare scheme

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (vii) Provident fund and family pension

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

## (viii) Compensated absences

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

## (l) Investments

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

## (m) Income taxes

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

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

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

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

## (n) Redemption premium on Foreign Currency Convertible Notes (FCCN) / Non Convertible Debentures (NCD)

Premium payable on redemption of FCCN / NCD as per the terms of issue, is provided fully in the year of issue by adjusting against the Securities Premium Account (SPA) (net of tax). Any change in the premium payable, consequent to conversion or exchange fluctuations is adjusted to the SPA.

## (o) Borrowing costs

Fees towards structuring / arrangements and underwriting and other incidental costs incurred in connection with borrowings are amortised over the period of the loan.

## (p) Liabilities and contingent liabilities

The Company records a liability for any claims where a potential loss is probable and capable of being estimated and discloses such matters in its financial statements, if material. For potential losses that are considered possible, but not probable, the Company provides disclosure in the financial statements but does not record a liability in its accounts unless the loss becomes probable.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

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

Shares as on April 1

Add: Shares issued out of held in abeyance

Add: Shares issued through conversion of Foreign Currency

Convertible Notes (FCCN) / Convertible Alternative Reference

Securities (CARS)

Shares as on March 31

**(ii) 'A' Ordinary shares :**

Shares as on April 1

Add: Shares issued out of held in abeyance

Shares as on March 31

\* Less than ₹ 50,000/-

2013-2014		2012-2013	
No. of Shares	(₹ in crores)	No. of Shares	(₹ in crores)
270,81,56,151	541.63	269,16,13,455	538.32
7,405	- *	1,125	- *
2,85,49,566	5.71	1,65,41,571	3.31
<b>273,67,13,122</b>	<b>547.34</b>	<b>270,81,56,151</b>	<b>541.63</b>
48,19,59,620	96.40	48,19,33,115	96.39
7,325	- *	26,505	0.01
<b>48,19,66,945</b>	<b>96.40</b>	<b>48,19,59,620</b>	<b>96.40</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## (h) Rights, preferences and restrictions attached to shares :

### (i) Ordinary shares and 'A' Ordinary shares both of ₹2 each :

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

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

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

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

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

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

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

## (k) The entitlements to 4,84,470 Ordinary shares of ₹2 each (as at March 31, 2013 : 4,91,875 Ordinary shares of ₹2 each) and 2,39,570 'A' Ordinary shares of ₹2 each (as at March 31, 2013: 2,46,895 'A' Ordinary shares of ₹2 each) are subject matter of various suits filed in the courts / forums by third parties for which final order is awaited and hence kept in abeyance.

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

## 3. Reserves and surplus

	As at March 31, 2013	Additions	Deductions	As at March 31, 2014
(a) Capital Redemption Reserve	2.28 2.28	- -	- -	2.28 2.28
(b) Securities Premium Account [Notes (i) and (ii)]	11,328.57 11,186.76	441.93 233.31	87.41 91.50	11,683.09 11,328.57
(c) Debenture Redemption Reserve	1,042.15 1,172.15	- -	- 130.00	1,042.15 1,042.15
(d) Capital Reserve (on consolidation) [Note (iii)]	440.21 405.36	64.35 34.85	- -	504.56 440.21
(e) Revaluation Reserve [Note (iv)]	39.60 92.90	- -	16.73 53.30	22.87 39.60
(f) Amalgamation Reserve	0.05 0.05	- -	- -	0.05 0.05
(g) Special Reserve	208.19 145.05	21.78 63.14	- -	229.97 208.19
(h) Hedging Reserve Account [Note (v)]	(1,578.07) (161.17)	8,813.62 423.35	1,836.00 1,840.25	5,399.55 (1,578.07)
(i) Pension Reserve [Note (vi)]	(6,224.71) (3,870.58)	- 1,618.47	1,343.67 3,972.60	(7,568.38) (6,224.71)
(j) Earned Surplus Reserve [Note (vii)]	14.51 14.51	- -	- -	14.51 14.51
(k) Reserves for Research and Human Resource Development [Note (viii), page 185]	169.29 169.29	- -	- -	169.29 169.29
(l) Restricted Reserve	0.39 0.39	- -	- -	0.39 0.39
(m) Legal Reserve [Note (ix)]	- -	0.33 -	- -	0.33 -
(n) Translation Reserve [Note (x)]	282.27 177.46	6,890.76 104.81	- -	7,173.03 282.27
(o) General Reserve [Note (xi), page 185]	5,102.50 5,018.71	79.12 83.79	- -	5,181.62 5,102.50
(p) Foreign Currency Monetary Item Translation Difference Account (Net) [Note (xii), page 185]	(1,133.87) (451.43)	1,795.86 562.73	88.11 1,245.17	573.88 (1,133.87)
(q) Profit and Loss Account / Surplus [Note (xiii), page 185]	27,305.87 18,162.02 36,999.23 32,063.75	14,070.05 10,022.61 32,177.80 13,147.06	845.44 878.76 4,217.36 8,211.58	40,530.48 27,305.87 64,959.67 36,999.23

Notes:-

	2013 - 2014		2012 - 2013	
	Additions	Deductions	Additions	Deductions
(i) The opening and closing balances of Securities Premium Account are net of calls in arrears of ₹0.03 crore				
(ii) Securities Premium Account :				
(a) Premium on shares issued on conversion of Foreign Currency Convertible Notes (FCCN) / Convertible Alternative Reference Securities (CARS) and held in abeyance out of rights issue of shares	407.72	-	229.68	-
(b) Share issue expenses, brokerage, stamp duty and other fees on Non-Convertible Debentures [net of tax ₹0.48 crore (2012-13 ₹1.75 crores)]	-	87.41	-	91.50
(c) Premium on redemption of FCCN / CARS, and exchange differences and withholding tax thereon [net of tax ₹Nil (2012-13 ₹12.31 crores)]	34.21	-	3.63	-
	441.93	87.41	233.31	91.50
(iii) The addition to Capital Reserve represents exchange gain on opening balances in respect of foreign subsidiaries.				
(iv) Revaluation Reserve :				
(a) Depreciation on revalued portion of assets taken over on amalgamation of a company	-	0.44	-	0.44
(b) Depreciation on revalued portion of assets of a subsidiary company	-	16.29	-	52.86
	-	16.73	-	53.30
(v) Hedging Reserve :				
(a) Fair value gains / losses	8,813.62	-	-	1,840.25
(b) Deferred tax on fair value gains / losses	-	1,836.00	423.35	-
	8,813.62	1,836.00	423.35	1,840.25
(vi) Pension Reserve :				
(a) Actuarial losses (net)	-	1,280.68	-	3,972.60
(b) Movement in restriction of pension assets	-	22.60	991.73	-
(c) Tax impact on actuarial losses (net) and movement in restriction of pension assets	-	40.39	626.74	-
	-	1,343.67	1,618.47	3,972.60

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

- (vii) Under the Korean Commercial Code, Tata Daewoo Commercial Vehicle Company Ltd. (TDCV), an indirect subsidiary, is required to appropriate annually at least 10% of cash dividend declared each year to a legal reserve, Earned Surplus Reserve until such reserve equals 50% of capital stock of TDCV. This reserve may not be utilized for cash dividends but may only be used to offset against future deficit, if any, or may be transferred to capital stock of TDCV.
- (viii) Under the Special Tax Treatment Control Law, TDCV appropriated retained earnings for research and human resource development. The reserve, which was used for its own purpose, is regarded as 'Discretionary Appropriated Retained Earnings'.
- (ix) The addition to Legal Reserve is on account of Legal Reserve transferred on acquisition of one indirect subsidiary.
- (x) Translation Reserves represents conversion of balances in functional currency of foreign subsidiaries (net of minority share) and associates. [Note (f)(i)(3), page 179]

(₹ in crores)

	2013 - 2014		2012 - 2013	
	Additions	Deductions	Additions	Deductions
(xi) General Reserve :				
(a) Amount recovered (net) towards indemnity relating to business amalgamated in prior year	-	-	0.08	-
(b) Amount written off / written back by a subsidiary against Securities Premium Account	-	-	0.02	-
(c) Government grants / incentives received	24.67	-	24.21	-
(d) Amount transferred from Profit and Loss Account / Surplus	54.45	-	59.48	-
	79.12	-	83.79	-
(xii) Foreign Currency Monetary Item Translation Difference Account :				
(a) Exchange gain / (loss) during the year (net)	1,795.86	-		1,245.17
(b) Amortisation of exchange fluctuation for the year	-	88.11	562.73	-
	1,795.86	88.11	562.73	1,245.17
(xiii) Profit and Loss Account / Surplus :				
(a) Profit for the period	13,991.02	-	9,892.61	-
(b) Tax on interim dividend by subsidiaries (including Group's share of subsidiaries' dividend tax)	-	6.35	-	4.54
(c) Proposed dividend	-	648.56	-	645.20
(d) Dividend paid (2012-13)	-	3.34	-	-
(e) Tax on proposed dividend (including Group's share of subsidiaries' dividend tax)	-	110.86	-	106.40
(f) Reversal of dividend distribution tax of earlier year	79.03	-	-	-
(g) Debenture Redemption Reserve	-	-	130.00	-
(h) General Reserve	-	54.45	-	59.48
(i) Special Reserve	-	21.78	-	63.14
(j) Legal Reserve	-	0.10	-	-
	14,070.05	845.44	10,022.61	878.76

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at March 31, 2014	As at March 31, 2013
<b>4. Long-term Borrowings</b>		
<b>(A) Secured :</b>		
(a) Privately placed Non-Convertible Debentures [Notes 1(a) below, 2(a), 2(b) and 2(c), page 187]	4,315.43	4,108.21
(b) Term loans :		
(i) From banks [Notes 1(b) below, 2(d) and 2(e), page 187]	4,604.60	4,894.04
(ii) From others [Note 2(f), page 187]	419.54	167.20
(c) Finance Lease Obligations [Note 30(A) (a) (ii), page 198]	15.64	33.14
	<b>9,355.21</b>	<b>9,202.59</b>
<b>(B) Unsecured :</b>		
(a) Foreign Currency Convertible Notes (FCCN) [Note 3, page 187]	-	402.25
(b) Privately placed Non-Convertible Debentures [Note 1(a) below]	4,194.90	3,239.80
(c) Subordinated perpetual debentures	325.00	250.00
(d) Term loans :		
(i) From banks [Note 1(b) below]	10,875.38	3,502.86
(ii) From others	252.37	213.62
(e) Senior Notes [Note 1(c) below]	20,255.75	15,344.17
	<b>35,903.40</b>	<b>22,952.70</b>
<b>Total (A+B)</b>	<b>45,258.61</b>	<b>32,155.29</b>
<b>5. Short-term borrowings</b>		
<b>(A) Secured :</b>		
(a) Loan from banks [Note 2(d), page 187]	5,159.11	7,752.41
(b) Loan from others	94.43	79.26
	<b>5,253.54</b>	<b>7,831.67</b>
<b>(B) Unsecured :</b>		
(a) (i) Loan from banks	2,506.46	996.38
(ii) Loan from others	17.92	7.36
(b) Inter corporate deposits from associates	26.00	29.50
(c) Commercial paper	1,891.94	2,755.30
	<b>4,442.32</b>	<b>3,788.54</b>
<b>Total (A+B)</b>	<b>9,695.86</b>	<b>11,620.21</b>

## Notes :

### (1) Terms of redemption / repayments :

- (a) Privately placed Non-Convertible Debentures will be redeemed from financial year 2014-15 to 2023-24.  
 (b) Term Loans from Banks are repayable from financial year 2014-15 to 2018-19.  
 (c) Schedule of repayment of Senior notes :

	Currency	Amount in million	Repayment Amount (₹ in crores)
5.625% Senior notes due 2023	USD	500	2,992.36
5.000% Senior notes due 2022	GBP	400	3,981.40
8.125% Senior notes due 2021	USD	410	2,453.94
8.25% Senior notes due 2020	GBP	500	4,976.76
4.125% Senior notes due 2018	USD	700	4,188.83
4.25% Senior notes due 2018	SGD	350	1,662.46

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## Notes :

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

- (a) During the year 2009-10, the Company issued 2% secured non-convertible credit enhanced rupee debentures in four tranches, having tenor upto seven years, aggregating ₹4,200 crores on a private placement basis. These are secured by a second charge in favour of Vijaya Bank, Debenture Trustee and first ranking pari passu charge in favour of State Bank of India as security trustee on behalf of the guarantors, by way of English mortgage of the Company's lands, freehold and leasehold, together with all buildings, constructions and immovable and movable properties situated at Chinchwad, Pimpri, Chikhali and Maval in Pune District in the State of Maharashtra and plant and machinery and other movable assets situated at Pantnagar in the State of Uttarakhand and at Jamshedpur in the State of Jharkhand. As at March 31, 2014, the outstanding is ₹1,250 crores.
- (b) Rated, Listed, Secured, 9.95% Coupon, Non-Convertible Debentures amounting to ₹200 crores and 10.25% Coupon, Non-Convertible Debentures amounting to ₹500 crores are secured by a pari passu charge by way of an English mortgage of the Company's freehold land together with immovable properties, plant and machinery and other movable assets (excluding stock and book debts) situated at Sanand in the State of Gujarat.
- (c) Privately placed non-convertible debentures amounting to ₹2,365.43 crores are fully secured by :
  - (i) First charge on residential flat of Tata Motors Finance Limited (TMFL), a subsidiary of the Company
  - (ii) Pari - passu charge is created with the security trustee for loans from banks on:
    - All receivables of TMFL arising out of loan and trade advances,
    - All book debts of TMFL arising out of loan and trade advances.
    - Receivables from Senior and Junior pass through certificates of TMFL.
  - (iii) First charge on secured / unsecured loans given by TMFL as identified from time to time and accepted by the debenture trustee.
  - (iv) Any other security as identified by TMFL and acceptable to the debenture trustee.
- (d) Loans from Banks are secured by hypothecation of existing current assets of the Company viz. stock of raw materials, stock in process, semi-finished goods, stores and spares not relating to plant and machinery (consumable stores and spares), bills receivable and book debts including receivable from hire purchase / leasing and all other moveable current assets except cash and bank balances, loans and advances of the Company both present and future.
- (e) Term loans from banks amounting to ₹3,765 crores are secured by a pari passu charge in favour of the security trustee on receivables and book debts arising out of loans and advances and such current assets as may be identified by TMFL from time to time and accepted by the security trustee.
- (f) Term loan from others carries simple interest at the rate of 0.10 % p.a. and is secured by a subservient charge (creation of charge is under process) against the 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.

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

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

Issue	4% FCCN (due 2014)*
Issued on	October 15, 2009
Issue Amount (in INR at the time of the issue)	US \$ 375 million (₹1,794.19 crores)
Face Value	US \$ 100,000
Conversion Price per share at fixed exchange rate	₹623.88 US \$ 1 = ₹46.28
Reset Conversion Price (Due to Rights Issue, GDS Issue and subdivision of shares)	₹120.12 US \$ 1 = ₹46.28
Exercise Period	November 25, 2009 (for conversion into shares or GDSs) and October 15, 2010 (for conversion into ADSs) to October 9, 2014
Early redemption at the option of the Company subject to certain conditions	i) any time on or after October 15, 2012 (in whole but not in part) at our option  or ii) any time (in whole but not in part) in the event of certain changes affecting taxation in India
Redeemable on	October 16, 2014
Redemption percentage of the Principal Amount	108.505%
Amount converted	US \$ 375 million
Aggregate conversion into ADRs (in terms of equivalent shares) and Shares.	14,21,87,437
Aggregate Notes Redeemed	Nil
Aggregate Notes Bought Back	Nil
Notes Outstanding as at March 31, 2014	Nil
Amount outstanding as at March 31, 2014	Nil
Aggregate amount of shares that could be issued on conversion of outstanding notes	Nil

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

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2014	As at March 31, 2013
<b>6. (a)</b>	<b>Deferred tax assets and liabilities (net) classified on a company wise basis :</b>		
	(i) Deferred tax asset	2,347.08	4,428.93
	(ii) Deferred tax liability	(1,572.33)	(2,048.21)
	<b>Net deferred tax asset</b>	<b>774.75</b>	<b>2,380.72</b>
<b>(b)</b>	<b>Major components of deferred tax arising on account of timing differences are:</b>		
	<b>Liabilities:</b>		
	Depreciation	(1,586.20)	(1,550.48)
	Intangibles / Product development cost and Reserves for Research and Human Resource Development	(8,921.81)	(7,030.57)
	Derivatives	(1,334.57)	-
	Others	(46.71)	(80.01)
		<b>(11,889.29)</b>	<b>(8,661.06)</b>
	<b>Assets:</b>		
	Unabsorbed depreciation / business loss	8,315.50	7,102.21
	Employee benefits / expenses allowable on payment basis	3,530.45	3,027.95
	Provision for doubtful debts	631.55	340.78
	Derivatives	-	467.39
	Others	186.54	103.45
		<b>12,664.04</b>	<b>11,041.78</b>
	<b>Net deferred tax asset</b>	<b>774.75</b>	<b>2,380.72</b>
<b>(c)</b>	<b>Tax expense :</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	<b>(i) Current tax</b>		
	Current tax [including Minimum Alternate Tax / (credit)]	4,368.42	2,716.74
	<b>(ii) Deferred tax charge</b>	<b>396.37</b>	<b>1,059.92</b>
	<b>Total (i + ii)</b>	<b>4,764.79</b>	<b>3,776.66</b>
<b>(d)</b>	<b>Deferred tax charge for the year</b>	<b>2013 - 2014</b>	<b>2012 - 2013</b>
	Opening net deferred tax assets	2,380.72	2,351.21
	(Debited) / Credited to Securities Premium Account	0.48	14.06
	(Debited) / Credited to Hedging Reserve	(1,836.00)	423.35
	(Debited) / Credited to Pension Reserve	(40.39)	626.74
	Translation differences in respect of foreign subsidiaries	666.31	25.28
		<b>1,171.12</b>	<b>3,440.64</b>
	<b>Closing net deferred tax assets</b>	<b>774.75</b>	<b>2,380.72</b>
	Deferred tax charge for the year	<b>396.37</b>	<b>1,059.92</b>



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

	As at March 31, 2014	As at March 31, 2013
<b>7. Other long-term liabilities</b>		
(a) Liability towards premium on redemption of Non-Convertible Debentures	919.23	919.23
(b) Deferred payment liabilities	183.83	237.00
(c) Interest accrued but not due on borrowings	2.57	2.21
(d) Derivative financial instruments	548.36	1,733.50
(e) Deferred revenue	640.64	184.92
(f) Others	302.23	207.20
<b>Total</b>	<b>2,596.86</b>	<b>3,284.06</b>

	As at March 31, 2014	As at March 31, 2013
<b>8. Other current liabilities</b>		
(a) Liability towards vehicles sold under repurchase arrangements	1,827.74	1,501.38
(b) Liability for capital expenditure	2,580.20	1,962.37
(c) Deposits and retention money	169.91	183.24
(d) Interest accrued but not due on borrowings	821.52	739.67
(e) Current maturities of long term borrowings (Note below)	5,687.81	9,940.21
(f) Deferred payment Liabilities	65.83	63.82
(g) Advance and progress payments from customers	3,118.67	2,066.86
(h) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	1,815.68	2,977.84
(i) Employee benefit obligations	45.41	49.76
(j) Liability towards premium on redemption of Non-Convertible Debentures	-	658.05
(k) Liability towards Investors Education and Protection Fund under Section 205C of the Companies Act, 1956 (IEPF) not due	50.51	100.01
(l) Derivative financial instruments	643.87	1,704.97
(m) Deferred revenue	331.34	116.43
(n) Others	215.37	160.33
<b>Total</b>	<b>17,373.86</b>	<b>22,224.94</b>

**Note :****Current maturities of long term borrowings consists of :**

(i) Privately placed Non-Convertible Debentures	2,163.32	3,002.03
(ii) Term loans from banks and others	3,502.19	6,606.63
(iii) Finance lease obligations	22.30	17.41
(iv) Deposits accepted from public and shareholders	-	314.14
<b>Total</b>	<b>5,687.81</b>	<b>9,940.21</b>

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

		As at March 31, 2014	As at March 31, 2013
<b>9. Long-term provisions</b>			
(a) Employee benefit obligations		6,287.44	4,386.53
(b) Warranty and product liability [Note 34(i), page 205]		5,505.53	3,573.60
(c) Premium on redemption of Foreign Currency Convertible Notes (FCCN) [Note 34(ii), page 205]		-	34.21
(d) Residual risk [Note 34(iii), page 205]		130.99	106.27
(e) Environmental cost [Note 34(iv), page 205]		206.68	179.32
(f) Others		59.65	57.31
<b>Total</b>		<b>12,190.29</b>	<b>8,337.24</b>

		As at March 31, 2014	As at March 31, 2013
<b>10. Short term provisions</b>			
(a) Employee benefit obligations		1,778.52	2,032.59
(b) Warranty and product liability [Note 34(i), page 205]		3,976.69	3,145.50
(c) Current income tax (net of payment)		1,396.94	1,792.03
(d) Proposed dividend		648.56	645.20
(e) Provision for tax on dividends		114.12	109.49
(f) Residual risk [Note 34(iii), page 205]		17.95	13.40
(g) Others		37.90	49.95
<b>Total</b>		<b>7,970.68</b>	<b>7,788.16</b>

		As at March 31, 2014	As at March 31, 2013
<b>11. Trade payables</b>			
(a) Acceptances		5,162.04	4,393.13
(b) Other than acceptances		52,153.69	40,519.22
<b>Total</b>		<b>57,315.73</b>	<b>44,912.35</b>

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 12. Tangible assets

(₹ in crores)

Particulars	Cost as at April 1, 2013	Acquisitions	Additions/ adjustments [Note (ii)]	Translation adjustments	Deductions/ adjustments	Cost as at March 31, 2014	Accumulated depreciation as at April 1, 2013	Accumulated depreciation on acquisitions during the year	Depreciation for the year	Translation adjustment-accumulated depreciation	Deductions/ adjustments	Accumulated depreciation up to March 31, 2014 [Note (iii)]	Net book value as at March 31, 2014
<b>[I] Owned assets :</b>													
(i) Land	1,693.61 1,697.51	- -	86.78 27.51	256.26 30.50	8.66 61.91	2,027.99 1,693.61	- -	- -	- -	- -	- -	- -	2,027.99 1,693.61
(ii) Buildings	8,267.89 9,048.51	- -	1,723.03 513.50	1,055.07 124.72	99.51 1,418.84	10,946.48 8,267.89	3,534.03 4,621.01	- -	273.70 211.59	599.96 93.34	93.76 1,391.91	4,313.93 3,534.03	6,632.55 4,733.86
(iii) Plant, machinery and equipment [Note (i)]	63,036.91 57,285.41	- -	7,448.90 -	9,087.43 128.84	511.54 3,157.89	79,061.70 63,036.91	37,827.79 37,021.57	- -	4,997.08 3,582.57	6,054.21 272.71	467.94 3,049.06	48,411.14 37,827.79	30,650.56 25,209.12
(iv) Furniture, fixtures and office appliances [Note (i)]	709.86 610.61	2.45 -	234.79 163.13	87.55 3.20	24.09 67.08	1,010.56 709.86	375.69 384.91	2.16 -	69.22 44.99	51.15 5.40	22.18 59.61	476.04 375.69	534.52 334.17
(v) Vehicles [Note (i)]	251.35 357.77	0.08 -	44.38 98.11	8.75 9.83	34.23 214.36	270.33 251.35	121.89 148.82	0.03 -	38.98 50.54	2.74 3.14	20.81 80.61	142.83 121.89	127.50 129.46
(vi) Computers and other IT assets [Note (i)]	928.19 1,315.78	8.66 -	185.70 48.17	53.89 28.63	50.62 464.39	1,125.82 928.19	666.62 1,027.85	6.74 -	89.69 72.00	30.62 26.84	36.63 460.07	757.04 666.62	368.78 261.57
<b>[II] Assets given on lease :</b>													
(i) Plant and machinery	402.19 395.93	- -	2.13 6.26	- -	- -	404.32 402.19	380.15 380.15	- -	5.58 4.52	- -	4.81 4.52	380.92 380.15	23.40 22.04
<b>[III] Assets taken on lease :</b>													
(i) Leasehold land	265.82 266.03	- -	2.65 1.86	- (0.69)	- 1.38	268.47 265.82	28.44 55.65	- -	3.88 3.65	- 1.69	- 32.55	32.32 28.44	236.15 237.38
(ii) Buildings	55.06 46.27	1.47 -	6.81 11.62	0.74 0.21	0.43 3.04	63.65 55.06	9.24 10.11	0.79 -	4.07 2.92	0.50 0.20	(0.25) 3.99	14.85 9.24	48.80 45.82
(iii) Plant and machinery	38.89 39.15	- -	0.30 -	(0.23) (0.16)	- 0.10	38.96 38.89	34.63 31.40	- -	2.02 3.33	(0.01) -	- 0.10	36.64 34.63	2.32 4.26
(iv) Computers and other IT assets	153.79 115.57	- -	4.06 38.22	- -	0.12 -	157.73 153.79	96.13 64.86	- -	20.00 31.27	- -	0.12 -	116.01 96.13	41.72 57.66
<b>TOTAL TANGIBLE ASSETS</b>	<b>75,803.56</b> 71,178.54	<b>12.66</b> -	<b>9,739.53</b> 9,688.93	<b>10,549.46</b> 325.08	<b>729.20</b> 5,388.99	<b>95,376.01</b> 75,803.56	<b>43,074.61</b> 43,746.33	<b>9.72</b> -	<b>5,504.22</b> 4,007.38	<b>6,739.17</b> 403.32	<b>646.00</b> 5,082.42	<b>54,681.72</b> 43,074.61	<b>40,694.29</b> 32,728.95

(i) Includes buildings, plant, machinery and equipment, furniture, fixtures and office equipments, vehicles and computers having gross block of ₹0.69 crore, ₹290.44 crores, ₹7.79 crores, ₹1.88 crores and ₹137.16 crores (as at March 31, 2013 Nil, ₹204.28 crores, ₹1.15 crores, ₹1.67 crores and ₹165.64 crores) and net block of ₹0.62 crore, ₹18.13 crores, ₹0.63 crore, ₹0.04 crore and ₹0.68 crore (as at March 31, 2013 Nil, ₹6.41 crores, ₹0.08 crore, ₹0.02 crore and ₹0.53 crore) respectively, held for disposal.

(ii) Additions / adjustments include capitalisation of exchange loss of ₹111.13 crores (2012-2013 capitalisation of exchange loss of ₹169.22 crores).

(iii) Accumulated depreciation includes :

(a) Lease equalisation of ₹4.52 crores (2012-2013 ₹4.52 crores) adjusted in lease rental income.

(b) Depreciation of ₹16.73 crores (2012-2013 ₹53.30 crores) on revalued portion of gross block transferred to Revaluation Reserve.

## 13. Intangible assets

Particulars	Cost as at April 1, 2013	Acquisitions	Additions/ adjustments*	Translation adjustments	Deductions/ adjustments	Cost as at March 31, 2014	Accumulated amortisation as at April 1, 2013	Accumulated amortisation on acquisitions during the year	Amortisation for the year	Translation adjustment-accumulated amortisation	Deductions/ adjustments	Accumulated amortisation up to March 31, 2014	Net book value as at March 31, 2014
(i) Technical know-how	56.37 56.37	- -	0.23 -	0.05 -	- -	56.65 56.37	45.76 43.26	- -	0.37 2.50	- -	- -	46.13 45.76	10.52 10.61
(ii) Computer software	1,984.35 2,257.51	20.91 -	881.33 392.22	345.00 31.94	112.88 697.32	3,118.71 1,984.35	1,121.68 1,460.08	14.02 -	338.74 329.52	167.47 27.14	86.27 695.06	1,555.64 1,121.68	1,563.07 862.67
(iii) Product development cost	21,018.31 12,538.61	- -	6,063.38 9,011.35	3,580.54 (324.33)	1,432.72 207.32	29,229.51 21,018.31	6,988.46 4,066.28	- -	5,119.44 3,160.54	1,168.55 (93.12)	1,442.90 145.24	11,833.55 6,988.46	17,395.96 14,029.85
(iv) Trade marks and brand	3,264.48 3,241.66	- -	1.13 -	693.33 22.82	- -	3,958.94 3,264.48	- -	- -	- -	- -	- -	- -	3,958.94 3,264.48
(v) Developed technologies	1,004.94 1,021.65	- -	- 5.89	183.46 (22.60)	- -	1,188.40 1,004.94	492.14 395.09	- -	115.39 101.34	90.81 (4.29)	- -	698.34 492.14	490.06 512.80
<b>TOTAL INTANGIBLE ASSETS</b>	<b>27,328.45</b> 19,115.80	<b>20.91</b> -	<b>6,946.07</b> 9,409.46	<b>4,802.38</b> (292.17)	<b>1,545.60</b> 904.64	<b>37,552.21</b> 27,328.45	<b>8,648.04</b> 5,964.71	<b>14.02</b> -	<b>5,573.94</b> 3,593.90	<b>1,426.83</b> (70.27)	<b>1,529.17</b> 840.30	<b>14,133.66</b> 8,648.04	<b>23,418.55</b> 18,680.41

\* Additions / Adjustments include capitalisation of exchange loss of ₹26.24 crores (2012-2013 capitalisation of exchange loss of ₹19.50 crores).

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

14. Goodwill (on consolidation)	As at March 31, 2014	As at March 31, 2013
Opening balance	4,102.37	4,093.74
Add : Addition due to acquisition of subsidiary	139.60	-
Less : Impairment	(22.16)	(25.36)
Add : Impact of foreign currency translation	759.02	33.99
Closing balance	4,978.83	4,102.37

15. Non-current investments	As at March 31, 2014	As at March 31, 2013
(A) Investments in equity accounted investees : Carrying amount of investments in associates (Note 4 below)	382.98	451.74
(B) Others (at cost)	382.98	451.74
(i) Quoted		
(a) Equity shares	299.11	299.11
(b) Bonds	-	2.93
(ii) Unquoted		
(a) Equity shares	385.45	382.10
(b) Non cumulative redeemable preference shares	2.00	2.00
(c) Cumulative redeemable non-participating preference shares	6.00	6.00
(d) Non-convertible debentures	-	3.50
(e) Mutual fund	-	12.50
(f) Optionally convertible debentures	-	1.66
(g) Retained interest in securitisation transactions	40.01	65.03
	732.57	774.83
(C) Provision for diminution in value of Investments (net)	(4.16)	(4.16)
(D) Advance against investments	3.00	-
Total (A + B + C + D)	1,114.39	1,222.41
Notes:		
(1) Book value of quoted investments (other than in associates)	299.11	302.04
(2) Book value of unquoted investments (other than in associates)	432.30	468.63
(3) Market value of quoted investments (other than in associates)	252.49	210.48
(4) The particulars of investments in associate companies as of March 31, 2014 are as follows:		

Sr. No.	Name of the Associates	Country of Incorporation	Ownership Interest (%)	Original Cost of Investment	Amount of Goodwill/ (Capital Reserve) in Original Cost	Share of post acquisition Reserves and Surplus	Carrying amount of Investments
(i)	Tata AutoComp Systems Ltd	India	26.00	77.47	-	142.88	220.35
			26.00	77.47	-	142.06	219.53
(ii)	NITA Company Ltd	Bangladesh	40.00	1.27	(0.43)	18.27	19.54
			40.00	1.27	(0.43)	11.67	12.94
(iii)	Automobile Corporation of Goa Ltd	India	47.19	109.63	55.28	29.55	139.18
			47.19	109.63	55.28	25.75	135.38
(iv)	Jaguar Cars Finance Ltd	UK	49.90	3.91	-	-	3.91
			49.90	3.91	-	-	3.91
(v)	Tata Hitachi Construction Machinery Company Ltd	India	40.00	80.20	0.20	(80.20)	-
			40.00	80.20	0.20	(0.22)	79.98
Total				272.48	55.05	110.50	382.98
				272.48	55.05	179.26	451.74

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

16.	Current investments (at cost or fair value whichever is lower) (fully paid)	As at March 31, 2014	As at March 31, 2013
(A)	<b>Quoted</b>		
(a)	Equity shares	19.60	-
(b)	Bonds	2.25	-
		21.85	-
(B)	<b>Unquoted</b>		
(a)	Cumulative redeemable preference shares	3.00	3.00
(b)	Mutual funds	9,494.06	7,497.00
(c)	Optionally convertible debentures	1.66	2.44
(d)	Equity shares	0.93	0.93
(e)	Retained interest in securitisation transactions	54.71	43.29
		9,554.36	7,546.66
(C)	<b>Provision for diminution in value of Investments (net)</b>	(3.93)	(4.34)
	<b>Total (A+B+C)</b>	9,572.28	7,542.32
<b>Note:</b>			
(1)	Book value of quoted investments	21.85	-
(2)	Book value of unquoted investments	9,550.43	7,542.32
(3)	Market value of quoted investments	27.90	-
17.	Long-term loans and advances	As at March 31, 2014	As at March 31, 2013
(A)	<b>Secured :</b>		
	Finance receivables [Note below]	9,788.93	11,825.93
	<b>Total</b>	9,788.93	11,825.93
(B)	<b>Unsecured:</b>		
(a)	Loans to employees	44.80	44.86
(b)	Loan to Joint Venture (FIAT India Automobile Ltd)	132.50	132.50
(c)	Taxes recoverable, statutory deposits and dues from government	988.87	711.70
(d)	Capital advances	321.55	220.41
(e)	Credit entitlement of Minimum Alternate Tax (MAT)	787.59	1,516.40
(f)	Non-current income tax assets (net of provision)	855.96	694.36
(g)	Others	348.64	437.96
	<b>Total</b>	3,479.91	3,758.19
	<b>Total (A + B)</b>	13,268.84	15,584.12
<b>Note :</b>			
	Finance receivables (Gross) *	10,589.61	12,145.36
	Less : Allowances for doubtful loans **	(800.68)	(319.43)
	<b>Total</b>	9,788.93	11,825.93
*	Loans are secured against hypothecation of vehicles		
**	Includes on account of overdue securitised receivables	4.65	35.38
		(4.35)	(7.02)
18.	Short-term loans and advances	As at March 31, 2014	As at March 31, 2013
(A)	<b>Secured :</b>		
	Finance receivables [Note below]	8,505.39	6,400.85
	<b>Total</b>	8,505.39	6,400.85
(B)	<b>Unsecured:</b>		
(a)	Advances and other receivables	803.21	956.96
(b)	Inter corporate deposits	0.30	0.30
(c)	Fixed deposit with Financial Institutions	37.50	-
(d)	VAT, other taxes recoverable, statutory deposits and dues from government	4,274.57	5,015.31
(e)	Current income tax assets (net of provisions)	385.28	269.11
(f)	Others	48.99	24.52
	<b>Total</b>	5,549.85	6,266.20
	<b>Total (A + B)</b>	14,055.24	12,667.05
<b>Note :</b>			
	Finance receivables (Gross) *	9,343.73	7,041.06
	Less : Allowances for doubtful loans **	(838.34)	(640.21)
	<b>Total</b>	8,505.39	6,400.85
*	Loans are secured against hypothecation of vehicles		
**	Includes on account of overdue securitised receivables	9.47	37.25
		(4.25)	(12.97)

## NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2014	As at March 31, 2013
<b>19. Other non-current assets</b>			
(a) Prepaid expenses		268.84	62.23
(b) Prepaid debt issue cost / loan arrangement fees		384.44	277.30
(c) Interest accrued on loans and deposits		50.47	64.96
(d) Derivative financial instruments		4,364.70	619.46
<b>Total</b>		<b>5,068.45</b>	<b>1,023.95</b>
<b>20. Other current assets</b>			
(a) Prepaid expenses		958.29	464.31
(b) Prepaid debt issue cost / loan arrangement fees		103.66	99.34
(c) Interest accrued on loans and deposits		7.71	12.48
(d) Derivative financial instruments		3,591.24	256.81
<b>Total</b>		<b>4,660.90</b>	<b>832.94</b>
<b>21. Inventories</b>			
(a) Stores and spare parts		192.84	204.59
(b) Consumable tools		132.96	99.68
(c) Raw materials and components		1,777.24	1,897.52
(d) Work-in-progress		2,657.04	2,163.95
(e) Finished goods		21,771.33	16,202.61
(f) Goods-in-transit - Raw materials and components		739.48	468.47
<b>Total</b>		<b>27,270.89</b>	<b>21,036.82</b>
<b>22. Trade receivables (unsecured)</b>			
(a) Over six months		951.85	821.16
(b) Others		10,244.08	10,460.15
		11,195.93	11,281.31
Less : Allowances for doubtful debts		(621.70)	(321.71)
<b>Total</b>		<b>10,574.23</b>	<b>10,959.60</b>
<b>23. Cash and bank balances</b>			
<b>(A) Cash and cash equivalents</b>			
(a) Cash on hand		38.63	41.46
(b) Cheques on hand		122.24	121.94
(c) Current account with banks #		7,568.61	7,714.49
(d) Bank deposits with upto 3 months maturity		8,898.50	4,473.08
<b>Total</b>		<b>16,627.98</b>	<b>12,350.97</b>
<b>(B) Other bank balances (with more than 3 months but less than 12 months maturity)</b>			
(a) Bank deposits		12,477.64	6,896.13
(b) Other restricted deposits		-	900.24
(c) Earmarked balances with banks		217.57	354.19
(d) Margin money / cash collateral with banks		35.26	140.29
<b>Total</b>		<b>12,730.47</b>	<b>8,290.85</b>
<b>(C) Other bank balances (with more than 12 months maturity)</b>			
(a) Bank deposits		0.06	-
(b) Other restricted deposits		252.45	403.69
(c) Margin money / cash collateral with banks		100.83	69.31
<b>Total</b>		<b>353.34</b>	<b>473.00</b>
<b>Total (A + B + C)</b>		<b>29,711.79</b>	<b>21,114.82</b>
# Includes remittances in transit		146.04	118.81

		(₹ in crores)	
24.	Total revenue	2013-2014	2012-2013
	<b>(I) Revenue from operations</b>		
	(a) Sale of products	2,30,803.07	1,88,908.56
	(b) Sale of services	935.60	845.10
	(c) Income from vehicle loan contracts (Note below)	2,731.20	2,780.02
		2,34,469.87	1,92,533.68
	(d) Other operating revenues	2,156.56	1,164.79
	<b>Total</b>	<b>2,36,626.43</b>	<b>1,93,698.47</b>
	<b>(II) Other income</b>		
	(a) Interest income	675.45	694.06
	(b) Dividend income	35.65	37.89
	(c) Profit on sale of investments (net)	114.58	80.09
	(d) Other non-operating income	2.91	3.55
	<b>Total</b>	<b>828.59</b>	<b>815.59</b>
Note :			
Includes :			
	(a) Income from securitisation / sale of receivables of loan contracts (net)	63.69	27.83
	(b) Interest income from loan contracts (net of income reversal)	2,420.22	2,530.50



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		2013-2014	2012-2013
<b>25.</b>	<b>Employee cost / benefits expenses</b>		
(a)	Salaries, wages and bonus	16,715.33	13,222.43
(b)	Contribution to provident fund and other funds	2,601.70	1,663.67
(c)	Staff welfare expenses	2,239.39	1,746.09
	<b>Total</b>	<b>21,556.42</b>	<b>16,632.19</b>
<b>26.</b>	<b>Finance cost</b>		
(a)	Interest	5,550.51	4,135.28
	Less: Transferred to capital account	(1,474.72)	(1,273.75)
		4,075.79	2,861.53
(b)	Discounting charges	657.99	698.72
	<b>Total</b>	<b>4,733.78</b>	<b>3,560.25</b>
<b>27.</b>	<b>Other expenses</b>		
(a)	Processing charges	1,093.53	1,450.56
(b)	Consumption of stores and spare parts	1,682.34	1,424.12
(c)	Power and fuel	1,128.69	1,077.77
(d)	Rent	465.86	317.55
(e)	Repairs to buildings	93.58	120.84
(f)	Repairs to plant, machinery etc.	261.45	202.24
(g)	Insurance	278.75	225.91
(h)	Rates and taxes	265.51	203.07
(i)	Freight, transportation, port charges etc.	6,879.75	4,803.67
(j)	Publicity	8,064.10	6,607.14
(k)	Excise duty on change in closing stock	(48.33)	116.49
(l)	Works operation and other expenses (Note below)	23,660.54	19,098.97
	<b>Total</b>	<b>43,825.77</b>	<b>35,648.33</b>
<b>Note :</b>			
Works operation and other expenses include:			
(i)	Warranty and product liability expenses	6,207.44	4,203.91
(ii)	Computer expenses	1,762.80	1,126.48
(iii)	Engineering expenses	5,465.75	2,586.10
(iv)	Misc.contract jobs / Outsourcing expenses	3,494.92	4,403.01
(v)	Lease rentals in respect of plant, machinery and equipment	196.38	271.66
(vi)	Provision and write off of sundry debtors, vehicle loans and advances (net)	1,187.70	525.33
(vii)	Exchange loss / (gain)	(1,629.12)	433.27

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

			(₹ in crores)	
28	Earnings Per Share		2013-2014	2012-2013
(a)	Profit for the period	₹ in crores	13,991.02	9,892.61
(b)	The weighted average number of Ordinary shares for Basic EPS	Nos.	273,23,46,381	270,60,14,707
(c)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	48,19,62,228	48,19,58,717
(d)	The nominal value per share (Ordinary and 'A' Ordinary)	₹	2.00	2.00
(e)	Share of profit for Ordinary shares for Basic EPS	₹ in crores	11,889.07	8,392.95
(f)	Share of profit for 'A' Ordinary shares for Basic EPS *	₹ in crores	2,101.95	1,499.66
(g)	Earnings Per Ordinary share (Basic)	₹	43.51	31.02
(h)	Earnings Per 'A' Ordinary share (Basic)	₹	43.61	31.12
(i)	Profit for the period for Basic EPS	₹ in crores	13,991.02	9,892.61
(j)	Add: Interest and other expenses on outstanding Foreign Currency Convertible Notes	₹ in crores	-	73.65
(k)	Profit for the period for Diluted EPS	₹ in crores	13,991.02	9,966.26
(l)	The weighted average number of Ordinary shares for Basic EPS	Nos.	273,23,46,381	270,60,14,707
(m)	Add: Adjustment for options relating to warrants, shares held in abeyance and Foreign Currency Convertible Notes	Nos.	4,89,261	3,11,46,823
(n)	The weighted average number of Ordinary shares for Diluted EPS	Nos.	273,28,35,642	273,71,61,530
(o)	The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	48,19,62,228	48,19,58,717
(p)	Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	2,44,287	2,47,798
(q)	The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	48,22,06,515	48,22,06,515
(r)	Share of Profit for Ordinary shares for Diluted EPS	₹ in crores	11,888.48	8,469.38
(s)	Share of Profit for 'A' Ordinary shares for Diluted EPS *	₹ in crores	2,102.54	1,496.88
(t)	Earnings Per Ordinary share (Diluted)	₹	43.50	30.94
(u)	Earnings Per 'A' Ordinary share (Diluted)	₹	43.60	31.04

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		As at March 31, 2014	As at March 31, 2013
<b>29. Contingent liabilities, commitments (to the extent not provided for) :</b>			
Description of claims and assertions where a potential loss is possible, but not probable is reported under notes (1), (2) and (3) below :			
(1) Claims against the company not acknowledged as debt		<b>2,403.57</b>	1,698.03
(2) Provision not made for income tax matters in dispute		<b>123.74</b>	121.49
(3) The claims / liabilities in respect of excise duty, sales tax and other matters where the issues were decided in favour of the Company for which Department is in further appeal		<b>72.00</b>	74.91
(4) The Company has given guarantees for liability in respect of receivables assigned by way of securitisation		<b>503.94</b>	1,249.21
(5) Other money for which the Company is contingently liable :			
(i) In respect of bills discounted and export sales on deferred credit		<b>730.57</b>	493.66
(ii) Cash margin / collateral		<b>153.38</b>	203.31
(iii) In respect of subordinated receivables		<b>1.04</b>	2.95
(iv) Others		<b>45.65</b>	59.26
(6) Estimated amount of contracts remaining to be executed on capital account and not provided for		<b>12,243.98</b>	4,105.72
(7) Purchase commitments		<b>11,913.23</b>	13,351.71
<b>30. Disclosure in respect of leases :</b>		<b>As at March 31, 2014</b>	<b>As at March 31, 2013</b>
<b>(A) Finance leases :</b>			
<b>Assets taken on lease:</b>			
(a) (i) Total of minimum lease payments		<b>42.14</b>	56.82
The total of minimum lease payments for a period :			
Not later than one year		<b>24.75</b>	22.78
Later than one year and not later than five years		<b>17.39</b>	33.86
Later than five years		-	0.18
(ii) Present value of minimum lease payments		<b>37.94</b>	50.55
Present value of minimum lease payments for a period :			
Not later than one year		<b>22.30</b>	17.41
Later than one year and not later than five years		<b>15.64</b>	32.97
Later than five years		-	0.17
(b) A general description of the significant leasing arrangements - The Company has entered into finance lease arrangements for computers and data processing equipments from various vendors.			
<b>(B) Operating leases :</b>			
<b>Assets taken on lease:</b>			
(a) Total of minimum lease payments		<b>912.77</b>	380.99
The total of minimum lease payments for a period :			
Not later than one year		<b>299.13</b>	101.96
Later than one year and not later than five years		<b>427.60</b>	190.08
Later than five years		<b>186.04</b>	88.95
(b) A general description of significant leasing arrangements - The Company has entered into operating lease arrangements for property, computers and data processing equipments from various vendors.			

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 31. Related party disclosures for the year ended March 31, 2014

### (A) Related parties and their relationship

#### Associates :

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

#### Joint Ventures :

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

#### Key Management Personnel :

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

#### In Subsidiary Companies :

Dr. Ralf Speth

(₹ in crores)

(B) Transactions with the related parties	Joint Venture	Associates	Key Management Personnel	2013 - 2014 Total
Purchase of goods	<b>2,159.77</b>	<b>481.23</b>	-	<b>2,641.00</b>
	2,612.64	637.89	-	3,250.53
Sale of goods (inclusive of sales tax)	<b>556.96</b>	<b>137.41</b>	-	<b>694.37</b>
	311.60	126.80	-	438.40
Services received	<b>90.68</b>	<b>18.96</b>	<b>41.34#</b>	<b>150.98</b>
	0.26	26.26	39.98	66.50
Services rendered	<b>256.81</b>	<b>13.17</b>	-	<b>269.98</b>
	66.18	13.14	-	79.32
Redemption / buy back of investments	<b>9.62</b>	-	-	<b>9.62</b>
	-	31.00	-	31.00
Finance given (including loans and equity)	<b>1,063.26</b>	<b>26.86</b>	-	<b>1,090.12</b>
	35.51	0.01	-	35.52
Finance given, taken back (including loans and equity)	-	-	-	-
	-	23.83	-	23.83
Finance taken (including loans and equity)	-	<b>33.50</b>	-	<b>33.50</b>
	-	50.00	-	50.00
Finance taken, paid back (including loans and equity)	-	<b>37.00</b>	-	<b>37.00</b>
	-	50.50	-	50.50
Interest / Dividend paid/(received) (net)	<b>(11.35)</b>	<b>119.20</b>	-	<b>107.85</b>
	(18.78)	210.48	-*	191.70
(C) Balances with the related parties				
Amount Receivable	<b>155.10</b>	<b>23.21</b>	-	<b>178.31</b>
	71.78	14.25	-	86.03
Amount Payable	<b>176.56</b>	<b>48.21</b>	-	<b>224.77</b>
	18.44	48.49	-	66.93
Amount Receivable (in respect of loans, interest and dividend)	<b>173.30</b>	-	-	<b>173.30</b>
	162.57	3.80	-	166.37
Amount Payable (in respect of loans, interest and dividend)	-	<b>16.00</b>	-	<b>16.00</b>
	-	29.50	-	29.50
Bills discounted (in respect of amount receivable)	-	<b>7.60</b>	-	<b>7.60</b>
	-	5.12	-	5.12
Bank Guarantee / Other assets given as security	-	<b>3.00</b>	-	<b>3.00</b>
	-	3.00	-	3.00

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

\* Less than ₹ 5,000/-

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

(D) Disclosure in respect of material transactions with related parties		2013 - 2014	2012 - 2013
(i) Purchase of Goods	Tata Cummins Ltd	<b>910.77</b>	1,149.46
	Fiat India Automobiles Ltd	<b>1,249.00</b>	1,463.18
	Automobile Corporation of Goa Ltd	<b>282.21</b>	272.93
	Tata AutoComp Systems Ltd	<b>198.26</b>	425.80
(ii) Sale of Goods	Tata Cummins Ltd	<b>72.26</b>	-
	Fiat India Automobiles Ltd	<b>483.05</b>	311.11
	Nita Company Ltd	<b>108.60</b>	94.19
	Tata Hitachi Construction Machinery Co. Ltd	<b>21.15</b>	31.56
(iii) Services received	Tata Sons Ltd	<b>18.31</b>	26.11
	Fiat India Automobiles Ltd	<b>0.20</b>	0.24
(iv) Services rendered	Tata Cummins Ltd	<b>3.23</b>	-
	Fiat India Automobiles Ltd	<b>2.56</b>	28.93
	Tata Hitachi Construction Machinery Co. Ltd	<b>10.27</b>	10.34
(v) Finance given including Loan and Equity	Tata AutoComp Systems Ltd	<b>26.86</b>	-
	Chery Jaguar Land Rover Automotive Co. Ltd	<b>900.76</b>	-
(vi) Finance taken including Loan and Equity	Automobile Corporation of Goa Ltd	<b>33.50</b>	50.00
(vii) Finance taken, paid back (including loans and equity)	Automobile Corporation of Goa Ltd	<b>(37.00)</b>	(50.50)
(viii) Interest/Dividend paid/(received)			
	Dividend paid	<b>140.89</b>	282.99
	Dividend received	<b>(9.90)</b>	(11.20)
	Interest paid	<b>15.44</b>	75.96
	Interest received	<b>(26.79)</b>	(93.47)

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

## 32. Consolidated segment information for the year ended March 31, 2014

(₹ in crores)

(A) Primary segment	Automotive				Others	Inter-Segment Eliminations	Total
	Tata Vehicles and financing thereof*	Jaguar and Land Rover	Intra Segment Eliminations	Total			
<b>(a) Revenue</b>							
External sales and income from other operations	41,209.86 50,796.18	190,378.50 136,822.17	- -	231,588.36 187,618.35	1,245.30 1,174.34	- -	232,833.66 188,792.69
Inter segment/Intra segment sales and other income	89.58 98.87	- -	(76.14) (93.31)	13.44 5.56	1,273.69 1,091.58	(1,287.13) (1,097.14)	- -
<b>Total revenue</b>	<b>41,299.44</b> 50,895.05	<b>190,378.50</b> 136,822.17	<b>(76.14)</b> (93.31)	<b>231,601.80</b> 187,623.91	<b>2,518.99</b> 2,265.92	<b>(1,287.13)</b> (1,097.14)	<b>232,833.66</b> 188,792.69
<b>(b) Segment results before other income, finance cost, tax and exceptional items</b>	<b>(966.93)</b> 1,753.59	<b>24,561.20</b> 14,975.61	- -	<b>23,594.27</b> 16,729.20	<b>282.66</b> 375.68	<b>(117.39)</b> (110.18)	<b>23,759.54</b> 16,994.70
<b>(c) (i) Other income</b>							<b>828.59</b> 815.59
<b>(ii) Finance cost</b>							<b>(4,733.78)</b> (3,560.25)
<b>(iii) Exceptional items :</b>							
- Exchange loss (net) on revaluation of foreign currency borrowings, deposits and loans							<b>(707.72)</b> (515.09)
- Provision for costs associated with closure of operations and impairment of intangibles							<b>(224.16)</b> (87.62)
- Employee separation cost							<b>(53.50)</b> -
<b>(d) Profit before tax</b>							<b>18,868.97</b> 13,647.33
Tax expense							<b>4,764.79</b> 3,776.66
<b>(e) Profit after tax</b>							<b>14,104.18</b> 9,870.67
<b>(f) Segment assets</b>	<b>56,604.23</b> 56,494.47	<b>125,497.12</b> 87,318.03	- -	<b>182,101.35</b> 143,812.50	<b>1,999.40</b> 1,632.27	<b>(841.46)</b> (692.66)	<b>183,259.29</b> 144,752.11
<b>(g) Segment liabilities</b>	<b>14,910.19</b> 14,942.20	<b>70,974.22</b> 52,422.39	- -	<b>85,884.41</b> 67,364.59	<b>687.35</b> 660.58	<b>(198.90)</b> (168.05)	<b>86,372.86</b> 67,857.12
<b>(h) Other information</b>							
(a) Depreciation and amortisation expense	2,534.07 2,282.83	8,498.47 5,303.43	- -	11,032.54 7,586.26	45.62 15.02	- -	11,078.16 7,601.28
(b) Capital expenditure	3,814.29 3,375.76	24,506.13 18,161.52	- -	28,320.42 21,537.28	76.34 40.78	(117.77) (110.76)	28,278.99 21,467.30
<b>(i) Segment assets exclude:</b>							
(i) Deferred tax assets							<b>2,347.08</b> 4,428.93
(ii) Current and non-current investments							<b>10,686.67</b> 8,764.73
(iii) Income tax assets (net of provision) including MAT credit							<b>2,028.83</b> 2,479.87
(iv) Other unallocated assets							<b>21,676.45</b> 9,952.60
							<b>36,739.03</b> 25,626.13

\* Other brand vehicles includes Tata Daewoo and Fiat traded vehicles

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

(₹ in crores)

**(j) Segment liabilities exclude:**

(i) Minority interest	420.65
	370.48
(ii) Long-term borrowings	45,258.61
	32,155.29
(iii) Short-term borrowings	9,695.86
	11,620.21
(iv) Current maturities of long term debt	5,687.81
	9,940.21
(v) Deferred tax liability	1,572.33
	2,048.21
(vi) Proposed dividend and tax thereon	762.67
	754.69
(vii) Provision for income tax	1,396.94
	1,792.03
(viii) Other unallocated liabilities	3,227.14
	6,202.70
	<b>68,022.01</b>
	64,883.82

**(B) Secondary segment**

	<u>United States</u>	<u>UK</u>	<u>Rest of Europe</u>	<u>India</u>	<u>China</u>	<u>Rest of World</u>	<u>Total</u>
<b>Revenue from external customers</b>	26,764.90	29,293.77	29,285.88	34,448.15	65,903.91	47,137.05	232,833.66
	18,941.79	22,366.90	22,263.90	44,758.28	44,695.08	35,766.74	188,792.69
<b>Carrying amount of segment assets</b>	3,335.34	101,052.25	3,457.99	52,915.41	11,005.84	11,492.46	183,259.29
	3,698.94	67,308.63	2,887.54	53,355.30	6,656.36	10,845.34	144,752.11
<b>Capital expenditure</b>	15.00	23,414.98	10.03	3,625.04	996.91	217.03	28,278.99
	3.97	17,918.84	27.51	3,225.96	110.53	180.49	21,467.30

**Notes:**

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

As at / for the year ended on March 31,	Gratuity, Superannuation and BKY / PSY					Compensated Absences					Post-retirement Medicare scheme				
	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
<b>(i) Components of employer expense</b>															
Current service cost	58.53	52.66	46.97	35.98	31.78	38.30	34.43	27.95	22.29	18.66	5.18	4.06	4.22	3.67	3.27
Interest cost	63.81	60.09	55.48	48.11	45.09	21.75	20.59	17.83	14.07	12.16	9.06	8.34	8.14	7.23	7.05
Expected return on plan assets	(57.02)	(53.64)	(49.95)	(44.86)	(42.32)	-	-	-	-	-	-	-	-	-	-
Past service cost	-	-	-	0.07	0.57	-	-	-	-	-	0.55	-	-	-	-
Actuarial losses / (gains)	(0.19)	5.00	21.96	60.26	50.92	(25.53)	6.07	23.23	40.45	29.16	2.65	2.00	(6.02)	3.80	(0.14)
<b>Total expense recognised in the Statement of Profit and Loss in note 25, page 196 :</b>	<b>65.13</b>	<b>64.11</b>	<b>74.46</b>	<b>99.56</b>	<b>86.04</b>	<b>34.52</b>	<b>61.09</b>	<b>69.01</b>	<b>76.81</b>	<b>59.98</b>	<b>17.44</b>	<b>14.40</b>	<b>6.34</b>	<b>14.70</b>	<b>10.18</b>
	<b>(b) &amp; (c)</b>					<b>(a)</b>					<b>(c)</b>				
<b>(ii) Actual contribution and benefit payments</b>															
Actual benefit payments	85.85	81.62	56.42	64.62	64.08	49.22	41.29	32.26	33.00	23.60	3.90	4.07	3.90	4.13	4.38
Actual contributions	42.38	67.98	68.34	85.05	86.98	49.22	41.29	32.26	33.00	23.60	3.90	4.07	3.90	4.13	4.38
<b>(iii) Net asset / (liability) recognised in Balance Sheet</b>															
Present value of Defined Benefit Obligation	826.27	813.35	756.58	691.32	608.93	267.06	282.53	262.73	225.76	181.95	124.05	110.51	100.18	97.74	87.17
Fair value of plan assets	720.63	737.38	676.74	618.02	550.07	-	-	-	-	-	-	-	-	-	-
<b>Net asset / (liability) recognised in Balance Sheet</b>	<b>(105.64)</b>	<b>(75.97)</b>	<b>(79.84)</b>	<b>(73.30)</b>	<b>(58.86)</b>	<b>(267.06)</b>	<b>(282.53)</b>	<b>(262.73)</b>	<b>(225.76)</b>	<b>(181.95)</b>	<b>(124.05)</b>	<b>(110.51)</b>	<b>(100.18)</b>	<b>(97.74)</b>	<b>(87.17)</b>
Experience adjustment on plan liabilities	23.55	(23.57)	(7.35)	(36.91)	(4.29)	N/A	N/A	N/A	N/A	N/A	3.46	8.76	(2.83)	5.32	0.39
Experience adjustment on plan assets	23.38	20.94	(3.16)	2.72	(5.11)	N/A	N/A	N/A	N/A	N/A	-	-	-	-	-
<b>(iv) Change in Defined Benefit Obligations (DBO)</b>															
Present value of DBO at beginning of year	813.35	756.58	691.32	608.93	575.75	282.53	262.73	225.76	181.95	154.81	110.51	100.18	97.74	87.17	85.18
Liability on acquisitions	-	0.04	0.43	-	-	-	-	0.22	-	-	-	-	-	-	-
Current service cost	58.53	52.66	46.97	35.98	31.78	38.30	34.43	27.95	22.29	18.66	5.18	4.06	4.22	3.67	3.27
Past service cost	-	-	-	-	-	-	-	-	-	-	0.55	-	-	-	-
Interest cost	63.81	60.09	55.48	48.11	45.09	21.75	20.59	17.83	14.07	12.16	9.06	8.34	8.14	7.23	7.05
Plan amendments	-	-	-	-	0.65	-	-	-	-	-	-	-	-	-	-
Settlement cost / (credit)	-	-	-	-	-	(0.77)	-	-	-	-	-	-	-	-	-
Actuarial (gains) / losses	(23.57)	25.60	18.80	62.92	46.17	(25.53)	6.07	23.23	40.45	29.16	2.65	2.00	(6.02)	3.80	(0.14)
Benefits paid	(85.85)	(81.62)	(56.42)	(64.62)	(64.08)	(49.22)	(41.29)	(32.26)	(33.00)	(23.60)	(3.90)	(4.07)	(3.90)	(4.13)	(4.38)
Sale of stake in subsidiary	-	-	-	-	(26.43)	-	-	-	-	(9.24)	-	-	-	-	(3.81)
<b>Present value of DBO at the end of year</b>	<b>826.27</b>	<b>813.35</b>	<b>756.58</b>	<b>691.32</b>	<b>608.93</b>	<b>267.06</b>	<b>282.53</b>	<b>262.73</b>	<b>225.76</b>	<b>181.95</b>	<b>124.05</b>	<b>110.51</b>	<b>100.18</b>	<b>97.74</b>	<b>87.17</b>
<b>(v) Change in fair value of assets</b>															
Plan assets at beginning of year	737.38	676.74	618.02	550.07	517.28	-	-	-	-	-	-	-	-	-	-
Liability on acquisitions	-	0.04	-	-	-	-	-	-	-	-	-	-	-	-	-
Actual return on plan assets	33.65	74.24	46.80	47.52	37.57	-	-	-	-	-	-	-	-	-	-
Actual Company contributions	42.38	67.98	68.34	85.05	86.98	49.22	41.29	32.26	33.00	23.60	3.90	4.07	3.90	4.13	4.38
Benefits paid	(85.85)	(81.62)	(56.42)	(64.62)	(64.08)	(49.22)	(41.29)	(32.26)	(33.00)	(23.60)	(3.90)	(4.07)	(3.90)	(4.13)	(4.38)
Sale of stake in subsidiary	-	-	-	-	(27.68)	-	-	-	-	-	-	-	-	-	-
Others	(6.93)	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Plan assets at the end of year</b>	<b>720.63</b>	<b>737.38</b>	<b>676.74</b>	<b>618.02</b>	<b>550.07</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>(vi) Actuarial assumptions</b>															
Discount rate (%)	6.75-9.30	6.75-8.35	6.75-8.90	6.75-8.50	6.75-8.70	9.20	8.35	8.50	8.50	8.50	9.20	8.35	8.50	8.50	8.50
Expected return on plan assets (%)	8.00-9.25	8.00-9.25	8.00-9.25	8.00-9.25	8.00-9.25	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	6.00	5.00	4.00	4.00	4.00
<b>(vii) The major categories of plan assets as percentage to total plan assets</b>															
Debt securities	71%	73%	77%	75%	76%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balance with approved insurance companies	28%	24%	19%	-	-	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Balances with banks	1%	4%	4%	25%	24%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
<b>(viii) Effect of one percentage point change in assumed medical inflation rate</b>															
	<b>One percentage point increase in medical inflation rate</b>										<b>One percentage point decrease in medical inflation rate</b>				
	2014	2013	2012	2011	2010						2014	2013	2012	2011	2010
Revised DBO	137.03	121.00	108.44	104.57	100.15						111.55	101.33	81.62	88.49	82.98
Revised service cost	6.05	4.86	4.88	4.30	3.78						4.47	3.41	3.04	3.16	2.80
Revised interest cost	9.94	9.30	8.85	7.97	7.78						8.30	7.54	6.81	6.59	6.42

(a) Defined contribution plans-

The Company's contribution to defined contribution plan aggregated ₹ 271.62 crores (2012-13 ₹ 235.60 crores) for the year ended March 31, 2014 has been recognised in the Statement of Profit and Loss in note 25 on page 196.

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

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

(d) The Company expects to contribute ₹ 102.77 crores to the funded pension plans in the year 2014-2015.



# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

	As at / for the year ended on March 31,	2014	2013	2012	2011	2010
<b>i</b>	<b>Components of employer expense</b>					
	Current service cost	38.75	37.24	21.18	20.32	17.54
	Interest cost	5.64	9.30	10.26	10.28	8.85
	Past service cost	-	(6.17)	-	-	-
	Expected return on plan assets	(0.04)	-	-	-	-
	Actuarial losses / (gains)	(7.14)	(62.40)	(8.39)	(23.38)	19.75
	<b>Total expense recognised in the Statement of Profit and Loss in Note 25, page 196 :</b>	<b>37.21</b>	<b>(22.03)</b>	<b>23.05</b>	<b>7.22</b>	<b>46.14</b>
<b>ii</b>	<b>Actual Contribution and Benefit Payments</b>					
	Actual benefit payments	6.83	87.97	14.64	8.96	16.26
	Actual contributions	135.03	87.97	14.64	8.96	16.26
<b>iii</b>	<b>Net liability recognised in Balance Sheet</b>					
	Present value of Defined Benefit Obligation	219.54	164.44	252.58	220.62	217.23
	Fair value of plan assets	129.43	-	-	-	-
	<b>Net liability recognised in Balance Sheet</b>	<b>(90.11)</b>	<b>(164.44)</b>	<b>(252.58)</b>	<b>(220.62)</b>	<b>(217.23)</b>
	Experience adjustment on plan liabilities	6.54	79.62	19.01	5.56	(20.09)
	Experience adjustment on plan assets	-	-	-	-	-
<b>iv</b>	<b>Change in Defined Benefit Obligations</b>					
	Present Value of DBO at the beginning of the year	164.44	252.58	220.62	217.23	174.83
	Current service cost	38.75	37.24	21.18	20.32	17.54
	Interest cost	5.64	9.30	10.26	10.28	8.85
	Past service cost	-	(6.17)	-	-	-
	Actuarial losses	(7.14)	(62.40)	(8.39)	(23.38)	19.75
	Benefits paid	(6.83)	(87.97)	(14.64)	(8.96)	(16.26)
	Exchange fluctuation	24.68	21.86	23.55	5.13	12.52
	<b>Present Value of DBO at the end of the year</b>	<b>219.54</b>	<b>164.44</b>	<b>252.58</b>	<b>220.62</b>	<b>217.23</b>
<b>v</b>	<b>Change in fair value of assets</b>					
	Plan assets at the beginning of the year	-	-	-	-	-
	Actual return on plan assets	0.04	-	-	-	-
	Actual Company contributions	135.03	87.97	14.64	8.96	16.26
	Benefits paid	(6.83)	(87.97)	(14.64)	(8.96)	(16.26)
	Exchange fluctuation	1.19	-	-	-	-
	Plan assets at the end of the year	129.43	-	-	-	-
<b>vi</b>	<b>Actuarial assumptions</b>					
	Discount rate	3.60%	3.07%	4.03%	4.53%	4.84%
	Expected return on plan assets	N/A	N/A	N/A	N/A	N/A
	Medical cost inflation	N/A	N/A	N/A	N/A	N/A

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

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

(₹ in crores)

	As at / for the year ended on March 31,	Post-retirement Pension scheme					Post-retirement Medicare scheme				
		2014	2013	2012	2011	2010	2014	2013	2012	2011	2010
(i)	<b>Components of employer expense</b>										
	Current service cost	1,626.77	1,009.27	780.53	752.63	480.03	0.58	0.52	0.46	0.64	0.53
	Interest cost	2,587.53	2,177.34	1,829.87	1,529.40	1,555.04	0.48	0.60	0.53	0.71	0.61
	Expected return on plan assets	(2,203.42)	(1,917.76)	(1,833.99)	(1,711.20)	(1,314.87)	-	-	-	-	-
	Amortisation of past service cost	54.72	49.10	112.99	35.41	13.63	-	-	-	-	-
	Curtailment	-	-	-	-	(5.45)	-	-	-	-	-
	Settlement	-	-	-	(1.20)	-	-	(0.52)	-	-	-
	Expenses paid	1.35	-	-	-	-	-	-	-	-	-
	Asset restriction	-	-	-	-	-	-	-	-	-	-
	Actuarial losses	-	-	-	-	-	-	-	-	-	-
	<b>Total expense recognised in the Statement of Profit and Loss in Note 25, page 196 :</b>	<b>2,066.95</b>	<b>1,317.95</b>	<b>889.40</b>	<b>605.04</b>	<b>728.38</b>	<b>1.06</b>	<b>0.60</b>	<b>0.99</b>	<b>1.35</b>	<b>1.14</b>
(ii)	<b>Actual contribution and benefit payments</b>										
	Actual benefit payments	1,314.88	1,112.62	866.72	910.70	826.05	0.10	0.09	-	-	-
	Actual contributions	3,202.75	1,442.36	1,760.55	1,545.97	398.06	0.10	3.10	-	-	-
(iii)	<b>Amount recognised in Pension Reserve</b>										
	Actuarial loss / (gain)	1,283.81	3,972.49	1,490.14	1,391.86	642.93	(2.40)	0.86	0.84	(4.39)	1.67
	Movement in restriction of pension assets	21.45	(235.08)	(42.75)	888.67	(481.33)	-	-	-	-	-
	Onerous obligation	-	(1,056.73)	(37.41)	-	-	-	-	-	-	-
	Economic benefit from pre payment of normal contribution	-	300.08	(266.44)	-	-	-	-	-	-	-
	Deferred tax	(40.39)	(626.73)	(1,272.50)	-	-	-	-	-	-	-
	Exchange fluctuation	-	-	-	-	102.13	-	-	-	-	-
	<b>Amount recognised in Pension Reserve</b>	<b>1,264.87</b>	<b>2,354.03</b>	<b>(128.96)</b>	<b>2,280.53</b>	<b>263.73</b>	<b>(2.40)</b>	<b>0.86</b>	<b>0.84</b>	<b>(4.39)</b>	<b>1.67</b>
(iv)	<b>Net liability recognised in Balance Sheet</b>										
	Present value of Defined Benefit Obligation	60,249.67	49,426.92	40,065.65	30,723.35	26,340.24	9.15	9.60	10.76	7.69	10.76
	Fair value of plan assets	53,576.49	44,046.30	38,372.91	29,816.11	25,908.86	-	-	-	-	-
	Restriction of pension asset	(29.56)	(6.16)	(229.00)	(235.84)	(17.64)	-	-	-	-	-
	Unrecognised actuarial gains and losses	-	-	-	-	-	-	-	-	-	-
	Onerous obligation	-	-	(1,001.94)	(902.99)	(233.72)	-	-	-	-	-
	Economic benefit from pre payment of normal contribution	-	-	284.52	(15.28)	5.10	-	-	-	-	-
	Net asset recognised in balance sheet	4.38	3.61	15.49	6.72	3.06	-	-	-	-	-
	<b>Net (Liability) recognised in Balance Sheet</b>	<b>(6,707.12)</b>	<b>(5,390.39)</b>	<b>(2,654.65)</b>	<b>(2,068.07)</b>	<b>(680.70)</b>	<b>(9.15)</b>	<b>(9.60)</b>	<b>(10.76)</b>	<b>(7.69)</b>	<b>(10.76)</b>
	Experience adjustment on plan liabilities	69.24	56.75	610.62	696.80	4,404.25	-	-	-	-	-
	Experience adjustment on plan assets	(3,913.28)	(3,343.01)	(1,392.44)	217.97	3,826.63	-	-	-	-	-
(v)	<b>Change in Defined Benefit Obligations (DBO)</b>										
	Present Value of DBO at beginning of year	49,426.92	40,065.65	30,723.35	26,340.24	22,119.55	9.60	10.32	7.69	10.76	8.65
	Liability on acquisition	-	-	-	-	-	-	-	-	-	-
	Current service cost	1,626.77	1,009.27	780.53	752.63	480.03	0.58	0.52	0.46	0.64	0.53
	Interest cost	2,587.53	2,177.34	1,829.87	1,529.40	1,555.04	0.48	0.60	0.53	0.71	0.61
	Amendments	55.78	49.10	51.53	35.41	12.25	-	-	-	-	-
	Actual member contributions	13.08	59.93	112.99	46.39	147.81	-	-	-	-	-
	Actuarial losses / (gains)	(2,628.99)	7,314.38	2,797.44	1,608.01	4,902.21	(2.40)	0.86	0.84	(4.39)	1.67
	Benefits paid	(1,314.88)	(1,112.62)	(866.72)	(910.70)	(826.05)	(0.10)	(0.09)	-	-	-
	Expenses paid	-	(0.77)	(1.22)	(0.99)	(0.15)	-	-	-	-	-
	Plan combinations	-	-	-	-	2.72	-	-	-	-	-
	Plan curtailment	(1.06)	-	-	-	(5.45)	-	-	-	-	-
	Plan settlement	-	-	-	(9.42)	(0.68)	-	(3.53)	-	-	-
	Exchange fluctuation	10,484.52	(135.36)	4,637.88	1,332.38	(2,047.04)	0.99	0.92	0.80	(0.03)	(0.70)
	<b>Present Value of DBO at the end of year</b>	<b>60,249.67</b>	<b>49,426.92</b>	<b>40,065.65</b>	<b>30,723.35</b>	<b>26,340.24</b>	<b>9.15</b>	<b>9.60</b>	<b>10.32</b>	<b>7.69</b>	<b>10.76</b>
(vi)	<b>Change in fair value of assets</b>										
	Plan assets at beginning of year	44,046.30	38,372.91	29,816.11	25,908.88	22,591.74	-	-	-	-	-
	Plan assets on acquisition	-	-	-	-	-	-	-	-	-	-
	Actual return on plan assets	(1,709.38)	5,259.65	3,141.29	1,927.28	5,574.15	-	-	-	-	-
	Actual Company contributions	3,202.18	1,442.36	1,760.55	1,545.97	398.06	0.10	3.10	-	-	-
	Actual member contributions	13.08	59.93	51.53	46.39	147.81	-	-	-	-	-
	Benefits paid	(1,314.88)	(1,112.62)	(866.72)	(910.70)	(826.04)	(0.10)	(0.09)	-	-	-
	Expenses paid	(1.35)	(0.77)	(1.22)	(0.99)	(0.15)	-	-	-	-	-
	Plan combinations	-	-	-	-	-	-	-	-	-	-
	Plan settlement	-	-	-	(8.22)	(0.68)	-	(3.01)	-	-	-
	Exchange fluctuation	9,340.54	24.84	4,471.37	1,307.50	(1,976.01)	-	-	-	-	-
	Plan assets at the end of year	53,576.49	44,046.30	38,372.91	29,816.11	25,908.88	-	-	-	-	-
(vii)	<b>Actuarial assumptions</b>										
	Discount rate (%)	3.71-4.59	3.69-4.40	4.38-5.10	5.19- 5.50	5.50- 5.60	4.35	4.10	4.88	5.74	6.22
	Inflation (%)	2.00-3.44	2.00-3.40	2.00-3.30	2.00-3.40	2.00-3.50	N/A	N/A	N/A	N/A	N/A
	Expected return on plan assets (%)	2.07-3.94	4.75-6.34	4.85-6.34	5.75-6.57	6.50	N/A	N/A	N/A	N/A	N/A
	Medical cost inflation (%)	N/A	N/A	N/A	N/A	N/A	4.50	4.50	4.50	4.20	7.80
(viii)	<b>The major categories of plan assets as percentage to total plan assets</b>										
	Equity securities	10%-37%	17%-38%	19%-38.4%	20%-40%	39%-53%	N/A	N/A	N/A	N/A	N/A
	Debt securities	35%-69%	38%-68%	38.4%-67%	40%-63%	39%-56%	N/A	N/A	N/A	N/A	N/A
	Other	19%-27%	15%-24%	8%-23.2%	2.4%-20%	1%-23%	N/A	N/A	N/A	N/A	N/A

- (a) Defined Contribution Plans- Jaguar and Land Rover group's contribution to defined contribution plan aggregated ₹ 221.20 crores (₹ 100.60 crores for the year ended March 31, 2013) has been recognised in the Statement of Profit and Loss in note 25 on page 196.
- (b) The expected rate of return on plan assets is based on market expectation, at the beginning of the year, for returns over the entire life of the related obligation.
- (c) The assumption of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.
- (d) The Company expects to contribute ₹ 1,124.75 crores to the funded pension plans in the year 2014-2015.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

		(₹ in crores)	
		2013 - 2014	2012 - 2013
<b>34. (i)</b>	<b>Movement of provision for warranty and product liability</b>		
	Opening balance	6,719.10	5,299.73
	Add: Provision for the year (net) (including additional provision for earlier years)	6,207.44	4,203.91
	Less: Payments / debits (net of recoveries from suppliers)	(4,760.36)	(2,756.43)
	Foreign currency translation	1,316.04	(28.11)
	Closing balance	9,482.22	6,719.10
	Current portion	3,976.69	3,145.50
	Non-current portion	5,505.53	3,573.60
		9,482.22	6,719.10
The provision is expected to be utilized for settlement of warranty claims within a period of 5 years.			
<b>(ii)</b>	<b>Movement of provision for redemption of FCCN / CARS</b>		
	Opening balance	34.21	912.50
	Foreign currency exchange loss	0.94	82.97
	Premium on redemption of FCCN / CARS (including withholding tax)	(35.15)	(843.37)
	Reversal of provision for premium due to conversion of FCCN / CARS	-	(19.92)
	Provision / (reversal of provision) for withholding tax upon conversion / redemption / foreign currency exchange of FCCN / CARS	-	(97.97)
	Closing balance	-	34.21
	Current portion	-	-
	Non-current portion	-	34.21
		-	34.21
<b>(iii)</b>	<b>Movement of provision for residual risk</b>		
	Opening balance	119.67	130.98
	Add: Provision / (reversal of provision) for the year	27.19	(6.02)
	Less: Payments / debits	-	(7.74)
	Foreign currency translation	2.08	2.45
	Closing balance	148.94	119.67
	Current portion	17.95	13.40
	Non-current portion	130.99	106.27
		148.94	119.67
In certain markets, some subsidiaries are responsible for the residual risk arising on vehicles sold by dealers on a leasing arrangement. The provision is based on the latest available market expectations of future residual value trends. The timing of the outflows will be at the end of the lease arrangements – being typically up to three years.			
<b>(iv)</b>	<b>Movement of provision towards environmental cost</b>		
	Opening balance	179.32	164.86
	Add: Provision for the year (net)	0.96	25.79
	Less: Payments	(12.50)	(12.04)
	Foreign currency translation	38.90	0.71
	Closing balance	206.68	179.32
	Current portion	-	-
	Non-current portion	206.68	179.32
		206.68	179.32

This provision relates to various environmental remediation costs such as asbestos removal and land clean up. The timing of when these costs will be incurred is not known with certainty.

# NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS

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

- Advance received is ₹ 7.75 crores (as at March 31, 2013 ₹ 14.01 crores)
- Retention money is ₹ 8.79 crores (as at March 31, 2013 ₹ 13.28 crores)
- Contract revenue recognised during the year is ₹ 49.46 crores (2012-13 ₹ 54.36 crores)
- Aggregate amount of costs incurred and recognised profits (less recognised losses) ₹ 235.49 crores (as at March 31, 2013 ₹ 259.02 crores)

## 36. Other Notes

- The following subsidiaries / joint venture have been considered on Unaudited basis. Details for the same as per individual entity's financials are as under :

	Net Worth As at March 31, 2014	Total Revenue for the year ended March 31, 2014	Net Increase / (Decrease) in Cash & Cash equivalent during 2013-2014
(₹ in crores)			
<b>(i) Subsidiaries :</b>			
Tata Hispano Motors Carrocera S.A and its subsidiary	(682.90)	296.60	(17.87)
Tal Manufacturing Solutions Ltd	52.28	130.93	(2.29)
PT Tata Motors Indonesia and its subsidiary	19.55	14.19	(14.15)
Trilix S.r.l	15.51	68.53	(2.42)
Tata Precision Industries Pte Ltd	1.11	-	0.02
	(594.45)	510.25	(36.71)
<b>(ii) Joint venture :</b>			
Fiat India Automobiles Ltd	1,032.66	1,928.74	(74.19)
<b>Total (i + ii)</b>	<b>438.21</b>	<b>2,438.99</b>	<b>(110.90)</b>
For the year ended / as at March 31, 2013	51.43	2,357.32	(261.40)

- The share of profit / (loss) in respect of investments in associate companies include figures which are considered as per unaudited financial statements for the year ended March 31, 2014, as per details given below :

	Profit / (Loss) for the year ended March 31, 2014
(₹ in crores)	
Tata Hitachi Construction Machinery Company Ltd	(76.14)
Nita Company Ltd.	5.13
	(71.01)
For the year ended March 31, 2013	(48.58)

- During the year ended March 31, 2014, Jaguar Land Rover Automotive Plc (JLR), an indirect subsidiary of the Company, issued USD 700 million 4.125% Senior Notes, due 2018 and GBP 400 million 5.0% Senior Notes, due 2022. The net proceeds from these issues have been used to refinance existing debts and for general corporate purposes.
- Subsequent to the year ended March 31, 2014, TML Holdings Pte Ltd Singapore (TMLHS), a subsidiary of the Company has issued USD 300 million (approximately ₹ 1,804.05 crores), 5.75% Senior Notes due 2021.
- Previous year figures have been regrouped / reclassified wherever necessary to correspond with the current year classification / disclosure.
- Capital Work-in-progress as at March 31, 2014 includes building under construction at Singur in West Bengal of ₹309.88 crores for the purposes of manufacturing automobiles. In October 2008, the Company moved the Nano project from Singur in West Bengal to Sanand in Gujarat. In June 2011, the newly elected Government of West Bengal (State Government) enacted a legislation to cancel land lease agreement. The Company challenged the legal validity of the legislation. In June 2012, the High Court of Calcutta ruled against the validity of the legislation and restored Company's rights under the land lease agreement. The State Government filed an appeal in the Supreme Court of India, which is pending disposal. Based on management's assessment no provision is considered necessary to the carrying cost of buildings at Singur.
- Current year figures are shown in bold prints

**CYRUS P MISTRY**  
Chairman

**RAVI KANT**  
Vice-Chairman

For and on behalf of the Board

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

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

## SUBSIDIARY COMPANIES : FINANCIAL HIGHLIGHTS- 2013-14

Sr.No	Subsidiary	Country of Incorporation	Reporting currency #	Share capital (incl. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year*	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)
1	TAL Manufacturing Solutions Ltd	India	INR	65.00	(12.72)	210.77	158.49	139.98	(32.39)	-	(32.39)	(32.39)	-	-
2	TML Drivelines Ltd	India	INR	77.00	685.58	942.67	180.09	400.85	22.89	4.02	18.87	18.87	6.76	25.00
3	Concorde Motors (India) Ltd	India	INR	43.05	(7.74)	327.22	291.91	664.50	(35.34)	-	(35.34)	(35.34)	-	-
4	Sheba Properties Ltd	India	INR	75.00	99.39	177.57	3.18	2.17	8.81	0.78	8.03	8.03	-	122.62
5	Tata Daewoo Commercial Vehicle Co. Ltd	South Korea	KRW	57.35	1,439.98	3,187.00	1,689.67	4,906.29	172.53	42.15	130.38	130.30	-	2.24
6	Tata Technologies Ltd	India	INR	43.02	716.47	1,100.44	340.95	886.18	259.30	56.58	202.72	202.72	91.13	502.90
7	Tata Motors Insurance Broking & Advisory Services Ltd	India	INR	2.50	8.79	15.50	4.21	34.07	(0.68)	(0.13)	(0.55)	(0.55)	-	3.60
8	Tata Motors European Technical Centre Plc	UK	GBP	233.67	(136.05)	298.34	200.72	402.69	34.06	(0.70)	34.76	34.76	2.78	-
9	TML Distribution Company Ltd	India	INR	225.00	54.06	402.59	123.53	607.34	(24.42)	(8.21)	(16.21)	(16.21)	-	-
10	Tata Motors (SA) (Proprietary) Ltd	South Africa	ZAR	13.00	(1.98)	86.15	75.13	97.82	0.16	0.38	(0.22)	(0.22)	-	-
11	Tata Motors Finance Ltd	India	INR	1,389.35	1,654.88	21,814.42	18,770.19	2,958.43	155.34	54.46	100.88	100.88	45.25	365.99
12	Tata Marcopolo Motors Ltd	India	INR	170.00	(58.84)	442.74	331.58	539.26	(34.05)	-	(34.05)	(34.05)	-	-
13	Tata Motors (Thailand) Ltd	Thailand	THB	425.90	(569.63)	644.98	788.71	206.19	(132.33)	-	(132.33)	(132.33)	-	-
14	TML Holdings Pte Ltd, Singapore	Singapore	GBP	12,439.78	(504.01)	17,222.26	5,286.49	0.09	(163.94)	0.06	(164.00)	(164.00)	-	-
15	Tata Hispano Motors Carrocera S.A	Spain	EUR	3.70	(679.82)	152.00	828.12	59.96	(94.79)	-	(94.79)	(94.79)	-	-
16	Trilix S.r.l	Italy	EUR	0.61	14.90	45.26	29.75	68.49	5.27	2.25	3.02	3.02	-	-
17	Tata Precision Industries Pte Ltd	Singapore	SGD	74.21	(73.11)	1.20	0.10	-	(0.06)	-	(0.06)	(0.06)	-	-
18	PT Tata Motors Indonesia	Indonesia	IDR	100.85	(81.30)	61.36	41.81	1.68	(11.79)	-	(11.79)	(11.79)	-	-
19	INCAT International Plc	UK	GBP	2.42	45.18	49.51	1.91	-	(1.15)	-	(1.15)	(1.15)	-	-
20	Tata Technologies Inc	USA	USD	262.75	(484.47)	167.41	389.13	498.23	(6.61)	0.95	(7.56)	(7.56)	-	-
21	Tata Technologies (Canada) Inc.	Canada	USD	0.01	4.71	23.73	19.01	8.38	1.88	1.40	0.48	0.48	-	-
22	Tata Technologies de Mexico, S.A. de C.V.	Mexico	USD	0.93	3.17	9.45	5.35	18.48	0.11	0.03	0.08	0.08	-	-
23	Tata Technologies Europe Ltd	UK	GBP	0.10	239.74	435.94	196.10	992.01	73.24	12.22	61.02	61.02	-	-
24	INCAT GmbH.	Germany	EUR	1.35	15.43	18.08	1.30	0.43	(0.08)	0.74	(0.82)	(0.82)	-	-
25	Tata Technologies (Thailand) Ltd	Thailand	THB	6.50	2.96	10.58	1.12	12.19	2.79	-	2.79	2.79	-	-
26	Tata Technologies Pte. Ltd, Singapore	Singapore	USD	323.41	364.09	692.88	5.38	27.96	5.15	0.19	4.96	4.96	-	-
27	Cambic Holdings Inc.	USA	USD	38.60	5.31	176.01	132.10	6.44	(9.23)	(8.32)	(0.91)	(0.91)	-	-
28	Cambic Corporation, Delaware	USA	USD	-	1.01	11.74	10.73	101.65	53.29	0.01	53.28	53.28	-	-
29	Cambic Ltd, Bahama	USA	USD	16.17	(0.22)	15.95	-	3.95	(4.17)	-	(4.17)	(4.17)	-	-
30	Cambic UK Ltd.	U.K.	USD	-	1.06	6.01	4.95	49.29	(4.79)	0.24	(5.03)	(5.03)	-	-
31	Cambic Managed Services Inc, Utah	USA	USD	-	(0.01)	-	0.01	-	(0.01)	-	(0.01)	(0.01)	-	-
32	Cambic GmbH	Germany	USD	0.18	0.21	0.70	0.31	4.53	1.93	0.06	1.87	1.87	-	-
33	Midwest Managed Services, Utah	USA	USD	-	(0.01)	0.01	0.02	-	(0.01)	-	(0.01)	(0.01)	-	-
34	Cambic Consulting SRL, Romania	Romania	USD	9.83	1.45	15.38	4.10	43.45	(36.29)	0.30	(36.59)	(36.59)	-	-
35	Cambic Manufacturing Technologies (Shanghai) Co. Ltd.	China	USD	-	-	-	-	-	-	-	-	-	-	-
36	Jaguar Land Rover Automotive Plc	UK	GBP	14,936.65	1,844.97	35,852.54	19,070.92	-	1,067.52	(76.94)	1,144.46	1,144.46	1,493.03	-
37	Jaguar Land Rover Ltd	UK	GBP	15,999.27	34,020.10	1,40,971.56	90,952.19	1,50,930.06	16,701.40	3,385.29	13,316.11	13,316.11	-	11,930.28
38	Jaguar Land Rover Holdings Ltd (formerly known as Land Rover)	UK	GBP	49.77	34,739.74	34,789.51	-	-	1,447.40	-	1,447.40	1,447.40	-	-
39	JLR Nominee Company Ltd (formerly known as Jaguar Land Rover Exports Ltd)	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
40	Jaguar Land Rover North America, LLC.	USA	USD	239.54	2.01	5,258.96	5,017.41	24,974.38	135.49	52.61	82.88	82.88	-	-
41	Jaguar Land Rover Deutschland GmbH	Germany	EUR	21.06	210.54	2,066.16	1,834.56	7,452.79	54.65	26.51	28.14	28.14	-	-
42	Jaguar Land Rover Austria GmbH	Austria	EUR	1.20	58.48	338.12	278.44	1,339.24	10.40	2.83	7.57	7.57	-	-
43	Jaguar Land Rover Italia SpA	Italy	EUR	212.57	173.65	1,162.07	775.85	4,880.60	35.49	20.54	14.95	14.95	-	-
44	Jaguar Land Rover Portugal-Veiculos e Pecas, Lda.	Portugal	EUR	11.31	68.49	176.82	97.02	280.46	1.80	1.07	0.73	0.73	-	-
45	Jaguar Land Rover France SAS	France	EUR	26.49	80.34	1,008.26	901.43	4,386.36	31.92	17.17	14.75	14.75	-	-

## SUBSIDIARY COMPANIES : FINANCIAL HIGHLIGHTS- 2013-14

Sl. No	Subsidiary	Country of Incorporation	Reporting currency #	Share capital (ind. advances towards capital where applicable)	Reserves and Surplus	Total Assets	Total Liabilities	Turnover	Profit/ (Loss) Before Tax	Tax Expense/ (Credit)	Profit/ (Loss) after tax	Profit/ (Loss) for the period/ year *	Proposed dividend and tax thereon	Investments (except in case of investment in the subsidiaries)
46	Jaguar Land Rover Australia Pty Ltd	Australia	AUD	3.72	116.10	1,722.79	1,602.97	3,772.35	84.80	25.55	59.25	59.25	95.63	-
47	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China	CNY	68.36	9,832.07	19,118.99	9,218.56	63,113.98	8,381.26	2,207.07	6,174.19	6,174.19	-	-
48	Jaguar Land Rover Japan Ltd	Japan	JPY	27.94	222.59	665.36	414.83	1,458.78	14.59	8.33	6.26	6.26	-	-
49	Jaguar Land Rover Korea Company Ltd	South Korea	KRW	0.29	70.11	735.97	665.57	1,953.04	49.86	37.76	12.10	12.10	-	-
50	Jaguar Land Rover Canada ULC	Canada	CAD	-	12.78	841.62	828.84	2,523.73	17.73	4.95	12.78	12.78	43.75	-
51	Jaguar Land Rover Brazil LLC	Brazil	BRL	50.89	310.63	1,523.68	1,162.16	3,754.71	480.85	166.90	313.95	313.95	94.30	-
52	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia	RUB	8.01	1,310.77	2,127.91	809.13	10,803.08	923.06	193.10	729.96	729.96	324.36	-
53	Jaguar Land Rover (South Africa) (Pty) Ltd	South Africa	ZAR	-	165.14	1,191.75	1,026.61	3,109.31	233.78	60.10	173.68	173.68	-	-
54	Jaguar Land Rover Belux NV (formerly known as Jaguar Belux NV)	Belgium	EUR	10.30	197.4	592.97	562.93	2,385.77	25.46	8.55	16.91	16.91	-	-
55	Jaguar Land Rover (South Africa) Holdings Ltd	UK	GBP	-	1,555.15	1,568.16	13.01	-	25.12	7.18	17.94	17.94	-	-
56	Land Rover Group Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
57	Land Rover Ireland Ltd	Ireland	EUR	-	20.61	20.75	0.14	-	(0.64)	(0.03)	(0.61)	(0.61)	-	-
58	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	Spain	EUR	373.01	62.19	866.59	431.39	2,343.06	17.91	5.76	12.15	12.15	-	-
59	Jaguar Land Rover Nederland BV	Netherlands	EUR	0.37	19.85	196.54	176.32	1,121.57	8.48	4.87	3.61	3.61	-	-
60	Jaguar Land Rover India Ltd	India	INR	41.25	(16.80)	27.58	3.13	-	(12.75)	-	(12.75)	(12.75)	-	-
61	Land Rover Parts Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
62	The Lanchester Motor Company Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
63	The Daimler Motor Company Ltd	UK	GBP	14.93	-	14.93	-	-	-	-	-	-	-	-
64	S S Cars Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
65	Daimler Transport Vehicles Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
66	The Jaguar Collection Ltd	UK	GBP	-	-	-	-	-	-	-	-	-	-	-
67	Jaguar Cars (South Africa) (Pty) Ltd	South Africa	ZAR	-	-	-	-	-	-	-	-	-	-	-
68	Tata Hispano Motors Carrocera S.A. (Note B, page 209)	Morocco	EUR	143.74	(98.67)	108.95	63.88	44.32	(22.21)	0.22	(22.43)	(22.43)	-	-
69	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea	KRW	4.00	9.18	50.36	37.18	82.46	6.71	1.70	5.01	5.01	-	-
70	PT Tata Motors Distribusi Indonesia	Indonesia	IDR	53.84	(32.29)	55.87	34.32	12.46	(33.71)	-	(33.71)	(33.71)	-	-
<b>Details of Direct subsidiaries, on consolidated basis including their respective subsidiaries included above :</b>														
1	Tata Technologies Ltd (Note A, page 209)			43.02	1,137.66	2,225.08	1,044.40	2,355.65	337.57	64.34	273.23	273.23	90.60	502.92
2	Tata Hispano Motors Carrocera S.A. (Note B, page 209)			3.70	(686.61)	198.33	881.24	296.28	(27.23)	0.24	(27.47)	(27.47)	-	-
3	TML Holdings Pte Ltd, Singapore (Note C, page 209)**			-	-	-	-	-	-	-	-	-	-	-
4	PT Tata Motors Indonesia (Note D, page 209)			100.85	(81.30)	61.36	41.81	14.14	(45.50)	-	(45.50)	(45.50)	-	-
<b>** TML Holdings Pte Ltd, Singapore holds fully Jaguar Land Rover Automotive Plc and Tata Daewoo Commercial Vehicle Co. Ltd., the consolidated accounts of which are given below :</b>														
1	Jaguar Land Rover Automotive Plc Consolidated			14,936.65	45,229.88	155,669.13	95,502.60	188,033.64	22,962.75	5,828.21	17,134.54	17,134.54	1,490.03	11,930.28
2	Tata Daewoo Commercial Vehicle Co. Ltd.			57.35	1,331.40	3,089.76	1,701.01	4,770.30	199.92	43.85	156.07	155.99	-	2.22

**Notes:**
**Country of Incorporation**
**(A) List of Subsidiaries of Tata Technologies Ltd that have been consolidated**

1	Tata Technologies (Thailand) Ltd	Thailand
2	Tata Technologies Pte. Ltd, Singapore	Singapore
3	INCAT International Plc	UK
4	Tata Technologies Europe Ltd	UK
5	INCAT GmbH.	Germany
6	Tata Technologies Inc	USA
7	Tata Technologies de Mexico, S.A. de C.V.	Mexico
8	Tata Technologies (Canada) Inc.	Canada
9	Cambric Holdings Inc. (w.e.f. May 1, 2013)	USA
10	Cambric Corporation, Delaware (w.e.f. May 1, 2013)	USA
11	Cambric Limited, Bahama (w.e.f. May 1, 2013)	USA
12	Cambric UK Ltd. (w.e.f. May 1, 2013)	UK
13	Cambric Managed Services, Utah (w.e.f. May 1, 2013)	USA
14	Cambric GmbH (w.e.f. May 1, 2013)	Germany
15	Midwest Managed Services, Utah (w.e.f. May 1, 2013)	USA
16	Cambric Consulting SRL, Romania (w.e.f. May 1, 2013)	Romania
17	Cambric Manufacturing Technologies (Shanghai) Co. Ltd (incorporated w.e.f. March 10, 2014)	China

**(B) List of Subsidiary of Tata Hispano Motors Carrocera S.A that has been consolidated**

1	Tata Hispano Motors Carroceries Maghreb	Morocco
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**(C) List of Subsidiaries of TML Holdings Pte Ltd, Singapore that have been consolidated**

1	Tata Daewoo Commercial Vehicle Co. Ltd	South Korea
2	Tata Daewoo Commercial Vehicle Sales and Distribution Co. Ltd.	South Korea
3	Tata Motors (Thailand) Ltd	Thailand
4	Tata Motors (SA) (Proprietary) Ltd	South Africa
5	Jaguar Land Rover Automotive Plc	UK
6	Jaguar Land Rover Ltd	UK
7	Jaguar Land Rover Austria GmbH	Austria
8	Jaguar Land Rover Belux NV (formerly known as Jaguar Belux NV)	Belgium
9	Jaguar Land Rover Japan Ltd	Japan
10	Jaguar Cars South Africa (pty) Ltd	South Africa
11	JLR Nominee Company Limited (formerly known as Jaguar Land Rover Exports Ltd)	UK
12	The Daimler Motor Company Ltd	UK
13	The Jaguar Collection Ltd	UK
14	Daimler Transport Vehicles Ltd	UK
15	S.S. Cars Ltd	UK
16	The Lanchester Motor Company Ltd	UK
17	Jaguar Hispania SL (absorbed into Land Rover Espana SL w.e.f January 1, 2013)	Spain
18	Jaguar Land Rover Deutschland GmbH	Germany
19	Jaguar Land Rover Holdings Limited (formerly known as Land Rover)	UK
20	Land Rover Group Ltd	Jersey
21	Jaguar Land Rover North America LLC	USA
22	Land Rover Belux SA/NV ( merged with Jaguar Belux NV w.e.f October 1, 2013)	Belgium
23	Land Rover Ireland Ltd	Ireland
24	Jaguar Land Rover Nederland BV	Netherlands
25	Jaguar Land Rover Portugal - Veiculos e Pecas, LDA	Portugal
26	Jaguar Land Rover Australia Pty Ltd	Australia
27	Jaguar Land Rover Italia SpA	Italy
28	Jaguar Land Rover Espana SL (formerly known as Land Rover Espana SL)	Spain
29	Jaguar Land Rover Korea Co. Ltd	South Korea
30	Jaguar Land Rover Automotive Trading (Shanghai) Co. Ltd	China
31	Jaguar Land Rover Canada ULC	Canada
32	Jaguar Land Rover France, SAS	France
33	Jaguar Land Rover (South Africa) (pty) Ltd	South Africa
34	Jaguar Land Rover Brazil LLC	Brazil
35	Limited Liability Company "Jaguar Land Rover" (Russia)	Russia
36	Land Rover Parts Ltd	UK
37	Jaguar Land Rover (South Africa) Holdings Ltd.	UK
38	Jaguar Land Rover India Ltd	India

**(D) List of Subsidiary of PT Tata Motors Indonesia that has been consolidated**

1	PT Tata Motors Distribusi Indonesia	Indonesia
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# The financial statements of subsidiaries whose reporting currency are other than INR are converted into Indian Rupees on the basis of appropriate exchange rates.

\* Profit for the year is after share of minority interest and share of profit/(loss) in respect of investment in associate companies.



## LISTED SECURITIES ISSUED BY SUBSIDIARY COMPANIES DURING FY2013-14

Security	Allotted on	ISIN	Issue Size	Listed on
<b>TATA MOTORS FINANCE LIMITED</b>				
10.25% Secured Non Convertible Debentures (due 2019)	March 20, 2014	INE909H07BM9	200,000,000	WDM Segment of NSE
10.25% Secured Non Convertible Debentures (due 2017)	March 20, 2014	INE909H07BN7	440,000,000	WDM Segment of NSE
10.254% Secured Non Convertible Debentures (due 2016)	March 20, 2014	INE909H07BO5	182,000,000	WDM Segment of NSE
10.25% Secured Non Convertible Debentures (due 2016)	March 20, 2014	INE909H07BP2	400,000,000	WDM Segment of NSE
10.2598% Secured Non Convertible Debentures (due 2017)	March 20, 2014	INE909H07BS6	500,000,000	WDM Segment of NSE
10.231% Secured Non Convertible Debentures (due 2016)	March 20, 2014	INE909H07BT4	200,000,000	WDM Segment of NSE
10.2556% Secured Non Convertible Debentures (due 2019)	March 20, 2014	INE909H07BU2	50,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	March 20, 2014	INE909H07BQ0	246,307,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2019)	March 20, 2014	INE909H07BR8	210,627,170	WDM Segment of NSE
10.25% Secured Non Convertible Debentures (due 2019)	March 5, 2014	INE909H07BK3	150,000,000	WDM Segment of NSE
10.2553% Secured Non Convertible Debentures (due 2017)	March 5, 2014	INE909H07BL1	80,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	March 5, 2014	INE909H07BG1	89,738,393	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	March 5, 2014	INE909H07BH9	83,533,791	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	March 5, 2014	INE909H07BI7	98,878,865	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	March 5, 2014	INE909H07BJ5	227,590,330	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	February 21, 2014	INE909H07BD8	104,593,692	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	February 21, 2014	INE909H07BE6	561,629,600	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	February 21, 2014	INE909H07BF3	40,654,830	WDM Segment of NSE
10.20853% Secured Non Convertible Debentures (due 2016)	February 11, 2014	INE909H07BC0	500,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	January 30, 2014	INE909H07AY6	213,265,440	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	January 30, 2014	INE909H07AZ3	65,042,750	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	January 30, 2014	INE909H07BA4	630,069,750	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2017)	January 30, 2014	INE909H07BB2	240,368,400	WDM Segment of NSE
10.25% Secured Non Convertible Debentures (due 2019)	January 10, 2014	INE909H07AX8	200,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	October 30, 2013	INE909H07AW0	453,000,000	WDM Segment of NSE
10.75% Secured Non Convertible Debentures (due 2015)	September 27, 2013	INE909H07AV2	750,000,000	WDM Segment of NSE

Security	Allotted on	ISIN	Issue Size	Listed on
9.4% Secured Non Convertible Debentures (due 2016)	June 10, 2013	INE909H07AT6	2,000,000,000	WDM Segment of NSE
9.4% Secured Non Convertible Debentures (due 2016)	June 5, 2013	INE909H07AU4	2,700,000,000	WDM Segment of NSE
9.592% Secured Non Convertible Debentures (due 2015)	May 31, 2013	INE909H07AQ2	1,000,000,000	WDM Segment of NSE
9.4% Secured Non Convertible Debentures (due 2016)	May 31, 2013	INE909H07AR0	2,500,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	May 31, 2013	INE909H07AS8	262,060,800	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2016)	May 30, 2013	INE909H07AP4	500,000,000	WDM Segment of NSE
10.15% Unsecured Rated Tier II Non Convertible Debentures (due 2023)	May 28, 2013	INE909H08147	551,000,000	WDM Segment of NSE
11.03% Unsecured Rated Perpetual Debentures (due 2023)	May 28, 2013	INE909H08154	527,000,000	WDM Segment of NSE
9.565% Secured Non Convertible Debentures (due 2015)	May 27, 2013	INE909H07AO7	1,200,000,000	WDM Segment of NSE
9.85% Unsecured Rated Tier II Non Convertible Debentures (due 2023)	May 24, 2013	INE909H08170	1,000,000,000	WDM Segment of NSE
11.33% Unsecured Rated Perpetual Debentures (due 2023)	May 23, 2013	INE909H08162	223,000,000	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2015)	May 13, 2013	INE909H07AM1	500,000,000	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2015)	May 13, 2013	INE909H07AN9	250,000,000	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2016)	May 9, 2013	INE909H07AL3	750,000,000	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2015)	May 7, 2013	INE909H07AK5	250,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	May 3, 2013	INE909H07AJ7	127,497,000	WDM Segment of NSE
9.6% Secured Non Convertible Debentures (due 2015)	May 2, 2013	INE909H07AI9	1,100,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2015)	May 2, 2013	INE909H07AH1	500,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2015)	April 12, 2013	INE909H07AF5	180,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	April 12, 2013	INE909H07AE8	131,000,000	WDM Segment of NSE
Secured Non Convertible Zero Coupon Debentures (due 2016)	April 12, 2013	INE909H07AG3	40,000,000	WDM Segment of NSE
<b>Jaguar Land Rover Automotive plc</b>				
5.000% Senior Notes (due 2022)	January 31, 2014	XS1025866119 & XS51025869303	GB£400,000,000	Luxembourg Stock Exchange
4.125% Senior Notes (due 2018)	December 17, 2013	US47010BAB09 & USG5002FAA42	US\$700,000,000	Luxembourg Stock Exchange
<b>TML Holdings Pte. Ltd.</b>				
4.25% Senior Notes (due 2018)	May 16, 2013	SG56E5992953	US\$350,000,000	Singapore Stock Exchange

## Notes





**7<sup>th</sup>**

Largest manufacturer of buses globally

**8<sup>th</sup>**

Largest manufacturer of trucks in the world

**175**

Countries in which Tata Motors Group has a presence



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