

TATA MOTORS LIMITED
Condensed Balance Sheet

		(₹ in crores)	
		As at June 30, <u>2017</u>	As at March 31, <u>2017</u>
I. ASSETS	Notes		
(1) NON-CURRENT ASSETS			
(a) Property, plant and equipment	3	17,934.91	17,364.77
(b) Capital work-in-progress		1,638.52	1,870.93
(c) Goodwill		99.09	99.09
(d) Other intangible assets	4	2,905.50	2,773.69
(e) Intangible assets under development		5,447.52	5,366.03
(f) Investments in subsidiaries, joint ventures and associates	5	14,687.99	14,778.87
(g) Financial assets			
(i) Investments	7	556.37	528.37
(ii) Loans and advances	9	424.11	389.61
(iii) Other financial assets	11	200.54	196.32
(h) Non-current tax assets (net)		746.50	724.58
(i) Other non-current assets	13	1,652.44	1,856.28
		<u>46,293.49</u>	<u>45,948.54</u>
(2) CURRENT ASSETS			
(a) Inventories	15	6,525.08	5,504.42
(b) Investments in subsidiaries (held for sale)	6	90.88	-
(c) Financial assets			
(i) Investments	8	2,191.94	2,400.92
(ii) Trade receivables	16	2,166.82	2,128.00
(iii) Cash and cash equivalents	18	240.49	188.39
(iv) Bank balances other than (iii) above	19	55.79	97.67
(v) Loans and advances	10	226.05	231.35
(vi) Other financial assets	12	78.51	100.76
(d) Current tax assets (net)		0.03	129.49
(e) Other current assets	14	1,877.87	1,807.06
		<u>13,453.46</u>	<u>12,588.06</u>
TOTAL ASSETS		<u>59,746.95</u>	<u>58,536.60</u>
II. EQUITY AND LIABILITIES			
EQUITY			
(a) Equity share capital	20	679.22	679.22
(b) Other equity		19,681.59	20,129.93
		<u>20,360.81</u>	<u>20,809.15</u>
LIABILITIES			
(1) NON-CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	21	14,207.94	13,686.09
(ii) Other financial liabilities	23	1,055.13	1,123.66
(b) Provisions	25	851.06	850.71
(c) Deferred tax liabilities (net)		85.92	97.95
(d) Other non-current liabilities	27	350.76	321.24
		<u>16,550.81</u>	<u>16,079.65</u>
(2) CURRENT LIABILITIES			
(a) Financial liabilities			
(i) Borrowings	22	8,243.83	5,375.52
(ii) Trade payables		6,662.35	7,015.21
(iii) Acceptances		3,722.05	4,379.29
(iv) Other financial liabilities	24	2,127.24	2,465.14
(b) Provisions	26	452.39	467.98
(c) Current tax liabilities (net)		29.39	80.64
(d) Other current liabilities	28	1,598.08	1,864.02
		<u>22,835.33</u>	<u>21,647.80</u>
TOTAL EQUITY AND LIABILITIES		<u>59,746.95</u>	<u>58,536.60</u>

See accompanying notes to condensed financial statements

For and on behalf of the Board

In terms of our report attached

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants

C RAMAKRISHNAN
Group Chief Financial Officer

GUENTER BUTSCHEK
CEO & Managing Director

B P SHROFF
Partner

H K SETHNA
Company Secretary

S BORWANKAR
ED & Chief Operating Officer

Mumbai, August 9, 2017

Mumbai, August 9, 2017

TATA MOTORS LIMITED
Condensed Statement of Profit and Loss

		(₹ in crores)	
		Quarter ended June 30,	
Particulars	Notes	2017	2016
I. Income from operations	29	10,375.32	11,434.91
II. Other Income	30	639.93	624.55
III. Total Income (I+II)		11,015.25	12,059.46
IV. Expenses			
(a) Cost of materials consumed		6,050.71	6,783.85
(b) Purchases of products for sale		851.40	938.83
(c) Changes in inventories of finished goods, work-in-progress and products for sale		(481.90)	(836.16)
(d) Excise duty		1,280.98	1,145.19
(e) Employee benefits expense	31	888.57	898.94
(f) Finance costs	32	367.83	349.13
(g) Foreign exchange (gain)/loss (net)		(7.95)	78.82
(h) Depreciation and amortisation expense		674.78	712.24
(i) Product development/Engineering expenses		75.24	116.17
(j) Other expenses	33	1,991.32	2,081.35
(k) Amount capitalised		(208.88)	(246.77)
Total Expenses (IV)		11,482.10	12,021.59
V. Profit/(loss) before tax (III-IV)		(466.85)	37.87
VI. Tax expense/(credit) (net)			
(a) Current tax		6.65	1.77
(b) Deferred tax		(6.45)	10.35
Total tax expense/(credit)		0.20	12.12
VII. Profit/(loss) for the period from continuing operations (V-VI)		(467.05)	25.75
VIII. Other comprehensive income/(loss):			
(A) (i) Items that will not be reclassified to profit and loss:			
(a) Remeasurement gains and (losses) on defined benefit obligations (net)		5.11	1.28
(b) Equity instruments fair value through other comprehensive income		28.00	1.40
(ii) Income tax (expense)/credit relating to items that will not be reclassified to profit or loss		(1.76)	(0.55)
(B) (i) Items that will be reclassified to profit or loss - gains and (losses) in cash flow hedges		(19.32)	(5.64)
(ii) Income tax (expense)/credit relating to items that will be reclassified to profit or loss		6.68	1.96
Total other comprehensive income/(loss), net of taxes		18.71	(1.55)
IX. Total comprehensive income/(loss) for the period (VII+VIII)		(448.34)	24.20
X. Earnings per equity share (EPS)	35		
(A) Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	(1.38)	0.06
(ii) Diluted	₹	(1.38)	0.06
(B) 'A' Ordinary shares (face value of ₹ 2 each) :			
(i) Basic	₹	(1.38)	0.16
(ii) Diluted	₹	(1.38)	0.16

See accompanying notes to condensed financial statements

For and on behalf of the Board

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Chartered Accountants

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Group Chief Financial Officer

GUENTER BUTSCHEK
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Partner

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S BORWANKAR
ED & Chief Operating Officer

Mumbai, August 9, 2017

Mumbai, August 9, 2017

TATA MOTORS LIMITED
Condensed Cash Flow Statement for the period ended June 30, 2017

	(₹ in crores)	
	Quarter ended June 30,	
	<u>2017</u>	<u>2016</u>
Cash flows from operating activities:		
Profit/(loss) after tax	(467.05)	25.75
Adjustments for:		
Depreciation and amortization expense	674.78	712.24
Allowances for trade and other receivables	22.39	40.49
Inventory write down/(write back)	84.89	(25.38)
Loss on sale of assets (net) (including assets scrapped / written off)	5.34	(1.00)
Profit on sale of investments at FVTPL (net)	(20.57)	(11.56)
Marked-to-market on investments measured at Fair value through profit or loss	(1.94)	(13.19)
Tax expense	0.20	12.12
Interest/dividend (net)	(249.59)	(250.67)
Foreign exchange (gain)/loss (net)	(31.02)	116.61
	<u>484.48</u>	<u>579.66</u>
Cash flows from operating activities before changes in following assets and liabilities	17.43	605.41
Trade receivables	(61.22)	23.07
Loans and advances and other financial assets	(47.75)	4.94
Other current and non-current assets	(105.82)	(20.64)
Inventories	(1,105.55)	(1,142.47)
Trade payables and acceptances	(1,010.28)	(808.85)
Other current and non-current liabilities	(305.22)	(239.51)
Other financial liabilities	(258.51)	(671.48)
Provisions	(12.33)	(7.06)
Cash generated from operations	(2,889.25)	(2,256.59)
Income taxes credit/(paid) (net)	49.63	(20.77)
Net cash from operating activities	(2,839.62)	(2,277.36)
Cash flows from investing activities:		
Payments for property, plant and equipments	(294.12)	(567.73)
Payments for other intangible assets	(380.67)	(283.76)
Proceeds from sale of property, plant and equipments	3.94	2.14
Investments in Mutual Fund (purchased)/sold (net)	231.50	(264.99)
Investments in subsidiary companies	-	(81.12)
(Increase)/Decrease in short term inter corporate deposit	20.00	7.00
Loans to subsidiary companies	-	(0.07)
Deposits/restricted deposits with banks	-	(44.99)
Realisation of deposits/restricted deposits with banks	41.90	242.08
Interest received	35.67	33.04
Dividend received	582.28	566.96
Net cash from / (used in) investing activities	240.50	(391.44)
Cash flows from financing activities		
Proceeds from long-term borrowings	622.16	829.88
Repayment of long-term borrowings	(273.84)	(780.80)
Proceeds from short-term borrowings	3,455.44	1,372.58
Repayment of short-term borrowings	(1,419.76)	-
Net change in other short-term borrowings (with maturity up to three months)	821.98	1,966.26
Interest paid [including discounting charges paid, ₹79.75 crores (June 30, 2016 ₹84.72 crores)]	(554.55)	(542.88)
Net cash from financing activities	2,651.43	2,845.04
Net increase in cash and cash equivalents	52.31	176.24
Cash and cash equivalents as at April 1, (opening balance)	188.39	427.07
Exchange fluctuation on foreign currency bank balances	(0.21)	0.79
Cash and cash equivalents as at June 30, (closing balance)	240.49	604.10
Non-cash transactions:		
Liability towards property, plant and equipment and other intangible assets purchased on credit/deferred credit	454.20	480.50
Increase / (decrease) in liabilities arising from financing activities on account of non-cash transactions :		
Exchange differences	(20.61)	88.40
Amortization / effective interest rate adjustments of borrowings	18.38	69.79

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For and on behalf of the Board

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Mumbai, August 9, 2017

Mumbai, August 9, 2017

TATA MOTORS LIMITED
Statement of Changes in Equity for the period ended June 30, 2017

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2017	679.22
Proceeds from issue of shares	-
Balance as at June 30, 2017	<u>679.22</u>

B. Other Equity

(₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Other components of equity			Total other equity
					Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2017	19,213.93	2.28	1,085.94	(167.74)	(27.12)	11.26	11.38	20,129.93
Profit/(loss) for the period	-	-	-	(467.05)	-	-	-	(467.05)
Other comprehensive income /(loss) for the period	-	-	-	3.35	28.00	(8.68)	(3.96)	18.71
Total comprehensive income/(loss) for the period	-	-	-	(463.70)	28.00	(8.68)	(3.96)	(448.34)
Balance as at June 30, 2017	<u>19,213.93</u>	<u>2.28</u>	<u>1,085.94</u>	<u>(631.44)</u>	<u>0.88</u>	<u>2.58</u>	<u>7.42</u>	<u>19,681.59</u>

See accompanying notes to condensed financial statements

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Mumbai, August 9, 2017

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TATA MOTORS LIMITED
Statement of Changes in Equity for the period ended June 30, 2016

A. Equity Share Capital

(₹ in crores)

Particulars	Equity Share Capital
Balance as at April 1, 2016	679.18
Proceeds from issue of shares	-
Balance as at June 30, 2016	<u>679.18</u>

B. Other Equity

(₹ in crores)

Particulars	Securities premium account	Capital redemption reserve	Debenture redemption reserve	Retained earnings	Other components of equity			Total other equity
					Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2016	19,209.42	2.28	1,042.15	2,422.65	(100.96)	7.39	-	22,582.93
Profit/(loss) for the period	-	-	-	25.75	-	-	-	25.75
Other comprehensive income/(loss) for the period	-	-	-	0.73	1.40	(3.68)	-	(1.55)
Total comprehensive income/(loss) for the period	-	-	-	26.48	1.40	(3.68)	-	24.20
Balance as at June 30, 2016	<u>19,209.42</u>	<u>2.28</u>	<u>1,042.15</u>	<u>2,449.13</u>	<u>(99.56)</u>	<u>3.71</u>	<u>-</u>	<u>22,607.12</u>

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Mumbai, August 9, 2017

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Mumbai, August 9, 2017

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

1. Background and operations:

Tata Motors Limited referred to as ("the Company" or "Tata Motors"), designs, manufactures and sells a wide range of automotive vehicles. The Company also manufactures engines for industrial and marine applications.

The Company is a public limited Company incorporated and domiciled in India and has its registered office at Mumbai, India. As at June 30, 2017, Tata Sons Limited, together with its subsidiaries owns 34.58% of the Ordinary shares and 0.09% of 'A' Ordinary shares of the Company, and has the ability to significantly influence the Company's operations.

The condensed standalone financial statements were approved by the Board of Directors and authorized for issue on August 9, 2017.

2. a. Basis of preparation

The condensed standalone financial statements have been prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 on Interim Financial Reporting prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and the other accounting principles generally accepted in India. They do not include all the information and disclosures that would otherwise be required in a full set of financial statement and should be read in conjunction with the Company's standalone financial statements for the year ended March 31, 2017. In the opinion of management, all adjustments (consisting of normal recurring adjustments) necessary for a fair presentation have been included.

Joint operations

Certain of the Company's activities, are conducted through joint operations, which are joint arrangements whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. As per Ind AS 111 - Joint arrangements, in its separate financial statements, the Company being a joint operator has recognised its share of the assets, liabilities, income and expenses of these joint operations incurred jointly with the other partners, along with its share of income from the sale of the output and any assets, liabilities and expenses that it has incurred in relation to the joint operation.

Although not required by Ind AS's, the Company has provided in note 38 additional information of Tata Motors Limited on a standalone basis excluding its interest in its two Joint Operations viz. Tata Cummins Private Limited and Fiat India Automobiles Private Limited.

b. Significant accounting policies

The condensed standalone financial statements have been prepared on historical cost basis except for certain financial instruments measured at fair value.

The same accounting policies have been followed in these condensed standalone financial statements as were applied in the preparation of the Company's standalone financial statements for the year ended March 31, 2017. Income taxes are accrued using the tax rate that is expected to be applicable for the full financial year.

The results for the quarter ended June 30, 2017 are not necessarily indicative of the results that may be expected for the year ending March 31, 2018. Automotive business is seasonal in nature and sales volume and prices fluctuate during certain quarters, influenced by the demand.

c. Use of estimates and judgments

The preparation of financial statements in conformity with Ind AS requires management to make judgments, estimates and assumptions, that affect the application of accounting policies and the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the periods presented. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed at each balance sheet date. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

d. Segment

The Company is engaged mainly in the business of automobile products consisting of all types of commercial and passenger vehicles. These in the context of Ind AS 108 - operating segments reporting are considered to constitute one reportable segment.

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

3. Property, plant and equipment

	Owned assets						Given on lease		Taken on lease			(₹ in crores)	
	Land	Buildings	Plant, machinery and equipment	Furniture and fixtures	Vehicles	Computers & other IT assets	Plant, machinery and equipment	Buildings	Buildings	Plant, machinery and equipment	Computers & other IT assets	Furniture and fixtures	Total
Cost as at April 1, 2017	4,574.93	3,327.50	23,741.42	237.27	184.50	637.05	32.88	4.05	31.28	36.43	178.88	4.31	32,990.50
Additions	-	73.31	913.74	10.59	1.10	2.43	-	-	-	-	6.67	-	1,007.84
Disposal	-	-	(20.25)	(7.67)	(7.13)	(15.37)	-	-	-	-	-	-	(50.42)
Cost as at June 30, 2017	4,574.93	3,400.81	24,634.91	240.19	178.47	624.11	32.88	4.05	31.28	36.43	185.55	4.31	33,947.92
Accumulated depreciation as at April 1, 2017	-	(982.94)	(13,639.62)	(131.59)	(122.68)	(524.08)	(19.26)	(0.68)	(6.27)	(34.60)	(133.36)	(0.65)	(15,625.73)
Depreciation for the period	-	(25.18)	(381.46)	(3.21)	(5.28)	(7.96)	-	-	(0.13)	-	(2.82)	(0.22)	(426.26)
Disposal	-	-	16.33	2.76	5.50	14.39	-	-	-	-	-	-	38.98
Accumulated depreciation as at June 30, 2017	-	(1,008.12)	(14,004.75)	(132.04)	(122.46)	(517.55)	(19.26)	(0.68)	(6.40)	(34.60)	(166.18)	(0.87)	(16,013.01)
Net carrying amount as at June 30, 2017	4,574.93	2,392.69	10,630.16	108.15	56.01	106.46	13.62	3.37	24.88	1.83	19.37	3.44	17,934.91
Cost as at April 1, 2016	4,574.93	3,247.39	22,331.38	279.53	176.75	628.72	32.88	4.05	31.28	116.42	174.26	-	31,547.59
Additions	-	80.48	1,517.47	11.45	24.33	40.60	-	-	-	-	4.62	4.31	1,683.26
Disposal	-	(0.37)	(107.43)	(3.71)	(16.58)	(32.27)	-	-	-	(79.99)	-	-	(240.35)
Cost as at March 31, 2017	4,574.93	3,327.50	23,741.42	237.27	184.50	637.05	32.88	4.05	31.28	36.43	178.88	4.31	32,990.50
Accumulated depreciation as at April 1, 2016	-	(877.38)	(12,072.58)	(120.91)	(111.96)	(521.59)	(17.50)	(0.59)	(5.76)	(94.72)	(151.35)	-	(13,974.34)
Depreciation for the period	-	(105.66)	(1,661.23)	(12.47)	(24.41)	(34.75)	(1.76)	(0.09)	(0.51)	(19.87)	(12.01)	(0.65)	(1,873.41)
Disposal	-	0.10	94.19	1.79	13.69	32.26	-	-	-	79.99	-	-	222.02
Accumulated depreciation as at March 31, 2017	-	(982.94)	(13,639.62)	(131.59)	(122.68)	(524.08)	(19.26)	(0.68)	(6.27)	(34.60)	(163.36)	(0.65)	(15,625.73)
Net carrying amount as at March 31, 2017	4,574.93	2,344.56	10,101.80	105.68	61.82	112.97	13.62	3.37	25.01	1.83	15.52	3.66	17,364.77

Notes:

- a) Building include ₹8,631.00 (as at March 31, 2017 ₹8,631.00) being value of investments in shares of Co-operative Housing Societies.
b) Land includes ₹525.80 crores for which transfer of title is pending.

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

4. Other Intangible assets

				(₹ in crores)
	Technical know how	Computer Software	Product development	Total
Cost as at April 1, 2017	349.15	533.06	4,804.97	5,687.18
Additions	-	4.30	376.03	380.33
Fully amortised not in use	-	-	-	-
Cost as at June 30, 2017	349.15	537.36	5,181.00	6,067.51
Accumulated amortization as at April 1, 2017	(156.65)	(485.93)	(2,270.91)	(2,913.49)
Amortization for the period	(8.29)	(6.33)	(233.90)	(248.52)
Fully amortised not in use	-	-	-	-
Accumulated amortization as at June 30, 2017	(164.94)	(492.26)	(2,504.81)	(3,162.01)
Net carrying amount as at June 30, 2017	184.21	45.10	2,676.19	2,905.50
Cost as at April 1, 2016	348.91	513.06	6,796.77	7,658.74
Additions	0.24	20.00	445.96	466.20
Fully amortised not in use	-	-	(2,437.76)	(2,437.76)
Cost as at March 31, 2017	349.15	533.06	4,804.97	5,687.18
Accumulated amortization as at April 1, 2016	(123.45)	(459.13)	(3,672.69)	(4,255.27)
Amortization for the period	(33.20)	(26.80)	(1,035.98)	(1,095.98)
Fully amortised not in use	-	-	2,437.76	2,437.76
Accumulated amortization as at March 31, 2017	(156.65)	(485.93)	(2,270.91)	(2,913.49)
Net carrying amount as at March 31, 2017	192.50	47.13	2,534.06	2,773.69

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

5. Investments in subsidiaries, joint ventures and associates measured at cost - non-current

		(₹ in crores)			
Number	Face value per unit	Description	As at June 30, 2017	As at March 31, 2017	
Equity shares					
i) Subsidiaries					
Unquoted					
1,80,12,265	10	Tata Technologies Ltd [Note 6(1)]	133.22	224.10	
6,36,97,694	10	Concorde Motors (India) Ltd [Note 4]	109.63	109.63	
11,50,00,000	10	TAL Manufacturing Solutions Ltd	200.00	200.00	
7,70,00,000	10	TML Drivelines Ltd [Note 6]	448.85	448.85	
25,00,000	10	Tata Motors Insurance Broking and Advisory Services Ltd [Note 3]	19.31	19.31	
5,39,98,427 (GBP)	1	Tata Motors European Technical Centre PLC, (UK) [Note 2]	474.90	474.90	
7,900	-	Tata Technologies Inc, (USA)	0.63	0.63	
1,31,90,20,771	10	Tata Motors Finance Ltd	2,500.00	2,500.00	
8,67,00,000	10	Tata Marcopolo Motors Ltd	86.70	86.70	
22,50,00,000	10	TML Distribution Company Ltd	225.00	225.00	
2,51,16,59,418 (USD)	1	TML Holdings Pte Ltd, (Singapore)	10,158.52	10,158.52	
1,34,523 (EUR)	31.28	Tata Hispano Motors Carrocera S.A., (Spain)	17.97	17.97	
1,220 (IDR)	8,855	PT Tata Motors Indonesia	0.01	0.01	
2,02,000 (MAD)	1,000	Tata Hispano Motors Carroceries Maghreb S.A., (Morocco)	49.59	49.59	
1,83,59,203 (SGD)	1	Tata Precision Industries Pte. Ltd, (Singapore)	40.53	40.53	
		Trilix Srl, Turin (Italy) [Note 5]	11.94	11.94	
1,00,000 (NGN)	1	TMNL Motor Services Nigeria Ltd	- #	- #	
			14,476.80	14,567.68	
Less: Provision for Impairment of long-term investments			(214.28)	(214.28)	14,553.40
ii) Associates					
Quoted					
29,82,214	10	Automobile Corporation of Goa Ltd	108.22	108.22	
Unquoted					
16,000 (TK)	1,000	NITA Co. Ltd (Bangladesh)	1.27	1.27	
5,23,33,170	10	Tata AutoComp Systems Ltd	77.47	77.47	
4,54,28,572	10	Tata Hitachi Construction Machinery Company Private Ltd	238.50	238.50	425.46
(iii) Joint Ventures (JV)					
Unquoted					
5,000	10	JT Special Vehicle (P) Ltd	0.01	0.01	0.01
Total			14,687.99	14,778.87	

Less than ₹ 50,000

Notes:

- Market Value of quoted investments: 204.48 189.16
- The Company had given a letter of comfort to ANZ Bank, London for GBP 2 million (₹ 16.75 crores as at June 30, 2017) against loan extended by the bank to Tata Motors European Technical Centre PLC, UK (TMETC). Also the Company has given an undertaking to ANZ Bank, London to retain 51% ownership of TMETC at all times during the tenor of the loan.
- The Company has given a letter of comfort to HDFC bank amounting to ₹ 1 crore against Working Capital Facility to Tata Motors Insurance Broking and Advisory Services Limited (TMIBASL). Also the Company has given an undertaking to HDFC bank that it will not dilute its stake below 51% in TMIBASL during the tenor of the loan.
- The Company has given a letter of comfort to Tata Capital Financial Services Limited amounting to ₹ 15 crores against credit facility extended to Concorde Motors (India) Limited (CMIL). The Company will not dilute its stake in CMIL below 100% during the tenor of the facility.
- Trilix Srl, Turin (Italy) is a limited liability Company.
- The Board of Directors have approved a scheme of arrangement for merger of TML Drivelines Ltd (a wholly owned subsidiary) with the Company, effective April 1, 2017. Petitions for admissions of the scheme of arrangement for merger have been filed with the National Company Law Tribunal. Pending the required approvals, the effect of the scheme has not been given in the financial statements.

6. Investments in subsidiaries (held for sale) - carried at lower of cost or net-realizable value - current

Number	Face value per unit	Description	As at June 30, 2017	As at March 31, 2017
Equity shares				
Subsidiaries				
Unquoted				
1,22,88,335	10	Tata Technologies Limited [Note 1]	90.88	-
Total			90.88	-

Note:

- During the quarter ended June 30, 2017, the Company entered into an agreement to sell 28.6% ownership interest in its subsidiary Tata Technologies Limited ("TTL"). The sale is subject to receipt of certain regulatory approvals. Accordingly, the investment value of 28.6% shareholding in TTL has been classified as held for sale.

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

7. Investments-non-current

(₹ in crores)

<u>Number</u>	<u>Face value</u> <u>per unit</u>	<u>Description</u>	<u>As at June 30,</u> <u>2017</u>	<u>As at March 31,</u> <u>2017</u>
Investment in equity shares measured at fair value through other comprehensive income				
Quoted				
44,32,497	10	Tata Steel Ltd	241.92	213.96
70,249	10	Tata Chemicals Ltd	4.26	4.22
Unquoted				
50,000	1000	Tata International Ltd	28.85	28.85
1,383	1000	Tata Services Ltd	0.14	0.14
350	900	The Associated Building Company Ltd	0.01	0.01
1,03,10,242	100	Tata Industries Ltd	183.19	183.19
33,600	100	Kulkarni Engineering Associates Ltd	-	-
12,375	1000	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	-	-
43,26,651	15	Tata Capital Ltd	6.70	6.70
50,000	10	NICCO Jubilee Park Ltd.	0.05	0.05
Total			556.37	528.37

Note:

a) Investment in equity shares measured at fair value through other comprehensive income also include:

(Amount in ₹)

<u>Number</u>	<u>Face value</u> <u>per unit</u>	<u>Description</u>	<u>As at June 30,</u> <u>2017</u>	<u>As at March 31,</u> <u>2017</u>
20,000	10	Metal Scrap Trade Corporation Ltd.	25,000	25,000
50	5	Jamshedpur Co-operative Stores Ltd.	250	250
16,56,517 (M\$)	1	Tatab Industries Sdn. Bhd., (Malaysia)	1	1
4	25000	ICICI Money Multiplier Bond	1	1
100	10	Optel Telecommunications	1,995	1,995
200	10	Punjab Chemicals	1	1

b)

(₹ in crores)

	<u>As at June 30,</u> <u>2017</u>	<u>As at March 31,</u> <u>2017</u>
(1) Book Value of quoted investments	246.18	218.18
(2) Book Value of unquoted investments	310.19	310.19
(3) Market Value of quoted investments	246.18	218.18

8. Investments-current

(₹ in crores)

<u>Description</u>	<u>As at June 30,</u> <u>2017</u>	<u>As at March 31,</u> <u>2017</u>
Investments in Mutual funds measured at Fair value through profit and loss		
Unquoted		
Mutual funds	2,191.94	2,400.92
Total	2,191.94	2,400.92

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

		(₹ In crores)	
9. Loans and advances- non current		As at June 30, 2017	As at March 31, 2017
Unsecured :			
(a) Loans to employees		23.55	24.49
(b) Loan to subsidiaries			
Considered good	12.04	12.04	
Considered doubtful	585.75	585.75	
	597.79	597.79	
Less : Allowances for doubtful loans	(585.75)	12.04	(585.75) 12.04
(c) Dues from subsidiary companies			
Considered doubtful			
Tata Hispano Motors Carrocera S.A.	53.74	53.74	
Less : Allowances for doubtful dues	(53.74)	-	(53.74) -
(d) Deposits		65.92	67.84
(e) Others			
Considered good	322.60	285.24	
Considered doubtful	16.27	16.41	
	338.87	301.65	
Less : Allowances for doubtful loans and advances	(16.27)	322.60	(16.41) 285.24
- Total		424.11	389.61

10. Loans and advances- current		As at June 30, 2017	As at March 31, 2017
Secured :			
Finance receivables		16.87	16.19
(net of provision of ₹6.60 crores and ₹6.86 crores as at June 30, 2017 and March 31, 2017, respectively)			
Unsecured :			
(a) Advances and other receivables		85.60	81.94
(net of provision of ₹93.03 crores and ₹87.04 crores as at June 30, 2017 and March 31, 2017, respectively)			
(b) Inter corporate deposits			
Considered good	40.00	60.00	
(c) Dues from subsidiary companies (Note below)	47.99	38.83	
(d) Loan to subsidiary company (Tata Motors European Technical Centre Plc, UK)	35.59	34.39	
Total		226.05	231.35

Note:

	As at June 30, 2017	As at March 31, 2017
Dues from subsidiary companies:		
(a) TML Drivelines Ltd	20.04	16.02
(b) PT Tata Motors Indonesia	7.08	6.80
(c) Tata Motors Insurance Broking and Advisory Services Ltd	0.05	0.07
(d) Tata Motors (SA) (Proprietary) Ltd	5.25	5.17
(e) Tata Motors Nigeria Ltd	0.20	0.20
(f) PT Tata Motors Distribusi Indonesia	2.36	2.11
(g) Jaguar Land Rover Ltd	4.46	1.21
(h) Tata Daewoo Commercial Vehicle Co. Ltd	1.05	0.24
(i) Tata Motors (Thailand) Ltd	6.60	6.12
(j) Tata Motors European Technical Centre PLC	-	0.02
(k) Tata Motors Finance Ltd	0.01	0.01
(l) TML Holdings Pte Ltd	0.89	0.86
	47.99	38.83

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
11. Other financial assets - non-current		
(a) Derivative financial instruments	194.99	190.75
(b) Restricted deposits	3.92	3.94
(c) Others	1.63	1.63
Total	<u><u>200.54</u></u>	<u><u>196.32</u></u>
12. Other financial assets - current		
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
(a) Derivative financial instruments	77.61	100.36
(b) Interest accrued on loans and deposits	0.90	0.40
Total	<u><u>78.51</u></u>	<u><u>100.76</u></u>
13. Other non-current assets		
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
(a) Capital advances	324.99	558.84
(b) Taxes recoverable, statutory deposits and dues from government	1,040.54	998.39
(c) Prepaid lease rental on operating lease	128.58	128.86
(d) Others	158.33	170.19
Total	<u><u>1,652.44</u></u>	<u><u>1,856.28</u></u>
14. Other current assets		
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
(a) Advance to suppliers and contractors	245.34	236.13
(b) VAT, other taxes recoverable, statutory deposits and dues from government	1,429.71	1,435.43
(c) Prepaid expenses	127.90	104.23
(d) Others	74.92	31.27
Total	<u><u>1,877.87</u></u>	<u><u>1,807.06</u></u>

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

	(₹ In crores)	
15. Inventories	As at June 30, 2017	As at March 31, 2017
(a) Raw materials and components	1,987.87	1,511.16
(b) Work-in-progress	909.69	815.70
(c) Finished goods	3,208.91	2,821.00
(d) Stores and spare parts	176.61	166.96
(e) Consumable tools	26.70	24.35
(f) Goods-in-transit - Raw materials and components	215.30	165.25
Total	6,525.08	5,504.42

During the period ended June 30, 2017 and June 30, 2016, the Company recorded inventory write-down/(write back) expenses of ₹ 84.89 crores and ₹ (25.38) crores, respectively.

16. Trade receivables-unsecured	As at June 30, 2017	As at March 31, 2017
Considered good	2,166.82	2,128.00
Considered doubtful	709.16	693.17
	2,875.98	2,821.17
Less : Allowances for doubtful debts	(709.16)	(693.17)
Total	2,166.82	2,128.00

17. Allowance for trade receivables, loans and other receivables

	Quarter ended June 30,	
	2017	2016
Balance at the beginning	1,447.55	1,432.44
Allowances made during the period	22.39	40.49
Written off	(1.33)	(6.15)
Balance at the end	1,468.61	1,466.78

18. Cash and cash equivalents	As at June 30, 2017	As at March 31, 2017
(a) Cash on hand	0.22	0.38
(b) Cheques on hand	0.57	0.78
(c) Balances with banks (refer note below)	118.70	117.78
(d) Deposits with banks	121.00	69.45
	240.49	188.39

Note:

Includes remittances in transit	101.54	60.91
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19. Other bank balances	As at June 30, 2017	As at March 31, 2017
With upto 12 months maturity:		
(a) Earmarked balances with banks	55.72	86.60
(b) Bank deposits	0.07	11.07
Total	55.79	97.67

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

20. Equity Share Capital

	As at June 30, 2017	As at March 31, 2017
	(₹ in crores)	
(a) Authorised:		
(i) 350,00,00,000 Ordinary shares of ₹2 each (as at March 31, 2017: 350,00,00,000 Ordinary shares of ₹2 each)	700.00	700.00
(ii) 100,00,00,000 'A' Ordinary shares of ₹2 each (as at March 31, 2017: 100,00,00,000 'A' Ordinary shares of ₹2 each)	200.00	200.00
(iii) 30,00,00,000 Convertible Cumulative Preference shares of ₹100 each (as at March 31, 2017: 30,00,00,000 shares of ₹100 each)	3,000.00	3,000.00
Total	3,900.00	3,900.00
(b) Issued (Note (h)):		
(i) 288,78,43,046 Ordinary shares of ₹2 each (as at March 31, 2017: 288,78,43,046 Ordinary shares of ₹2 each)	577.57	577.57
(ii) 50,87,36,110 'A' Ordinary shares of ₹2 each (as at March 31, 2017: 50,87,36,110 'A' Ordinary shares of ₹2 each)	101.75	101.75
Total	679.32	679.32
(c) Subscribed and called up:		
(i) 288,73,48,428 Ordinary shares of ₹2 each (as at March 31, 2017: 288,73,48,428 Ordinary shares of ₹2 each)	577.47	577.47
(ii) 50,85,02,291 'A' Ordinary shares of ₹2 each (as at March 31, 2017: 50,85,02,291 'A' Ordinary shares of ₹2 each)	101.70	101.70
	679.17	679.17
(d) Calls unpaid - Ordinary shares		
310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each) (as at March 31, 2017: 310 Ordinary shares of ₹2 each (₹1 outstanding on each) and 260 Ordinary shares of ₹2 each (₹0.50 outstanding on each))	(0.00) *	(0.00)
(e) Paid-up (c+d):	679.17	679.17
(f) Forfeited - Ordinary shares	0.05	0.05
Total (e+f)	679.22	679.22
(g) The movement of number of shares and share capital		
	Quarter ended June 30, 2017	Year ended March 31, 2017
	(No. of shares)	(No. of shares)
(i) Ordinary shares		
Balance as at April 1	288,73,48,428	288,72,03,602
Add: Allotment of shares held in abeyance	-	1,44,826
Balance as at June 30 / March 31	288,73,48,428	288,73,48,428
(ii) 'A' Ordinary shares		
Balance as at April 1	50,85,02,291	50,84,76,704
Add: Allotment of shares held in abeyance	-	25,587
Balance as at June 30 / March 31	50,85,02,291	50,85,02,291

(h) The entitlements to 484,618 Ordinary shares of ₹2 each (as at March 31, 2017: 484,618 Ordinary shares of ₹2 each) and 233,819 'A' Ordinary shares of ₹2 each (as at March 31, 2017: 233,819 '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.

* amounts less than ₹ 50,000/-

TATA MOTORS LIMITED
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		(₹ in crores)	
21. Long-term borrowings		As at June 30, <u>2017</u>	As at March 31, <u>2017</u>
Secured:			
(a) Privately placed Non-Convertible Debentures		700.00	700.00
(b) Term loans:			
(i) from banks		656.59	621.57
(ii) others		133.31	130.16
(c) Finance lease obligations		12.22	9.44
		<u>1,502.12</u>	<u>1,461.17</u>
Unsecured:			
(a) Privately placed Non-Convertible Debentures		6,397.70	5,898.57
(b) Term loan from banks			
Buyer's line of credit (at floating interest rate)		1,500.00	1,500.00
(c) Senior notes		4,808.12	4,826.35
		<u>12,705.82</u>	<u>12,224.92</u>
Total		<u><u>14,207.94</u></u>	<u><u>13,686.09</u></u>
22. Short-term borrowings		As at June 30, <u>2017</u>	As at March 31, <u>2016</u>
Secured:			
Loans from banks		2,946.64	1,662.95
		<u>2,946.64</u>	<u>1,662.95</u>
Unsecured:			
(a) Loans from banks		306.18	46.33
(b) Inter corporate deposits from subsidiaries and associates		620.75	394.00
(c) Commercial paper		4,370.26	3,272.24
		<u>5,297.19</u>	<u>3,712.57</u>
Total		<u><u>8,243.83</u></u>	<u><u>5,375.52</u></u>

TATA MOTORS LIMITED
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	(₹ In crores)
	As at June 30, 2017
23. Other financial liabilities – non-current	As at March 31, 2017
(a) Derivative financial instruments	-
(b) Financial guarantee contracts	898.53
(c) Liability towards employee separation scheme	67.47
(d) Others	89.13
Total	1,055.13

	As at June 30, 2017	As at March 31, 2017
24. Other financial liabilities – current		
(a) Current maturities of long-term borrowings (refer note below)	325.96	512.37
(b) Financial guarantee contracts	850.00	1,050.00
(c) Interest accrued but not due on borrowings	370.78	449.73
(d) Liability for capital expenditure	244.56	109.94
(e) Deposits and retention money	201.52	197.83
(f) Derivative financial instruments	2.06	9.38
(g) Deferred payment liability	70.08	70.08
(h) Unpaid dividends	13.32	13.48
(i) Unpaid matured deposits and interest thereon	13.20	14.09
(j) Unpaid debentures and interest thereon	0.18	0.18
(k) Others	35.58	38.06
Total	2,127.24	2,465.14

Details of Current maturities of long-term borrowings :

	As at June 30, 2017	As at March 31, 2017
(i) Non Convertible Debentures	200.00	450.00
(ii) Current maturities of finance lease obligations	9.14	8.36
(iii) Loans from Banks	111.66	34.94
(iv) Buyers Credit (Capex)	5.16	19.07
Total	325.96	512.37

	As at June 30, 2017	As at March 31, 2017
25. Provisions-non current		
(a) Employee benefits obligations	588.98	587.51
(b) Warranty	232.65	246.54
(c) Annual maintenance contract (AMC)	29.43	16.66
Total	851.06	850.71

	As at June 30, 2017	As at March 31, 2017
26. Provisions-current		
(a) Employee benefit obligations	25.07	23.41
(b) Warranty	378.45	410.84
(c) Annual maintenance contract (AMC)	48.87	33.73
Total	452.39	467.98

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

	(₹ in crores)	
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
27. Other non-current liabilities		
(a) Deferred revenue (refer note below)	323.92	270.40
(b) Employee Benefit Obligations - Funded	9.17	42.79
(c) Others	17.67	8.05
Total	<u>350.76</u>	<u>321.24</u>
28. Other current liabilities		
	As at June 30,	As at March 31,
	<u>2017</u>	<u>2017</u>
(a) Liability for advances received	593.28	849.51
(b) Statutory dues (VAT, Excise, Service Tax, Octroi etc)	798.93	799.04
(c) Deferred revenue (refer note below)	162.32	157.65
(d) Others	43.55	57.82
Total	<u>1,598.08</u>	<u>1,864.02</u>

Note:
Deferred revenue includes ₹ 271.75 crores as at June 30, 2017 (₹ 227.92 crores as at March 31, 2017) grants relating to property, plant and equipment related to duty saved on import of capital goods and spares under the EPCG scheme. Under such scheme, the Company is committed to export prescribed times of the duty saved on import of capital goods over a specified period of time. In case such commitments are not met, the Company would be required to pay the duty saved along with interest to the regulatory authorities.

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NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

(₹ in crores)

29. Revenue From Operations

	Quarter ended June 30,	
	<u>2017</u>	<u>2016</u>
(a) Sale of products (including excise duty) (note 1 below)	10,105.97	11,192.57
(b) Sale of services	88.29	88.04
(c) Finance revenues	0.86	0.80
(d) Other operating revenues	180.20	153.50
Total	10,375.32	11,434.91

30. Other Income

	Quarter ended June 30,	
	<u>2017</u>	<u>2016</u>
(a) Interest income	35.14	32.84
(b) Dividend income (note 2 below)	582.28	566.96
(c) Profit on sale of investments at FVTPL	20.57	11.56
(d) MTM – Investments measured at FVTPL	1.94	13.19
Total	639.93	624.55

Note:

(1) Includes exchange gain/(loss) (net) on hedges reclassified from hedge reserve to statement of profit or loss	(0.06)	-
(2) Includes		
(a) Dividend from subsidiary companies & associates	557.35	568.24
(b) Exchange gain / (loss)	23.66	(1.28)

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

		(₹ in crores)	
		Quarter ended June 30,	
		<u>2017</u>	<u>2016</u>
31. Employee benefit expenses			
(a) Salaries, wages and bonus		742.37	764.11
(b) Contribution to provident fund and other funds		55.58	46.11
(c) Staff welfare expenses		90.62	88.72
Total		<u>888.57</u>	<u>898.94</u>
32. Finance costs			
		Quarter ended June 30,	
		<u>2017</u>	<u>2016</u>
(a) Interest		411.14	390.71
Less: Transferred to capital account		(127.89)	(138.17)
		<u>283.25</u>	<u>252.54</u>
(b) Discounting charges		84.58	96.59
Total		<u>367.83</u>	<u>349.13</u>
33. Other expenses			
		Quarter ended June 30,	
		<u>2017</u>	<u>2016</u>
(a) Processing charges		315.43	405.05
(b) Consumption of stores & spare parts		107.69	126.11
(c) Power and fuel		117.89	116.63
(d) Freight, transportation, port charges etc.		360.54	349.26
(e) Publicity		231.83	241.54
(f) Warranty expenses		80.01	104.74
(g) Information technology/computer expenses		201.22	166.22
(h) Allowances for trade and other receivables		22.39	40.49
(i) Works operation and other expenses		554.32	531.31
Total		<u>1,991.32</u>	<u>2,081.35</u>

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

		(₹ In crores)	
		As at June 30, 2017	As at March 31, 2017
34. Commitments and contingencies			
Description of claims and assertions where a potential loss is possible, but not probable is reported under note (1), (2) and (3) below :			
1 Claims against the Company not acknowledged as debts			
(i) Sales tax - Gross		941.88	947.61
- Net of tax		615.91	619.66
(ii) Excise duty - Gross		1,267.45	1,245.62
- Net of tax		828.81	814.54
(iii) Others - Gross		214.68	213.65
- Net of tax		140.38	139.71
(iv) Income Tax in respect of matters pending in appeal / others		81.71	145.43
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		84.38	85.47
3 Bonus pertaining to retrospective period as per notification date January 1, 2016		2.67	2.67
4 Estimated amount of contracts remaining to be executed on capital account and not provided			
(i) Tangible		1,201.80	1,493.73
(ii) Intangible		432.32	420.06
5 Purchase commitments		1,202.91	-
35. Earnings per Share ("EPS")		Period ended June 30,	
		2017	2016
(a) Profit/(loss) after tax	₹ crores	(467.05)	25.75
(b) The weighted average number of Ordinary shares for Basic EPS	Nos.	2,88,73,48,208	2,88,71,69,292
(c) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	50,85,02,291	50,84,76,704
(d) The nominal value per share (Ordinary and 'A' Ordinary)	₹	2	2
(e) Share of profit / (loss) for Ordinary shares for Basic EPS	₹ crores	(397.11)	17.57
(f) Share of profit / (loss) for 'A' Ordinary shares for Basic EPS *	₹ crores	(69.94)	8.18
(g) Earnings per Ordinary share (Basic)	₹	(1.38)	0.06
(h) Earnings per 'A' Ordinary share (Basic)	₹	(1.38)	0.16
(i) Profit after tax for Diluted EPS	₹ crores	#	25.75
(j) The weighted average number of Ordinary shares for Basic EPS	Nos.	#	2,88,71,69,292
(k) Add: Adjustment for Options relating to warrants and shares held in abeyance	Nos.	#	6,38,749
(l) The weighted average number of Ordinary shares for Diluted EPS	Nos.	#	2,88,78,08,041
(m) The weighted average number of 'A' Ordinary shares for Basic EPS	Nos.	#	50,84,76,704
(n) Add: Adjustment for 'A' Ordinary shares held in abeyance	Nos.	#	2,60,101
(o) The weighted average number of 'A' Ordinary shares for Diluted EPS	Nos.	#	50,87,36,805
(p) Share of profit for Ordinary shares for Diluted EPS	₹ crores	#	17.57
(q) Share of profit for 'A' Ordinary shares for Diluted EPS *	₹ crores	#	8.18
(r) Earnings per Ordinary share (Diluted)	₹	(1.38)	0.06
(s) Earnings per 'A' Ordinary share (Diluted)	₹	(1.38)	0.16

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

Since there is a loss for the period ended June 30, 2017, potential equity shares are not considered as dilutive and hence Diluted EPS is same as Basic EPS.

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

36. Disclosures on financial instruments

This section gives an overview of the significance of financial instruments for the Company and provides additional information on balance sheet items that contain financial instruments.

The details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognized, in respect of each class of financial asset, financial liability and equity instrument are disclosed in note 2 to the financial statements.

(a) Financial assets and liabilities

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at June 30, 2017.

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value (₹ in crores)
Financial assets		556.37	-	-	-	556.37	556.37
(a) Investments - non-current	-	-	-	-	-	-	-
(b) Investments - current	-	2,191.94	2,191.94	-	-	2,191.94	2,191.94
(c) Trade receivables	2,166.82	-	-	-	-	2,166.82	2,166.82
(d) Cash and cash equivalents	240.49	-	-	-	-	240.49	240.49
(e) Other bank balances	55.79	-	-	-	-	55.79	55.79
(f) Loans and advances - non-current	424.11	-	-	-	-	424.11	424.11
(g) Loans and advances - current	226.05	-	-	-	-	226.05	226.05
(h) Other financial assets - non-current	5.55	-	-	194.99	-	200.54	200.54
(i) Other financial assets - current	0.90	-	-	62.18	-	78.51	78.51
Total	3,119.71	556.37	2,191.94	257.17	15.43	6,140.62	6,140.62

Financial liabilities

(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	-	-	14,533.90	14,533.90	15,150.89
(b) Short-term borrowings	-	-	-	-	8,243.83	8,243.83	8,243.83
(c) Trade payables	-	-	-	-	6,662.35	6,662.35	6,662.35
(d) Acceptances	-	-	-	-	3,722.05	3,722.05	3,722.05
(e) Other financial liabilities - non-current	-	-	-	-	1,055.13	1,055.13	1,055.13
(f) Other financial liabilities - current	1.93	0.13	1,799.22	1,799.22	1,801.28	1,801.28	1,801.28
Total	1.93	0.13	36,016.48	36,016.48	36,018.54	36,018.54	36,635.53

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

The following table presents the carrying amounts and fair value of each category of financial assets and liabilities as at March 31, 2017.

	Cash, and other financial assets at amortised cost	Investments - FVTOCI	Investments - FVTPL	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Total carrying value	Total fair value (₹ in crores)
Financial assets							
(a) Investments - non-current	-	528.37	-	-	-	528.37	528.37
(b) Investments - current	-	-	2,400.92	-	-	2,400.92	2,400.92
(c) Trade receivables	2,128.00	-	-	-	-	2,128.00	2,128.00
(d) Cash and cash equivalents	188.39	-	-	-	-	188.39	188.39
(e) Other bank balances	97.67	-	-	-	-	97.67	97.67
(f) Loans and advances - non-current	389.61	-	-	-	-	389.61	389.61
(g) Loans and advances - current	231.35	-	-	-	-	231.35	231.35
(h) Other financial assets - non-current	5.57	-	-	190.75	-	196.32	196.32
(i) Other financial assets - current	0.40	-	-	65.74	34.62	100.76	100.76
Total	3,040.35	528.37	2,400.92	256.49	34.62	6,261.39	6,261.39

	Derivatives other than in hedging relationship	Derivatives in hedging relationship	Other financial liabilities	Total carrying value	Total fair value
Financial liabilities					
(a) Long-term borrowings (including Current maturities of long-term borrowings)	-	-	14,198.46	14,198.46	14,700.97
(b) Short-term borrowings	-	-	5,375.52	5,375.52	5,375.52
(c) Trade payables	-	-	7,015.21	7,015.21	7,015.21
(d) Acceptances	-	-	4,379.29	4,379.29	4,379.29
(e) Other financial liabilities - non-current	0.55	-	1,123.11	1,123.66	1,123.66
(f) Other financial liabilities - current	9.38	-	1,943.39	1,952.77	1,952.77
Total	9.93	-	34,034.98	34,044.91	34,547.42

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3, as described below.

Quoted prices in an active market (Level 1): This level of hierarchy includes financial assets that are measured by reference to quoted prices (unadjusted) in active markets for identical assets or liabilities. This category consists of quoted equity shares, quoted corporate debt instruments and mutual fund investments.

Valuation techniques with observable inputs (Level 2): This level of hierarchy includes financial assets and liabilities, measured using inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level of hierarchy include Company's over-the-counter (OTC) derivative contracts.

Valuation techniques with significant unobservable inputs (Level 3): This level of hierarchy includes financial assets and liabilities measured using inputs that are not based on observable market data (unobservable inputs). Fair values are determined in whole or in part, using a valuation model based on assumptions that are neither supported by prices from observable current market transactions in the same instrument nor are they based on available market data.

There has been no transfers between level 1, level 2 and level 3 for the periods ended June 30, 2017 and March 31, 2017.

Costs of certain unquoted equity instruments has been considered as an appropriate estimate of fair value because of a wide range of possible fair value measurements and cost represents the best estimate of fair value within that range. These investments in equity instruments are not held for trading. Instead, they are held for medium or long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments at FVTOCI as the directors believes this provides a more meaningful presentation for medium or long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

Derivatives are fair valued using market observable rates and published prices together with forecast cash flow information where applicable.

(₹ in crores)				
As at June 30, 2017				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	2,438.12	-	310.19	2,748.31
(b) Derivative assets	-	272.60	-	272.60
Total	2,438.12	272.60	310.19	3,020.91
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	2.06	-	2.06
Total	-	2.06	-	2.06
As at March 31, 2017				
	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value				
(a) Investments	2,619.10	-	310.19	2,929.29
(b) Derivative assets	-	291.11	-	291.11
Total	2,619.10	291.11	310.19	3,220.40
Financial liabilities measured at fair value				
(a) Derivative liabilities	-	9.93	-	9.93
Total	-	9.93	-	9.93

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

The following table provides an analysis of fair value of financial instruments that are not measured at fair value on recurring basis, grouped into Level 1 to Level 3 categories:

	As at June 30, 2017			(₹ in crores)
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	5,091.52	10,059.37	-	15,150.89
(b) Short-term borrowings	-	8,243.83	-	8,243.83
Total	<u>5,091.52</u>	<u>18,303.20</u>	<u>-</u>	<u>23,394.72</u>

	As at March 31, 2017			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial liabilities not measured at fair value				
(a) Long-term borrowings (including Current maturities of long-term borrowings)	5,047.12	9,653.85	-	14,700.97
(b) Short-term borrowings	-	5,375.52	-	5,375.52
Total	<u>5,047.12</u>	<u>15,029.37</u>	<u>-</u>	<u>20,076.49</u>

The short-term financial assets and liabilities are stated at amortized cost which is approximately equal to their fair value.

The fair value of borrowings which have a quoted market price in an active market is based on its market price and for other borrowings the fair value is estimated by discounting expected future cash flows, using a discount rate equivalent to the risk-free rate of return, adjusted for the credit spread considered by the lenders for instruments of similar maturity.

Management uses its best judgment in estimating the fair value of its financial instruments. However, there are inherent limitations in any estimation technique. Therefore, substantially for all financial instruments, the fair value estimates presented above are not necessarily indicative of all the amounts that the Company could have realized or paid in sale transactions as of respective dates. As such, the fair value of the financial instruments subsequent to the respective reporting dates may be different from the amounts reported at each year end.

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

37. Related-party transactions

The Company's related parties principally consist of subsidiaries, joint operations, associates and their subsidiaries, Tata Sons Limited, subsidiaries and joint ventures of Tata Sons Limited. The Company routinely enters into transactions with these related parties in the ordinary course of business. The Company enters into transactions for sale and purchase of products and services with its related parties.

The following table summarizes related-party transactions and balances for the period ended/as at June 30, 2017:

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd, its subsidiaries and joint ventures	(₹ in crores) Total
Purchase of products	265.67	410.32	444.21	32.10	1,152.30
Sale of products	1,449.32	43.55	26.34	84.30	1,603.51
Services received	497.47	-	2.89	52.58	552.94
Services rendered	82.84	3.85	4.36	1.02	92.07
Bills discounted	-	-	-	681.83	681.83
Purchase / sale of property, plant and equipment	(0.05)	-	26.33	-	26.28
Interest (income)/expense, dividend (income)/paid, net	(549.62)	0.01	(1.63)	1.69	(549.55)
Amounts receivable in respect of loans and interest thereon	674.20	-	-	-	674.20
Amounts payable in respect of loans and interest thereon	512.75	-	108.00	1.02	621.77
Trade and other receivables	316.91	0.06	35.02	32.95	384.94
Trade payables	712.56	75.20	58.20	56.12	902.08
Finance given, taken back (including loans and equity)	20.00	-	-	-	20.00
Finance taken, paid back (including loans and equity)	1,089.75	-	82.00	-	1,171.75
Assets / deposits given as security	2,502.35	-	-	3.00	2,505.35
Deposit taken as security	3.31	-	-	-	3.31
Provision for amount receivable (including loans)	639.49	-	-	-	639.49

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

The following table summarizes related-party transactions and balances for the period ended June 30, 2016:

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd, its subsidiaries and joint ventures	(₹ in crores) Total
Purchase of products	275.06	519.52	484.37	32.17	1,311.12
Sale of products	909.57	69.25	46.26	87.63	1,112.71
Services received	624.72	0.08	1.11	62.58	688.49
Services rendered	63.38	1.02	3.36	1.41	69.17
Bills discounted	-	-	-	813.59	813.59
Purchase of property, plant and equipment	32.67	-	7.09	-	39.76
Interest (income)/expense, dividend (income)/paid; net	(560.29)	(2.35)	0.56	7.34	(554.74)
Finance given, taken back (including loans and equity)	7.00	-	-	-	7.00
Finance taken, paid back (including loans and equity)	960.95	-	2.00	-	962.95

The following table summarizes related-party balances as at March 31, 2017 :

	Subsidiaries	Joint Operations	Associates and its subsidiaries	Tata Sons Ltd, its subsidiaries and joint ventures	(₹ in crores) Total
Amounts receivable in respect of loans and interest thereon	692.48	-	-	5.33	697.81
Amounts payable in respect of loans and interest thereon	338.00	-	56.00	0.64	394.64
Trade and other receivables	247.06	-	46.26	36.14	329.46
Trade payables	1,013.33	123.96	39.63	49.55	1,226.47
Assets / deposits given as security	2,502.35	-	-	3.00	2,505.35
Deposit taken as security	3.31	-	-	-	3.31
Provision for amount receivable (including loans)	639.49	-	-	-	639.49

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

38. Additional Information

The financial statements include the Company's proportionate share of assets, liabilities, income and expenditure in its two Joint Operations, namely Tata Cummins Private Limited and Fiat India Automobile Private Limited. Below are supplementary details of Tata Motors Limited on standalone basis excluding interest in the aforesaid two Joint Operations:

A. Balance Sheet

	As at June 30, 2017	As at March 31, 2017
	(₹ In crores)	
I. ASSETS		
(1) NON-CURRENT ASSETS		
(a) Property, plant and equipment	15,739.75	15,792.78
(b) Capital work-in-progress	1,602.69	1,458.75
(c) Other intangible assets	2,826.19	2,720.93
(d) Intangible assets under development	5,438.21	5,328.15
(e) Investments in subsidiaries, joint arrangements and associates	16,345.03	16,435.91
(f) Financial assets		
(i) Investments	556.37	528.37
(ii) Loans and advances	423.56	388.86
(iii) Other financial assets	198.91	190.54
(g) Non-current tax assets (net)	699.56	674.04
(h) Other non-current assets	1,477.24	1,534.09
	<u>45,307.51</u>	<u>45,052.42</u>
(2) CURRENT ASSETS		
(a) Inventories	5,949.51	5,136.99
(b) Investments in subsidiaries (held for sale)	90.88	-
(c) Financial assets		
(i) Investments	2,191.94	2,400.92
(ii) Trade receivables	1,914.03	1,922.88
(iii) Cash and cash equivalents	107.74	109.34
(iv) Bank balances other than (iii) above	49.03	86.67
(v) Loans and advances	225.79	231.03
(vi) Other financial assets	78.47	100.69
(d) Current tax assets (net)	0.03	129.49
(e) Other current assets	1,418.55	1,395.46
	<u>12,025.97</u>	<u>11,513.47</u>
TOTAL ASSETS	<u>57,333.48</u>	<u>56,565.89</u>
II. EQUITY AND LIABILITIES		
EQUITY		
(a) Equity share capital	679.22	679.22
(b) Other equity	19,379.68	19,874.55
	<u>20,058.90</u>	<u>20,553.77</u>
LIABILITIES		
(1) NON-CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	13,551.35	13,064.52
(ii) Other financial liabilities	1,055.13	1,123.11
(b) Provisions	820.32	822.85
(c) Other non-current liabilities	63.31	86.61
	<u>15,490.11</u>	<u>15,097.09</u>
(2) CURRENT LIABILITIES		
(a) Financial liabilities		
(i) Borrowings	7,836.28	5,049.20
(ii) Trade payables	6,348.08	6,782.99
(iii) Acceptances	3,722.05	4,379.29
(iv) Other financial liabilities	1,892.79	2,365.30
(b) Provisions	415.41	435.24
(c) Current tax liabilities (net)	22.46	67.02
(d) Other current liabilities	1,547.40	1,835.99
	<u>21,784.47</u>	<u>20,915.03</u>
TOTAL EQUITY AND LIABILITIES	<u>57,333.48</u>	<u>56,565.89</u>

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

B. Statement of Profit and Loss

		(₹ in crores)	
		Quarter ended June 30,	
Particulars		2017	2016
I.	Income from operations	10,125.08	11,266.73
II.	Other Income	637.13	625.17
III.	Total Income (I+II)	10,762.21	11,891.90
IV.	Expenses		
(a)	Cost of materials consumed	5,968.41	6,732.07
(b)	Purchases of products for sale	903.03	1,038.04
(c)	Changes in inventories of finished goods, work-in-progress and products for sale	(417.01)	(826.27)
(d)	Excise duty	1,204.87	1,091.20
(e)	Employee benefits expense	843.49	862.71
(f)	Finance costs	359.61	337.11
(g)	Foreign exchange (gain)/loss (net)	(12.26)	74.79
(h)	Depreciation and amortisation expense	624.01	669.30
(i)	Product development/Engineering expenses	74.85	115.49
(j)	Other expenses	1,929.00	2,027.15
(k)	Amount capitalised	(208.88)	(246.77)
	Total Expenses (IV)	11,269.12	11,874.82
V.	Profit/(loss) before tax (III-IV)	(506.91)	17.08
VI.	Tax expense (net)		
(a)	Current tax	2.81	-
(b)	Deferred tax	4.55	1.81
	Total tax expense	7.36	1.81
VII.	Profit/(loss) for the period from continuing operations (V-VI)	(514.27)	15.27
VIII.	Other comprehensive income/(loss):		
(A) (i)	Items that will not be reclassified to profit and loss:		
(a)	Remeasurement gains and (losses) on defined benefit obligations (net)	6.17	0.41
(b)	Quoted equity instruments through other comprehensive income	28.00	1.40
(ii)	Income tax relating to items that will not be reclassified to profit and loss	(2.13)	(0.14)
(B) (i)	Items that will be reclassified to profit and loss - gains and (losses) in cash flow hedges	(19.32)	(5.64)
(ii)	Income tax relating to items that will be reclassified to profit and loss	6.68	1.96
	Total other comprehensive income/(loss), net of taxes	19.40	(2.01)
IX.	Total comprehensive income/(loss) for the period (VII+VIII)	(494.87)	13.26
X.	Earnings per equity share (EPS)		
(a)	Ordinary shares:		
(i)	Basic	₹ (1.51)	0.03
(ii)	Diluted	₹ (1.51)	0.03
(b)	'A' Ordinary shares:		
(i)	Basic	₹ (1.51)	0.13
(ii)	Diluted	₹ (1.51)	0.13

TATA MOTORS LIMITED

C. Statement of Changes in Equity for the period ended June 30, 2017

(ii) Equity Share Capital

Particulars	(₹ In crores)
Equity Share Capital	679.22
Balance as at April 1, 2017	-
Proceeds from issue of shares	679.22
Balance as at June 30, 2017	-

(ii) Other Equity

Particulars	Securities premium account	Capital redemption reserve	Debt redemption reserve	Retained earnings		Other components of equity (OCI)			Total other equity
				Undistributable (Ind AS 101)	Distributable	Equity instruments through OCI	Hedging reserve	Cost of hedging reserve	
Balance as at April 1, 2017	19,213.93	2.28	1,085.94	709.36	(1,132.48)	(27.12)	11.26	11.38	19,874.55
Profit/(loss) for the period	-	-	-	-	(514.27)	-	-	-	(514.27)
Other comprehensive income/(loss) for the period	-	-	-	-	4.04	28.00	(8.68)	(3.96)	19.40
Total comprehensive income/(loss) for the period	-	-	-	-	(510.23)	28.00	(8.68)	(3.96)	(494.87)
Balance as at June 30, 2017	19,213.93	2.28	1,085.94	709.36	(1,642.71)	0.88	2.58	7.42	19,379.68

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

D. Statement of Changes in Equity for the period ended June 30, 2016

i) Equity Share Capital

Particulars	Equity Share Capital (₹ in crores)
Balance as at April 1, 2016	679.18
Proceeds from issue of shares	-
Balance as at June 30, 2016	679.18

ii) Other Equity

Particulars	Securities premium account	Capital redemption reserve	Debt redemption reserve	Undistributable (Ind AS 101)	Retained earnings Distributable	Other components of equity (OCI)			Total other equity (₹ in crores)
						Equity Instruments through OCI	Hedging reserve	Cost of Hedging reserve	
Balance as at April 1, 2016	19,209.42	2.28	1,042.15	709.36	1,572.34	(100.96)	7.39	-	22,441.98
Profit/(loss) for the period	-	-	-	-	15.27	-	-	-	15.27
Other comprehensive income/(loss) for the period	-	-	-	-	0.27	1.40	(3.68)	-	(2.01)
Total comprehensive income/(loss) for the period	-	-	-	-	15.54	1.40	(3.68)	-	13.26
Balance as at June 30, 2016	19,209.42	2.28	1,042.15	709.36	1,587.88	(99.56)	3.71	-	22,455.24

TATA MOTORS LIMITED
NOTES FORMING PART OF CONDENSED FINANCIAL STATEMENTS

39. Other notes

- (a) During the quarter ended March 31, 2017, the Company reviewed the presentation of the foreign exchange gain/(loss) due to continued increase in hedging activity and volatility in foreign exchange rates. Accordingly, it was considered to present foreign exchange gain/(loss) relating to hedges with underlying hedged items. Foreign exchange gain/(loss) unrelated to hedging are presented separately in the Statement of Profit and Loss. Figures of quarter ended June 30, 2016 have been regrouped accordingly. There is no impact upon the reported profit/(loss).
- (b) Current period figures are shown in bold prints. Previous period figures have been regrouped/reclassified wherever necessary to correspond with the current period classification/disclosure.

For and on behalf of the Board

C RAMAKRISHNAN
Group Chief Financial Officer

GUENTER BUTSCHEK
CEO & Managing Director

H K SETHNA
Company Secretary

S BORWANKAR
ED & Chief Operating Officer

Mumbai, August 9, 2017